



November 9, 2020

Honorable Mike Causey
Commissioner of Insurance
NC Department of Insurance
Property & Casualty
Albemarle Building
325 N. Salisbury Street
Raleigh NC 27603-5926

Re: Revision of Homeowners Insurance Rates

Dear Commissioner Causey,

Enclosed herewith for filing on behalf of all member companies of the North Carolina Rate Bureau are revised premium rates for homeowners insurance subject to the jurisdiction of the Rate Bureau.

The enclosed memoranda and exhibits set forth and explain the calculations for needed rate level changes that have been capped by territory to produce an overall statewide average rate level change of +24.5%. The filing shows the filed rate levels varying by territory and policy form within the state, the filed windstorm and hail exclusion credits, and the filed wind only rate levels. In addition, proposed rating factor changes for Age of Construction are included with this filing.

The foregoing changes were calculated based on rates currently in force and reflect consideration duly given to data for the experience period set forth herein. Ratios in the filing relating to expense experience were developed from special calls issued by the Rate Bureau. In preparing this filing, due consideration has been given to the factors specified in G.S. 58-36-10(2).

Information and statistical data required pursuant to G.S. 58-36-15 and 11 NCAC 10.1105 are

shown and referenced in Section E. Additionally, the pre-filed testimony of (a) Matthew Berry - Chairman, Property Rating Subcommittee; (b) Paul Ericksen – Insurance Services Office; (c) Paul Anderson - Milliman USA; (d) Minchong Mao, Aon; (e) Stephen Fiete, Aon; (f) Dr. James Vander Weide – Financial Strategy Associates; and (g) Dr. George Zanjani – University of Alabama, are submitted herewith.

The revised rates are to become effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after August 1, 2021.

Your approval of this filing is respectfully requested.

Sincerely,

A handwritten signature in black ink that reads "Joanna Biliouris". The signature is written in a cursive, flowing style.

Joanna Biliouris
Chief Operating Officer

JB:ko
Enclosures

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION A - SUMMARY OF REVISION

Statewide Rate Level Changes A-2
Indicated and Filed Rate Level Changes by Territory A-3
Calculation of Filed Base Rates by Territory A-4
Determination of Rates to be Charged Individual Insureds A-5

NORTH CAROLINA
HOMEOWNERS INSURANCE
STATEWIDE RATE LEVEL CHANGES

| <u>Form</u> | <u>Latest-Year Earned Premium^(a)</u> | <u>Indicated Change</u> | <u>Filed Change^(b)</u> |
|--------------------------------|---|-----------------------------|---------------------------------------|
| Owners | \$2,161,073,789 | +39.0% | +24.6% |
| Tenants | \$76,318,464 | +23.6% | +21.6% |
| <u>Condominium Unit Owners</u> | <u>\$31,251,398</u> | <u>+51.4%</u> | <u>+25.0%</u> |
| All Forms | \$2,268,643,651 | +38.7% | +24.5% |

^(a) Year-ending 12/31/2018 Aggregate Calculated Earned Premium at Current Level.
These values also appear on page A-3.

^(b) The statewide filed changes are the result of weighting the territory filed changes shown on page A-3.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

| Territory | Latest-Year Earned Premium | | | Indicated Rate Level Change | | | Filed Rate Level Change ^(a) | | |
|-----------|----------------------------|--------------|----------------------------|-----------------------------|---------|----------------------------|--|------------------------|---|
| | Owners | Tenants | Condominium Unit Owners | Owners | Tenants | Condominium Unit Owners | Owners ^(b) | Tenants ^(b) | Condominium Unit Owners ^(b) |
| 110 | \$53,517,212 | \$150,421 | \$183,607 | +46.8% | +10.6% | +23.4% | +25.0% | +10.6% | +23.4% |
| 120 | \$65,619,354 | \$781,190 | \$1,569,079 | +63.8% | +38.3% | +36.3% | +25.0% | +25.0% | +25.0% |
| 130 | \$26,420,075 | \$154,235 | \$128,998 | +28.6% | +21.3% | +36.4% | +25.0% | +21.3% | +25.0% |
| 140 | \$208,409,374 | \$4,136,024 | \$3,647,990 | +46.3% | +33.9% | +52.3% | +25.0% | +25.0% | +25.0% |
| 150 | \$72,697,310 | \$1,045,882 | \$299,726 | +15.0% | +29.8% | +37.9% | +15.0% | +25.0% | +25.0% |
| 160 | \$57,396,462 | \$1,465,046 | \$643,484 | +29.2% | +30.9% | +49.5% | +25.0% | +25.0% | +25.0% |
| 170 | \$4,026,923 | \$91,785 | \$0 | +33.0% | +14.8% | +36.6% | +25.0% | +14.8% | +25.0% |
| 180 | \$55,626,654 | \$2,214,631 | \$298,883 | +54.2% | +26.2% | +44.1% | +25.0% | +25.0% | +25.0% |
| 190 | \$16,257,157 | \$341,057 | \$8,847 | +60.2% | +24.1% | +42.3% | +25.0% | +24.1% | +25.0% |
| 200 | \$9,085,987 | \$120,688 | \$474 | +53.9% | +19.2% | +52.9% | +25.0% | +19.2% | +25.0% |
| 210 | \$19,664,841 | \$654,547 | \$24,914 | +51.6% | +16.3% | +40.7% | +25.0% | +16.3% | +25.0% |
| 220 | \$63,361,515 | \$2,510,571 | \$464,665 | +43.1% | +24.0% | +70.7% | +25.0% | +24.0% | +25.0% |
| 230 | \$16,804,108 | \$375,603 | \$20,477 | +47.2% | +46.4% | +48.9% | +25.0% | +25.0% | +25.0% |
| 240 | \$80,783,298 | \$1,836,573 | \$115,732 | +32.2% | +8.0% | +39.8% | +25.0% | +8.0% | +25.0% |
| 250 | \$37,195,458 | \$756,202 | \$32,904 | +32.6% | +23.1% | +46.9% | +25.0% | +23.1% | +25.0% |
| 260 | \$25,612,690 | \$650,252 | \$5,818 | +35.0% | +11.8% | +44.1% | +25.0% | +11.8% | +25.0% |
| 270 | \$299,889,409 | \$16,751,390 | \$4,976,914 | +40.5% | +28.6% | +61.9% | +25.0% | +25.0% | +25.0% |
| 280 | \$46,551,767 | \$2,036,191 | \$866,411 | +30.0% | +27.4% | +56.2% | +25.0% | +25.0% | +25.0% |
| 290 | \$37,920,799 | \$813,180 | \$386,140 | +28.5% | +15.8% | +42.4% | +25.0% | +15.8% | +25.0% |
| 300 | \$13,197,791 | \$229,246 | \$8,417 | +33.0% | +16.9% | +47.7% | +25.0% | +16.9% | +25.0% |
| 310 | \$214,521,773 | \$10,679,766 | \$2,991,345 | +43.2% | +19.6% | +60.4% | +25.0% | +19.6% | +25.0% |
| 320 | \$115,556,144 | \$3,143,438 | \$637,024 | +31.1% | +26.8% | +67.8% | +25.0% | +25.0% | +25.0% |
| 330 | \$5,861,585 | \$102,515 | \$10,238 | +33.6% | +17.7% | +44.2% | +25.0% | +17.7% | +25.0% |
| 340 | \$285,666,289 | \$17,766,623 | \$9,931,585 | +44.1% | +18.5% | +51.4% | +25.0% | +18.5% | +25.0% |
| 350 | \$81,696,029 | \$2,009,699 | \$559,323 | +34.0% | +18.1% | +37.7% | +25.0% | +18.1% | +25.0% |
| 360 | \$162,772,954 | \$4,364,773 | \$2,425,356 | +28.5% | +27.7% | +32.2% | +25.0% | +25.0% | +25.0% |
| 370 | \$11,123,029 | \$114,517 | \$456,526 | +37.3% | +14.5% | +43.3% | +25.0% | +14.5% | +25.0% |
| 380 | \$32,747,341 | \$529,283 | \$281,515 | +33.1% | +12.1% | +37.2% | +25.0% | +12.1% | +25.0% |
| 390 | \$41,090,461 | \$493,136 | \$275,006 | +23.0% | +24.3% | +47.3% | +23.0% | +24.3% | +25.0% |
| Statewide | \$2,161,073,789 | \$76,318,464 | \$31,251,398 | +39.0% | +23.6% | +51.4% | +24.6% | +21.6% | +25.0% |

^(a) The statewide filed change is the result of weighting the territory filed changes. The territory weights are the year-ending 12/31/2018 Aggregate Calculated Earned Premium at Current Level.

^(b) The indicated rate level changes were capped at +25% for all forms and territories.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CURRENT AND FILED BASE RATES ^(a)

| Territory | (1) Current Manual Rate | | | (2) Filed Rate Level Change ^(b) | | | (3) Off-Balance Factor ^(c) | | | (4) =(1) x (2) / (3) Filed Rate | | |
|-----------|----------------------------|---------|----------------------------|---|---------|----------------------------|--|---------|----------------------------|---------------------------------------|---------|----------------------------|
| | Owners | Tenants | Condominium Unit Owners | Owners | Tenants | Condominium Unit Owners | Owners | Tenants | Condominium Unit Owners | Owners | Tenants | Condominium Unit Owners |
| | 110 | \$2,617 | \$124 | \$102 | 1.250 | 1.106 | 1.234 | 0.989 | 1.000 | 1.000 | \$3,308 | \$137 |
| 120 | \$3,068 | \$141 | \$125 | 1.250 | 1.250 | 1.250 | 0.984 | 1.000 | 1.000 | \$3,897 | \$176 | \$156 |
| 130 | \$1,584 | \$79 | \$79 | 1.250 | 1.213 | 1.250 | 0.981 | 1.000 | 1.000 | \$2,018 | \$96 | \$99 |
| 140 | \$2,138 | \$96 | \$86 | 1.250 | 1.250 | 1.250 | 0.978 | 1.000 | 1.000 | \$2,733 | \$120 | \$108 |
| 150 | \$1,310 | \$60 | \$59 | 1.150 | 1.250 | 1.250 | 0.983 | 1.000 | 1.000 | \$1,533 | \$75 | \$74 |
| 160 | \$1,423 | \$76 | \$64 | 1.250 | 1.250 | 1.250 | 0.969 | 1.000 | 1.000 | \$1,836 | \$95 | \$80 |
| 170 | \$803 | \$56 | \$52 | 1.250 | 1.148 | 1.250 | 0.985 | 1.000 | 1.000 | \$1,019 | \$64 | \$65 |
| 180 | \$939 | \$60 | \$55 | 1.250 | 1.250 | 1.250 | 0.984 | 1.000 | 1.000 | \$1,193 | \$75 | \$69 |
| 190 | \$1,166 | \$63 | \$58 | 1.250 | 1.241 | 1.250 | 0.989 | 1.000 | 1.000 | \$1,474 | \$78 | \$73 |
| 200 | \$1,273 | \$67 | \$64 | 1.250 | 1.192 | 1.250 | 0.989 | 1.000 | 1.000 | \$1,609 | \$80 | \$80 |
| 210 | \$868 | \$60 | \$53 | 1.250 | 1.163 | 1.250 | 0.990 | 1.000 | 1.000 | \$1,096 | \$70 | \$66 |
| 220 | \$1,012 | \$79 | \$54 | 1.250 | 1.240 | 1.250 | 0.983 | 1.000 | 1.000 | \$1,287 | \$98 | \$68 |
| 230 | \$1,135 | \$61 | \$57 | 1.250 | 1.250 | 1.250 | 0.989 | 1.000 | 1.000 | \$1,435 | \$76 | \$71 |
| 240 | \$836 | \$60 | \$50 | 1.250 | 1.080 | 1.250 | 0.977 | 1.000 | 1.000 | \$1,070 | \$65 | \$63 |
| 250 | \$947 | \$58 | \$49 | 1.250 | 1.231 | 1.250 | 0.970 | 1.000 | 1.000 | \$1,220 | \$71 | \$61 |
| 260 | \$627 | \$59 | \$49 | 1.250 | 1.118 | 1.250 | 0.982 | 1.000 | 1.000 | \$798 | \$66 | \$61 |
| 270 | \$708 | \$50 | \$55 | 1.250 | 1.250 | 1.250 | 0.977 | 1.000 | 1.000 | \$906 | \$63 | \$69 |
| 280 | \$622 | \$45 | \$41 | 1.250 | 1.250 | 1.250 | 0.979 | 1.000 | 1.000 | \$794 | \$56 | \$51 |
| 290 | \$772 | \$51 | \$50 | 1.250 | 1.158 | 1.250 | 0.981 | 1.000 | 1.000 | \$984 | \$59 | \$63 |
| 300 | \$827 | \$53 | \$49 | 1.250 | 1.169 | 1.250 | 0.991 | 1.000 | 1.000 | \$1,043 | \$62 | \$61 |
| 310 | \$637 | \$54 | \$43 | 1.250 | 1.196 | 1.250 | 0.987 | 1.000 | 1.000 | \$807 | \$65 | \$54 |
| 320 | \$711 | \$51 | \$44 | 1.250 | 1.250 | 1.250 | 0.984 | 1.000 | 1.000 | \$903 | \$64 | \$55 |
| 330 | \$594 | \$48 | \$48 | 1.250 | 1.177 | 1.250 | 0.990 | 1.000 | 1.000 | \$750 | \$56 | \$60 |
| 340 | \$621 | \$57 | \$47 | 1.250 | 1.185 | 1.250 | 0.981 | 1.000 | 1.000 | \$791 | \$68 | \$59 |
| 350 | \$660 | \$50 | \$46 | 1.250 | 1.181 | 1.250 | 0.985 | 1.000 | 1.000 | \$838 | \$59 | \$58 |
| 360 | \$571 | \$39 | \$37 | 1.250 | 1.250 | 1.250 | 0.985 | 1.000 | 1.000 | \$725 | \$49 | \$46 |
| 370 | \$621 | \$45 | \$48 | 1.250 | 1.145 | 1.250 | 0.986 | 1.000 | 1.000 | \$787 | \$52 | \$60 |
| 380 | \$577 | \$45 | \$46 | 1.250 | 1.121 | 1.250 | 0.985 | 1.000 | 1.000 | \$732 | \$50 | \$58 |
| 390 | \$588 | \$46 | \$47 | 1.230 | 1.243 | 1.250 | 0.983 | 1.000 | 1.000 | \$736 | \$57 | \$59 |
| Statewide | \$816 | \$55 | \$52 | 1.246 | 1.216 | 1.250 | 0.982 | 1.000 | 1.000 | \$1,035 | \$67 | \$65 |

^(a) The Base Class for Owners is Protection Class 5, Frame construction, \$200,000 Coverage A and a \$1,000 deductible.
The Base Class for Tenants and Condominium Unit Owners is Protection Class 5, Frame construction, \$10,000 Coverage C and a \$500 deductible.

^(b) The indicated rate level changes were capped at 1.250 for all forms and territories.

^(c) The off-balance factors are applied to implement the proposed Age of Construction relativities on a revenue-neutral basis.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSUREDS

The filed base rates by territory are shown on page A-4. These are the filed manual rates for the classification carrying a unity differential. The revised rates for the remaining classifications are determined by applying the established classification rate differentials to the base rates by territory.

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION B - MATERIAL TO BE IMPLEMENTED

| | |
|--|-------|
| Revised Rules | B-2 |
| Homeowners Policy Program Changes | B-3-7 |
| Base Class Premium Table | B-3 |
| Wind Exclusion Credits..... | B-4 |
| Windstorm Loss Mitigation Credits | B-5-6 |
| Age of Construction Credits | B-7 |
| Windstorm and Hail Policy Program Changes..... | B-8 |
| Base Class Premium Table..... | B-8 |

NORTH CAROLINA
HOMEOWNERS INSURANCE
REVISED RULES

1. The Base Class Premium table has been revised to reflect the filed rates. See page B-3 for the Base Class Premium table.
2. The Wind Exclusion credits have been revised to reflect the filed rates. See page B-4 for the Windstorm or Hail Exclusion Credit tables.
3. The Wind Mitigation credits have been revised to reflect the filed rates. See pages B-5-6 for the Windstorm Loss Mitigation Credit tables.
4. The wording and factors in Rule A5. Year of Construction - Newly Constructed Dwellings - All Forms Except HO 00 04 and HO 00 06 have been revised. See page B-7 for the revised rule.
5. The Base Class Premiums for the Windstorm and Hail Policy Manual Supplement have been revised to reflect the filed rates. See page B-8 for the manual supplement corresponding to this revision.

NORTH CAROLINA

HOMEOWNERS INSURANCE

**HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES**

**RULE 301.
BASE PREMIUM COMPUTATION**

Base Class Premium Table

| TERRITORY | HO 00 03 | HO 00 04 | HO 00 06 |
|------------------|-----------------|-----------------|-----------------|
| 110 | 3,308 | 137 | 126 |
| 120 | 3,897 | 176 | 156 |
| 130 | 2,018 | 96 | 99 |
| 140 | 2,733 | 120 | 108 |
| 150 | 1,533 | 75 | 74 |
| 160 | 1,836 | 95 | 80 |
| 170 | 1,019 | 64 | 65 |
| 180 | 1,193 | 75 | 69 |
| 190 | 1,474 | 78 | 73 |
| 200 | 1,609 | 80 | 80 |
| 210 | 1,096 | 70 | 66 |
| 220 | 1,287 | 98 | 68 |
| 230 | 1,435 | 76 | 71 |
| 240 | 1,070 | 65 | 63 |
| 250 | 1,220 | 71 | 61 |
| 260 | 798 | 66 | 61 |
| 270 | 906 | 63 | 69 |
| 280 | 794 | 56 | 51 |
| 290 | 984 | 59 | 63 |
| 300 | 1,043 | 62 | 61 |
| 310 | 807 | 65 | 54 |
| 320 | 903 | 64 | 55 |
| 330 | 750 | 56 | 60 |
| 340 | 791 | 68 | 59 |
| 350 | 838 | 59 | 58 |
| 360 | 725 | 49 | 46 |
| 370 | 787 | 52 | 60 |
| 380 | 732 | 50 | 58 |
| 390 | 736 | 57 | 59 |

Table 301. Base Class Premium

NORTH CAROLINA

HOMEOWNERS INSURANCE

**HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES**

RULE A3.

WINDSTORM OR HAIL EXCLUSION - TERRITORIES 110, 120, 130, 140, 150 AND 160 ONLY

| Frame Construction | | | | | | |
|--|------------------|------------|------------|------------|------------|------------|
| | Territory | | | | | |
| | 110 | 120 | 130 | 140 | 150 | 160 |
| All Forms Except HO 00 04 And HO 00 06 | \$2,552 | \$3,334 | \$1,570 | \$2,108 | \$1,032 | \$1,227 |
| HO 00 04 | 81 | 116 | 44 | 61 | 22 | 32 |
| HO 00 06 | 53 | 90 | 34 | 36 | 13 | 17 |

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

| Masonry Construction | | | | | | |
|--|------------------|------------|------------|------------|------------|------------|
| | Territory | | | | | |
| | 110 | 120 | 130 | 140 | 150 | 160 |
| All Forms Except HO 00 04 And HO 00 06 | 2,285 | 2,997 | 1,443 | 1,880 | 916 | 1,102 |
| HO 00 04 | 72 | 104 | 41 | 55 | 20 | 29 |
| HO 00 06 | 48 | 79 | 30 | 32 | 11 | 15 |

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

NORTH CAROLINA
HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES

RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

Effective prior to March 31, 2019:

| Frame Construction | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$179 | \$228 | \$110 | \$144 | \$69 | \$83 |
| Opening Protection | 183 | 233 | 110 | 145 | 68 | 86 |
| Total Hip Roof and Opening Protection | 362 | 458 | 217 | 289 | 136 | 169 |
| IBHS Designation prior to March 31, 2019: | | | | | | |
| <i>Hurricane Fortified for Safer Living®</i> | 586 | 803 | 314 | 482 | 148 | 282 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Bronze Option 1 | 141 | 182 | 87 | 115 | 54 | 67 |
| Bronze Option 2 | 219 | 285 | 123 | 180 | 68 | 104 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Silver Option 1 | 352 | 483 | 176 | 294 | 71 | 169 |
| Silver Option 2 | 422 | 584 | 210 | 359 | 82 | 210 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Gold Option 1 | 449 | 614 | 235 | 366 | 107 | 214 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Gold Option 2 | 522 | 718 | 268 | 433 | 116 | 252 |

Table A9. Windstorm Loss Mitigation Credit - Frame

| Masonry Construction | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$161 | \$203 | \$101 | \$129 | \$62 | \$75 |
| Opening Protection | 164 | 209 | 101 | 131 | 60 | 77 |
| Total Hip Roof and Opening Protection | 323 | 412 | 200 | 260 | 121 | 153 |
| IBHS Designation prior to March 31, 2019: | | | | | | |
| <i>Hurricane Fortified for Safer Living®</i> | 524 | 720 | 288 | 429 | 132 | 253 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Bronze Option 1 | 125 | 164 | 78 | 101 | 48 | 59 |
| Bronze Option 2 | 195 | 256 | 113 | 161 | 60 | 94 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Silver Option 1 | 314 | 435 | 162 | 263 | 63 | 153 |
| Silver Option 2 | 377 | 524 | 193 | 320 | 71 | 187 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Gold Option 1 | 401 | 553 | 216 | 326 | 93 | 191 |
| <i>Hurricane Fortified for Existing Homes®</i> | | | | | | |
| Gold Option 2 | 463 | 645 | 246 | 386 | 103 | 226 |

Table A9. Windstorm Loss Mitigation Credit - Masonry

NORTH CAROLINA
HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES

RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

Effective on or after March 31, 2019:

| Frame Construction | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$179 | \$228 | \$110 | \$144 | \$69 | \$83 |
| Opening Protection | 183 | 233 | 110 | 145 | 68 | 86 |
| Total Hip Roof and Opening Protection | 362 | 458 | 217 | 289 | 136 | 169 |
| IBHS Designation on or after March 31, 2019: | | | | | | |
| <i>FORTIFIED for Safer Living®</i> | 586 | 803 | 314 | 482 | 148 | 282 |
| <i>FORTIFIED Roof - Hurricane - Existing Roof</i> | 141 | 182 | 87 | 115 | 54 | 67 |
| <i>FORTIFIED Roof - Hurricane - New Roof</i> | 219 | 285 | 123 | 180 | 68 | 104 |
| <i>FORTIFIED Roof - Hurricane - Silver - Existing Roof</i> | 352 | 483 | 176 | 294 | 71 | 169 |
| <i>FORTIFIED Roof - Hurricane - Silver - New Roof</i> | 422 | 584 | 210 | 359 | 82 | 210 |
| <i>FORTIFIED Roof - Hurricane - Gold - Existing Roof</i> | 449 | 614 | 235 | 366 | 107 | 214 |
| <i>FORTIFIED Roof - Hurricane - Gold - New Roof</i> | 522 | 718 | 268 | 433 | 116 | 252 |

Table A9. Windstorm Loss Mitigation Credit - Frame

| Masonry Construction | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$161 | \$203 | \$101 | \$129 | \$62 | \$75 |
| Opening Protection | 164 | 209 | 101 | 131 | 60 | 77 |
| Total Hip Roof and Opening Protection | 323 | 412 | 200 | 260 | 121 | 153 |
| IBHS Designation on or after March 31, 2019: | | | | | | |
| <i>FORTIFIED for Safer Living®</i> | 524 | 720 | 288 | 429 | 132 | 253 |
| <i>FORTIFIED Roof - Hurricane - Existing Roof</i> | 125 | 164 | 78 | 101 | 48 | 59 |
| <i>FORTIFIED Roof - Hurricane - New Roof</i> | 195 | 256 | 113 | 161 | 60 | 94 |
| <i>FORTIFIED Roof - Hurricane - Silver - Existing Roof</i> | 314 | 435 | 162 | 263 | 63 | 153 |
| <i>FORTIFIED Roof - Hurricane - Silver - New Roof</i> | 377 | 524 | 193 | 320 | 71 | 187 |
| <i>FORTIFIED Roof - Hurricane - Gold - Existing Roof</i> | 401 | 553 | 216 | 326 | 93 | 191 |
| <i>FORTIFIED Roof - Hurricane - Gold - New Roof</i> | 463 | 645 | 246 | 386 | 103 | 226 |

Table A9. Windstorm Loss Mitigation Credit - Masonry

NORTH CAROLINA
HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
EXCEPTION PAGES

RULE A5.

AGE OF CONSTRUCTION – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

- A. Determine the age of construction based 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. Multiply the Base Premium by the appropriate factor selected from the following table:

| Age Of Construction | Factor |
|--|--------|
| 0 * | .797 |
| 1 | .809 |
| 2 | .822 |
| 3 | .834 |
| 4 | .847 |
| 5 | .860 |
| 6 | .873 |
| 7 | .886 |
| 8 | .900 |
| 9 | .913 |
| 10 | .927 |
| 11 | .941 |
| 12 | .956 |
| 13 | .970 |
| 14 | .985 |
| 15 + | 1.000 |
| * Age 0 applies to homes built within the last year as well as homes still under construction. | |
| + Applies to dwellings built at least 15 years ago. | |

Table A5.B. Age Of Construction Factors

NORTH CAROLINA
HOMEOWNERS INSURANCE
WINDSTORM AND HAIL POLICY PROGRAM
HOMEOWNERS MANUAL SUPPLEMENT

RULE 301.
BASE PREMIUM COMPUTATION

Base Class Premium Table

| | Territory | | | | | |
|-----------------------------|------------------|------------|------------|------------|------------|------------|
| | 110 | 120 | 130 | 140 | 150 | 160 |
| Frame Construction | | | | | | |
| HS 00 03 | \$2,657 | \$3,453 | \$1,678 | \$2,231 | \$1,160 | \$1,368 |
| HS 00 04 | 106 | 144 | 65 | 90 | 47 | 61 |
| HS 00 06 | 67 | 104 | 45 | 49 | 23 | 29 |
| Masonry Construction | | | | | | |
| HS 00 03 | \$2,390 | \$3,116 | \$1,551 | \$2,003 | \$1,044 | \$1,243 |
| HS 00 04 | 97 | 132 | 62 | 84 | 45 | 58 |
| HS 00 06 | 62 | 93 | 41 | 45 | 21 | 27 |

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

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION C - SUPPORTING MATERIAL

| | |
|--|---------|
| Calculation of Indicated Statewide Rate Level Changes..... | C-2-6 |
| Owners | C-2 |
| Tenants | C-3 |
| Condominium Unit Owners | C-4 |
| Calculation of Indicated Base Class Loss Cost, Base Class Rate and Rate Level Change by Territory | C-7-13 |
| Owners | C-7-8 |
| Tenants | C-9-10 |
| Condominium Unit Owners | C-11-12 |
| Calculation of Wind Exclusion Credits | C-14-15 |
| Calculation of Windstorm Loss Mitigation Credits | C-16-18 |
| Calculation of Wind-Only Rates | C-19-20 |

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE

| | (1) | (2) | (3) | (4) | (5) | |
|-------------|--|-----------------------------|---------------------------------------|----------------------------------|-----------------------------|----------------|
| | Incurring | Excess | Incurring Losses | Adjusted | Loss | |
| | Losses Excluding | Losses ^(b) | Adjusted for Excess | Incurring Losses | Trend | |
| <u>Year</u> | <u>Hurricane^(a)</u> | | $[(1) - (2)] \times$ | Including LAE | <u>Factor^(d)</u> | |
| | | | <u>Excess Factor^(b)</u> | $(3) \times \text{LAE Factor(c)$ | | |
| 2014 | 771,180,214 | 15,255,326 | 820,934,428 | 917,804,691 | 1.484 | |
| 2015 | 738,568,028 | 0 | 802,084,878 | 896,730,894 | 1.427 | |
| 2016 | 864,478,205 | 130,110,927 | 797,522,864 | 891,630,562 | 1.372 | |
| 2017 | 971,622,630 | 220,239,472 | 816,002,110 | 912,290,359 | 1.319 | |
| 2018 | 951,774,895 | 19,808,537 | 1,012,115,465 | 1,131,545,090 | 1.269 | |
| | (6) | (7) | (8) | (9) | (10) | (11) |
| | Earning | Premium | Average | Average | Base Class | |
| | House-Years | Trend | Loss Cost | Rating | Loss Cost | Yearly |
| <u>Year</u> | | <u>Factor^(e)</u> | $[(4) \times (5)] / [(6) \times (7)]$ | <u>Factor^(f)</u> | $(8) / (9)$ | <u>Weights</u> |
| 2014 | 1,927,958 | 1.094 | 645.76 | 1.309 | 493.32 | 0.10 |
| 2015 | 1,926,462 | 1.083 | 613.33 | 1.318 | 465.35 | 0.15 |
| 2016 | 1,949,893 | 1.075 | 583.61 | 1.330 | 438.80 | 0.20 |
| 2017 | 1,973,383 | 1.065 | 572.55 | 1.336 | 428.56 | 0.25 |
| 2018 | 1,955,603 | 1.046 | 701.97 | 1.355 | 518.06 | 0.30 |
| (12) | Weighted Trended Non-Hurricane Base Class Loss Cost ^(g) | | | | | 469.45 |
| (13) | Credibility (9,733,299 House-Years) ^(h) | | | | | 1.00 |
| (14) | Trended Modeled Hurricane Base Class Loss Cost ⁽ⁱ⁾ | | | | | 114.47 |
| (15) | Fixed Expense Per Policy ^(j) | | | | | 87.73 |
| (16) | Base Class Loss Cost with Fixed Expense, (12) + (14) + (15) | | | | | 671.65 |
| (17) | 1 - (Variable Expense + Profit + Contingencies + Dividends) ^(k) | | | | | 0.747 |
| (18) | Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (16) / (17) | | | | | 899.13 |
| (19) | Compensation for Assessment Risk per Policy ^(l) | | | | | 27.80 |
| (20) | Net Cost of Reinsurance per Policy ^(m) | | | | | 206.64 |
| (21) | Base Class Rate Excluding Deviation, (18) + (19) + (20) | | | | | 1,133.57 |
| (22) | Selected Deviation ⁽ⁿ⁾ | | | | | 0.00 |
| (23) | Deviation Amount per Policy $[(21) / (1.0 - (22))] - (21)$ | | | | | 0.00 |
| (24) | Required Base Class Rate per Policy, (21) + (23) | | | | | 1,133.57 |
| (25) | Current Average Base Class Rate | | | | | 815.67 |
| (26) | Indicated Rate Level Change, (24) / (25) - 1 | | | | | +39.0% |
| (27) | Filed Rate Level Change ^(o) | | | | | +24.6% |

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS

CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE

| <u>Year</u> | (1) Incurred Losses Excluding Hurricane ^(a) | (2) Incurred Losses Including LAE $(1) \times \text{LAE Factor}^{(c)}$ | (3) Loss Trend Factor ^(d) | (4) Earned House-Years | |
|-------------|--|---|---|--|--------------------------|
| 2014 | 20,114,955 | 23,212,658 | 0.980 | 330,926 | |
| 2015 | 22,720,774 | 26,219,773 | 0.990 | 361,457 | |
| 2016 | 22,879,809 | 26,403,300 | 1.000 | 384,777 | |
| 2017 | 25,194,056 | 29,073,941 | 1.010 | 407,297 | |
| 2018 | 26,472,188 | 30,548,905 | 1.021 | 416,816 | |
| <u>Year</u> | (5) Premium Trend Factor ^(e) | (6) Trended Average Loss Cost $[(2) \times (3)] / [(4) \times (5)]$ | (7) Average Rating Factor ^(f) | (8) Trended Base Class Loss Cost $(6) / (7)$ | (9) Yearly Weights |
| 2014 | 0.848 | 81.06 | 3.641 | 22.26 | 0.10 |
| 2015 | 0.865 | 83.02 | 3.583 | 23.17 | 0.15 |
| 2016 | 0.878 | 78.15 | 3.527 | 22.16 | 0.20 |
| 2017 | 0.898 | 80.29 | 3.444 | 23.31 | 0.25 |
| 2018 | 0.921 | 81.25 | 3.304 | 24.59 | 0.30 |
| (10) | Weighted Trended Non-Hurricane Base Class Loss Cost ^(g) | | | | 23.34 |
| (11) | Credibility (1,901,273 House-Years) ^(h) | | | | 1.00 |
| (12) | Trended Modeled Hurricane Base Class Loss Cost ⁽ⁱ⁾ | | | | 2.35 |
| (13) | Fixed Expense per Policy ^(j) | | | | 20.43 |
| (14) | Base Class Loss Cost with Fixed Expense, (10) + (12) + (13) | | | | 46.12 |
| (15) | 1 - (Variable Expense + Profit + Contingencies + Dividends) ^(k) | | | | 0.747 |
| (16) | Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15) | | | | 61.74 |
| (17) | Compensation for Assessment Risk per Policy ^(l) | | | | 1.88 |
| (18) | Net Cost of Reinsurance per Policy ^(m) | | | | 4.54 |
| (19) | Base Class Rate Excluding Deviation, (16) + (17) + (18) | | | | 68.16 |
| (20) | Selected Deviation ⁽ⁿ⁾ | | | | 0.00 |
| (21) | Deviation Amount per Policy, $[(19) / (1.0 - (20))] - (19)$ | | | | 0.00 |
| (22) | Required Base Class Rate per Policy, (19) + (21) | | | | 68.16 |
| (23) | Current Average Base Class Rate | | | | 55.15 |
| (24) | Indicated Rate Level Change, $(22) / (23) - 1$ | | | | +23.6% |
| (25) | Filed Rate Level Change ^(o) | | | | +21.6% |

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS

CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE

| <u>Year</u> | (1) Incurred Losses Excluding Hurricane ^(a) | (2) Incurred Losses Including LAE <u>(1) × LAE Factor ^(c)</u> | (3) Loss Trend Factor ^(d) | (4) Earned House-Years | |
|-------------|--|---|---|---|--------------------------|
| 2014 | 13,140,970 | 14,731,027 | 1.483 | 75,276 | |
| 2015 | 14,979,645 | 16,792,182 | 1.413 | 75,798 | |
| 2016 | 13,008,727 | 14,582,783 | 1.346 | 78,862 | |
| 2017 | 18,630,755 | 20,885,076 | 1.281 | 80,684 | |
| 2018 | 18,553,848 | 20,798,864 | 1.220 | 79,754 | |
| <u>Year</u> | (5) Premium Trend Factor ^(e) | (6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u> | (7) Average Rating Factor ^(f) | (8) Trended Base Class Loss Cost <u>(6) / (7)</u> | (9) Yearly Weights |
| 2014 | 0.973 | 298.27 | 7.105 | 41.98 | 0.10 |
| 2015 | 0.986 | 317.48 | 7.099 | 44.72 | 0.15 |
| 2016 | 1.007 | 247.17 | 7.061 | 35.00 | 0.20 |
| 2017 | 1.011 | 327.98 | 7.197 | 45.57 | 0.25 |
| 2018 | 1.000 | 318.16 | 7.451 | 42.70 | 0.30 |
| (10) | Weighted Trended Non-Hurricane Base Class Loss Cost ^(g) | | | | 42.11 |
| (11) | Credibility (390,374 House-Years) ^(h) | | | | 1.00 |
| (12) | Trended Modeled Hurricane Base Class Loss Cost ⁽ⁱ⁾ | | | | 3.02 |
| (13) | Fixed Expense per Policy ^(j) | | | | 8.34 |
| (14) | Base Class Loss Cost with Fixed Expense, (10) + (12) + (13) | | | | 53.47 |
| (15) | 1 - (Variable Expense + Profit + Contingencies + Dividends) ^(k) | | | | 0.747 |
| (16) | Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15) | | | | 71.58 |
| (17) | Compensation for Assessment Risk per Policy ^(l) | | | | 1.78 |
| (18) | Net Cost of Reinsurance per Policy ^(m) | | | | 5.63 |
| (19) | Base Class Rate Excluding Deviation, (16) + (17) + (18) | | | | 78.99 |
| (20) | Selected Deviation ⁽ⁿ⁾ | | | | 0.00 |
| (21) | Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19) | | | | 0.00 |
| (22) | Required Base Class Rate per Policy, (19) + (21) | | | | 78.99 |
| (23) | Current Average Base Class Rate | | | | 52.16 |
| (24) | Indicated Rate Level Change, (22) / (23) - 1 | | | | +51.4% |
| (25) | Filed Rate Level Change ^(o) | | | | +25.0% |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE

- (a) Incurred losses exclude hurricane losses and reflect the following loss development factors:

| <u>Year Ending</u> | <u>Owners Forms</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
|--------------------|---------------------|----------------|------------------------------------|
| 12/31/2014 | 1.000 | 1.000 | 1.000 |
| 12/31/2015 | 0.999 | 1.000 | 1.001 |
| 12/31/2016 | 0.998 | 1.002 | 0.997 |
| 12/31/2017 | 1.001 | 1.007 | 0.999 |
| 12/31/2018 | 1.031 | 1.020 | 1.001 |

The excluded hurricane losses can be found on pages D-60-77.

- (b) A description of the "excess procedure" is provided in the Explanatory Memorandum of Section D and the calculation of both the excess losses and the excess factor is provided on pages D-31-32.
- (c) Trended non-modeled loss adjustment expense (LAE) loadings have been calculated to be 11.8%, 15.4% and 12.1% of incurred losses for the Owners, Tenant and Condominium Unit Owners policy forms, respectively. These factors are developed on page D-28. A separate LAE factor of 6% is applied to the modeled losses for all forms. (See pre-filed testimony of S. Fiete.)
- (d) The derivation of the Loss Trend Factor is shown on page D-18 for all forms.
- (e) The derivation of the Premium Trend Factor is shown on page D-20 for all forms.
- (f) The Average Rating Factor is the ratio of the average rate at current manual level and average current base class rate. This factor is used to convert average loss costs to base class loss costs. The calculation of the average rating factors can be found on pages D-42-59.
- (g) The Weighted Trended Non-Hurricane Base Class Loss Cost is the sum of the products, by year, of the Trended Base Class Loss Costs and the accident year weights.
- (h) Credibility values are assigned based on the statewide credibility table displayed on page D-24.
- (i) Modeled hurricane losses were provided by Aon. To obtain an average loss cost value, the modeled loss amounts are divided by 2018 house years. To convert the average modeled loss cost to a trended base class level it is divided by the trended average rating factor. The trended average rating factor is calculated as (2018 average rating factor) × (2018 Premium Trend Factor). The trend factors referenced above are derived on page D-20. The derivation of the modeled hurricane base class loss cost is shown on page D-78-80.
- (j) The derivation of the Fixed Expense loadings (reflecting general and other acquisition expenses) is shown on page D-29.
- (k) The provisions for profit, contingencies, dividends and variable expenses are shown on page D-25.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE

- (l) The Compensation for Assessment Risk loading is 2.9% of premium and is based on an analysis done by P. Anderson. The provision is calculated as $(0.029 \times \text{Current Base Rate}) / (1 - \text{Provisions for Commissions} + \text{Taxes})$. The commission and tax provisions are those shown on page D-25.
- (m) The derivation of the net cost of reinsurance provisions are provided on pages D-81-83. These loadings are based on an analysis done by Aon.
- (n) A 0% deviation loading was selected by the North Carolina Rate Bureau.
- (o) The filed rate level change is the weighted average of the filed territory rate level changes weighted by latest-year earned premium at present rates. For all forms, the indicated rate level changes by territory were capped at +25%.

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

INDICATED BASE-CLASS LOSS COST BY TERRITORY

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|------------------|--------------------------------|--------------------------|----------------------------------|--|------------------------------------|----------------------------------|--------------------------|--------------------------------------|--------------------------------------|
| | Non-Hurricane Base Class | Five-Year House Years | | Credibility- Weighted Base Class | Modeled Hurricane Base Class | Total Base Class Loss Cost | Indicated Relativity | Indicated Statewide Base Class | Indicated Base Class Loss Cost |
| <u>Territory</u> | <u>Loss Cost^(a)</u> | <u>House Years</u> | <u>Credibility^(b)</u> | <u>Loss Cost*</u> | <u>Loss Cost^(c)</u> | <u>(4) + (5)</u> | <u>Terr (6) / SW (6)</u> | <u>Loss Cost**</u> | <u>Terr (7) / SW (7) × (8)</u> |
| 110 | 576.51 | 63,033 | 1.00 | 576.51 | 1,271.78 | 1,848.29 | 3.170 | 583.92 | 1,850.84 |
| 120 | 440.32 | 73,453 | 1.00 | 440.32 | 1,438.86 | 1,879.18 | 3.223 | 583.92 | 1,881.79 |
| 130 | 428.76 | 62,504 | 1.00 | 428.76 | 513.57 | 942.33 | 1.616 | 583.92 | 943.52 |
| 140 | 444.00 | 392,787 | 1.00 | 444.00 | 795.76 | 1,239.76 | 2.126 | 583.92 | 1,241.29 |
| 150 | 386.59 | 225,486 | 1.00 | 386.59 | 290.39 | 676.98 | 1.161 | 583.92 | 677.86 |
| 160 | 436.97 | 184,367 | 1.00 | 436.97 | 342.08 | 779.05 | 1.336 | 583.92 | 780.04 |
| 170 | 468.31 | 20,470 | 0.50 | 468.46 | 103.51 | 571.97 | 0.981 | 583.92 | 572.77 |
| 180 | 492.80 | 247,464 | 1.00 | 492.80 | 199.84 | 692.64 | 1.188 | 583.92 | 693.63 |
| 190 | 596.49 | 64,911 | 1.00 | 596.49 | 280.92 | 877.41 | 1.505 | 583.92 | 878.71 |
| 200 | 758.47 | 29,194 | 0.60 | 642.53 | 296.68 | 939.21 | 1.611 | 583.92 | 940.60 |
| 210 | 516.46 | 99,933 | 1.00 | 516.46 | 141.33 | 657.79 | 1.128 | 583.92 | 658.60 |
| 220 | 602.13 | 270,332 | 1.00 | 602.13 | 139.35 | 741.48 | 1.272 | 583.92 | 742.67 |
| 230 | 621.73 | 66,670 | 1.00 | 621.73 | 202.77 | 824.50 | 1.414 | 583.92 | 825.58 |
| 240 | 467.40 | 377,705 | 1.00 | 467.40 | 96.28 | 563.68 | 0.967 | 583.92 | 564.59 |
| 250 | 555.79 | 158,227 | 1.00 | 555.79 | 102.12 | 657.91 | 1.128 | 583.92 | 658.60 |
| 260 | 423.69 | 135,194 | 1.00 | 423.69 | 43.95 | 467.64 | 0.802 | 583.92 | 468.26 |
| 270 | 452.96 | 1,396,356 | 1.00 | 452.96 | 71.22 | 524.18 | 0.899 | 583.92 | 524.89 |
| 280 | 370.76 | 207,784 | 1.00 | 370.76 | 52.97 | 423.73 | 0.727 | 583.92 | 424.47 |
| 290 | 436.24 | 163,271 | 1.00 | 436.24 | 76.59 | 512.83 | 0.880 | 583.92 | 513.80 |
| 300 | 543.17 | 68,200 | 1.00 | 543.17 | 60.46 | 603.63 | 1.035 | 583.92 | 604.30 |
| 310 | 473.09 | 1,305,708 | 1.00 | 473.09 | 34.02 | 507.11 | 0.870 | 583.92 | 507.96 |
| 320 | 477.65 | 662,873 | 1.00 | 477.65 | 36.58 | 514.23 | 0.882 | 583.92 | 514.97 |
| 330 | 417.99 | 35,208 | 0.70 | 433.17 | 20.92 | 454.09 | 0.779 | 583.92 | 454.83 |
| 340 | 460.56 | 1,538,525 | 1.00 | 460.56 | 37.63 | 498.19 | 0.855 | 583.92 | 499.20 |
| 350 | 480.17 | 473,711 | 1.00 | 480.17 | 25.07 | 505.24 | 0.867 | 583.92 | 506.21 |
| 360 | 410.02 | 990,928 | 1.00 | 410.02 | 13.98 | 424.00 | 0.727 | 583.92 | 424.47 |
| 370 | 521.63 | 52,105 | 0.90 | 516.32 | 9.97 | 526.29 | 0.903 | 583.92 | 527.23 |
| 380 | 460.17 | 173,620 | 1.00 | 460.17 | 8.69 | 468.86 | 0.804 | 583.92 | 469.42 |
| 390 | 436.82 | 193,280 | 1.00 | 436.82 | 7.51 | 444.33 | 0.762 | 583.92 | 444.90 |
| Statewide | 468.61 | 9,733,299 | 1.00 | 468.61 | 114.47 | 583.01 | 1.0001 | 583.95 | 583.89 |

* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

** Column (8) = Line (12) + Line (14), page C-2

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
|-----------|------------|------------------------|---|------------|------------------------------------|------------------------------------|----------------------------|--------------------------|---------------------------------------|-----------------|-------------------|----------------------------------|---|-------------------------------|-----------------|
| | Indicated | Trended | Variable | Current | Indicated Net | Compensation | Net Cost of | Indicated | Dollar | Indicated | Indicated | Balanced | Filed | Off- | Filed |
| | Base Class | Fixed | Expense, Dividends, Profit, Contingency | Base Class | Base Class Rate | For Assessment Risk ^(e) | Reinsurance ^(f) | Rate Excluding Deviation | Deviation per Exposure ^(g) | Base Class Rate | Rate Level Change | Rate Level Change ^(h) | Rate Level Change Capped ⁽ⁱ⁾ | Balance Factor ^(j) | Base Class Rate |
| Territory | Loss Cost | Expense ^(d) | | Rate | $[(1)+(2) \times (4)] / [1.0-(3)]$ | | | $(5) + (6) + (7)$ | $[(8)/(1.0 - \text{Dev. \%})] - (8)$ | $(8) + (9)$ | $(10) / (4)$ | | | | |
| 110 | 1,850.84 | 0.030 | 0.253 | 2,617 | 2,582.80 | 89.18 | 1,173.22 | 3,845.20 | 0.00 | 3,845.20 | 1.469 | 1.468 | 1.250 | 0.989 | 3,308 |
| 120 | 1,881.79 | 0.029 | 0.253 | 3,068 | 2,638.24 | 104.55 | 2,285.77 | 5,028.56 | 0.00 | 5,028.56 | 1.639 | 1.638 | 1.250 | 0.984 | 3,897 |
| 130 | 943.52 | 0.051 | 0.253 | 1,584 | 1,371.22 | 53.98 | 613.01 | 2,038.21 | 0.00 | 2,038.21 | 1.287 | 1.286 | 1.250 | 0.981 | 2,018 |
| 140 | 1,241.29 | 0.043 | 0.253 | 2,138 | 1,784.77 | 72.86 | 1,272.10 | 3,129.73 | 0.00 | 3,129.73 | 1.464 | 1.463 | 1.250 | 0.978 | 2,733 |
| 150 | 677.86 | 0.073 | 0.253 | 1,310 | 1,035.46 | 44.64 | 427.15 | 1,507.25 | 0.00 | 1,507.25 | 1.151 | 1.150 | 1.150 | 0.983 | 1,533 |
| 160 | 780.04 | 0.074 | 0.253 | 1,423 | 1,185.20 | 48.49 | 605.96 | 1,839.65 | 0.00 | 1,839.65 | 1.293 | 1.292 | 1.250 | 0.969 | 1,836 |
| 170 | 572.77 | 0.120 | 0.253 | 803 | 895.76 | 27.36 | 145.69 | 1,068.81 | 0.00 | 1,068.81 | 1.331 | 1.330 | 1.250 | 0.985 | 1,019 |
| 180 | 693.63 | 0.107 | 0.253 | 939 | 1,063.06 | 32.00 | 353.51 | 1,448.57 | 0.00 | 1,448.57 | 1.543 | 1.542 | 1.250 | 0.984 | 1,193 |
| 190 | 878.71 | 0.090 | 0.253 | 1,166 | 1,316.80 | 39.73 | 512.04 | 1,868.57 | 0.00 | 1,868.57 | 1.603 | 1.602 | 1.250 | 0.989 | 1,474 |
| 200 | 940.60 | 0.072 | 0.253 | 1,273 | 1,381.87 | 43.38 | 534.79 | 1,960.04 | 0.00 | 1,960.04 | 1.540 | 1.539 | 1.250 | 0.989 | 1,609 |
| 210 | 658.60 | 0.121 | 0.253 | 868 | 1,022.26 | 29.58 | 265.07 | 1,316.91 | 0.00 | 1,316.91 | 1.517 | 1.516 | 1.250 | 0.990 | 1,096 |
| 220 | 742.67 | 0.102 | 0.253 | 1,012 | 1,132.39 | 34.49 | 282.18 | 1,449.06 | 0.00 | 1,449.06 | 1.432 | 1.431 | 1.250 | 0.983 | 1,287 |
| 230 | 825.58 | 0.094 | 0.253 | 1,135 | 1,248.02 | 38.68 | 385.06 | 1,671.76 | 0.00 | 1,671.76 | 1.473 | 1.472 | 1.250 | 0.989 | 1,435 |
| 240 | 564.59 | 0.116 | 0.253 | 836 | 885.63 | 28.49 | 191.49 | 1,105.61 | 0.00 | 1,105.61 | 1.323 | 1.322 | 1.250 | 0.977 | 1,070 |
| 250 | 658.60 | 0.104 | 0.253 | 947 | 1,013.50 | 32.27 | 210.86 | 1,256.63 | 0.00 | 1,256.63 | 1.327 | 1.326 | 1.250 | 0.970 | 1,220 |
| 260 | 468.26 | 0.126 | 0.253 | 627 | 732.61 | 21.37 | 93.06 | 847.04 | 0.00 | 847.04 | 1.351 | 1.350 | 1.250 | 0.982 | 798 |
| 270 | 524.89 | 0.113 | 0.253 | 708 | 809.76 | 24.13 | 161.60 | 995.49 | 0.00 | 995.49 | 1.406 | 1.405 | 1.250 | 0.977 | 906 |
| 280 | 424.47 | 0.110 | 0.253 | 622 | 659.83 | 21.20 | 128.11 | 809.14 | 0.00 | 809.14 | 1.301 | 1.300 | 1.250 | 0.979 | 794 |
| 290 | 513.80 | 0.107 | 0.253 | 772 | 798.40 | 26.31 | 168.44 | 993.15 | 0.00 | 993.15 | 1.286 | 1.285 | 1.250 | 0.981 | 984 |
| 300 | 604.30 | 0.121 | 0.253 | 827 | 942.93 | 28.18 | 129.50 | 1,100.61 | 0.00 | 1,100.61 | 1.331 | 1.330 | 1.250 | 0.991 | 1,043 |
| 310 | 507.96 | 0.145 | 0.253 | 637 | 803.65 | 21.71 | 87.77 | 913.13 | 0.00 | 913.13 | 1.433 | 1.432 | 1.250 | 0.987 | 807 |
| 320 | 514.97 | 0.133 | 0.253 | 711 | 815.97 | 24.23 | 92.30 | 932.50 | 0.00 | 932.50 | 1.312 | 1.311 | 1.250 | 0.984 | 903 |
| 330 | 454.83 | 0.142 | 0.253 | 594 | 721.79 | 20.24 | 52.12 | 794.15 | 0.00 | 794.15 | 1.337 | 1.336 | 1.250 | 0.990 | 750 |
| 340 | 499.20 | 0.130 | 0.253 | 621 | 776.35 | 21.16 | 98.25 | 895.76 | 0.00 | 895.76 | 1.442 | 1.441 | 1.250 | 0.981 | 791 |
| 350 | 506.21 | 0.140 | 0.253 | 660 | 801.35 | 22.49 | 61.29 | 885.13 | 0.00 | 885.13 | 1.341 | 1.340 | 1.250 | 0.985 | 838 |
| 360 | 424.47 | 0.143 | 0.253 | 571 | 677.54 | 19.46 | 37.16 | 734.16 | 0.00 | 734.16 | 1.286 | 1.285 | 1.250 | 0.985 | 725 |
| 370 | 527.23 | 0.119 | 0.253 | 621 | 804.72 | 21.16 | 27.66 | 853.54 | 0.00 | 853.54 | 1.374 | 1.373 | 1.250 | 0.986 | 787 |
| 380 | 469.42 | 0.130 | 0.253 | 577 | 728.82 | 19.66 | 20.16 | 768.64 | 0.00 | 768.64 | 1.332 | 1.331 | 1.250 | 0.985 | 732 |
| 390 | 444.90 | 0.116 | 0.253 | 588 | 686.89 | 20.04 | 16.85 | 723.78 | 0.00 | 723.78 | 1.231 | 1.230 | 1.230 | 0.983 | 736 |
| Statewide | 583.89 | 0.108 | 0.253 | 816 | 899.14 | 27.80 | 206.64 | 1,133.58 | 0.00 | 1,133.58 | 1.391 | 1.390 | 1.246 | 0.982 | 1,035 |

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS

INDICATED BASE-CLASS LOSS COST BY TERRITORY

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|------------------|--------------------------------|--------------------------|----------------------------------|--|------------------------------------|----------------------------------|--------------------------|--------------------------------------|--------------------------------------|
| | Non-Hurricane Base Class | Five-Year House Years | | Credibility- Weighted Base Class | Modeled Hurricane Base Class | Total Base Class Loss Cost | Indicated Relativity | Indicated Statewide Base Class | Indicated Base Class Loss Cost |
| <u>Territory</u> | <u>Loss Cost^(a)</u> | <u>House Years</u> | <u>Credibility^(b)</u> | <u>Loss Cost*</u> | <u>Loss Cost^(c)</u> | <u>(4) + (5)</u> | <u>Terr (6) / SW (6)</u> | <u>Loss Cost**</u> | <u>Terr (7) / SW (7) × (8)</u> |
| 110 | 9.83 | 1,499 | 0.10 | 21.82 | 33.08 | 54.90 | 2.170 | 25.69 | 55.75 |
| 120 | 20.46 | 5,843 | 0.20 | 22.61 | 43.17 | 65.78 | 2.600 | 25.69 | 66.79 |
| 130 | 21.49 | 2,156 | 0.10 | 22.98 | 15.23 | 38.21 | 1.510 | 25.69 | 38.79 |
| 140 | 20.50 | 60,621 | 0.80 | 21.03 | 21.88 | 42.91 | 1.696 | 25.69 | 43.57 |
| 150 | 18.05 | 20,754 | 0.50 | 20.60 | 7.96 | 28.56 | 1.129 | 25.69 | 29.00 |
| 160 | 25.99 | 25,325 | 0.50 | 24.57 | 10.78 | 35.35 | 1.397 | 25.69 | 35.89 |
| 170 | 30.19 | 1,988 | 0.10 | 23.85 | 2.30 | 26.15 | 1.034 | 25.69 | 26.56 |
| 180 | 21.82 | 51,667 | 0.80 | 22.09 | 4.79 | 26.88 | 1.062 | 25.69 | 27.28 |
| 190 | 26.62 | 6,980 | 0.30 | 24.19 | 6.03 | 30.22 | 1.194 | 25.69 | 30.67 |
| 200 | 36.66 | 2,119 | 0.10 | 24.50 | 6.91 | 31.41 | 1.242 | 25.69 | 31.91 |
| 210 | 20.36 | 15,076 | 0.40 | 22.03 | 3.29 | 25.32 | 1.001 | 25.69 | 25.72 |
| 220 | 44.65 | 48,375 | 0.80 | 40.35 | 2.99 | 43.34 | 1.713 | 25.69 | 44.01 |
| 230 | 59.75 | 7,687 | 0.30 | 34.13 | 4.41 | 38.54 | 1.523 | 25.69 | 39.13 |
| 240 | 21.43 | 39,240 | 0.70 | 21.95 | 2.35 | 24.30 | 0.960 | 25.69 | 24.66 |
| 250 | 29.82 | 16,284 | 0.40 | 25.82 | 2.58 | 28.40 | 1.123 | 25.69 | 28.85 |
| 260 | 30.42 | 13,765 | 0.40 | 26.06 | 1.11 | 27.17 | 1.074 | 25.69 | 27.59 |
| 270 | 20.89 | 482,731 | 1.00 | 20.89 | 1.56 | 22.45 | 0.887 | 25.69 | 22.79 |
| 280 | 17.78 | 59,918 | 0.80 | 18.86 | 1.19 | 20.05 | 0.792 | 25.69 | 20.35 |
| 290 | 16.88 | 18,187 | 0.40 | 20.64 | 1.68 | 22.32 | 0.882 | 25.69 | 22.66 |
| 300 | 27.41 | 5,057 | 0.20 | 24.00 | 1.33 | 25.33 | 1.001 | 25.69 | 25.72 |
| 310 | 23.45 | 280,701 | 1.00 | 23.45 | 0.79 | 24.24 | 0.958 | 25.69 | 24.61 |
| 320 | 25.17 | 82,531 | 1.00 | 25.17 | 0.84 | 26.01 | 1.028 | 25.69 | 26.41 |
| 330 | 18.93 | 2,480 | 0.10 | 22.73 | 0.51 | 23.24 | 0.919 | 25.69 | 23.61 |
| 340 | 25.20 | 442,697 | 1.00 | 25.20 | 0.80 | 26.00 | 1.028 | 25.69 | 26.41 |
| 350 | 21.76 | 51,336 | 0.80 | 22.04 | 0.59 | 22.63 | 0.894 | 25.69 | 22.97 |
| 360 | 17.75 | 130,062 | 1.00 | 17.75 | 0.32 | 18.07 | 0.714 | 25.69 | 18.34 |
| 370 | 6.76 | 2,464 | 0.10 | 21.51 | 0.24 | 21.75 | 0.860 | 25.69 | 22.09 |
| 380 | 15.50 | 12,598 | 0.40 | 20.09 | 0.22 | 20.31 | 0.803 | 25.69 | 20.63 |
| 390 | 26.84 | 11,132 | 0.30 | 24.26 | 0.18 | 24.44 | 0.966 | 25.69 | 24.82 |
| Statewide | 23.15 | 1,901,273 | 1.00 | 23.15 | 2.35 | 25.30 | 1.0000 | 25.69 | 25.69 |

* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

** Column (8) = Line (10) + Line (12), page C-3

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
|-----------|------------|------------------------|-------------|------------|--------------------------------|---------------------|----------------------------|-----------------|-----------------------------|------------|------------|-----------------------|-----------------------|-------|
| | Indicated | Trended | Variable | Current | Indicated Net | Compensation | Net Cost of | Indicated | Dollar | Indicated | Indicated | Balanced | Filed | Filed |
| | Base Class | Fixed | Expense, | Base Class | Base Class | For | Reinsurance ^(f) | Rate | Deviation | Base Class | Rate Level | Rate Level | Rate Level | Base |
| | Loss Cost | Expense ^(d) | Dividends, | Rate | Rate | Assessment | Reinsurance ^(f) | Excluding | per Exposure ^(g) | Rate | Change | Change ^(h) | Change | Class |
| Territory | | | Profit, | | $[(1)+(2)\times(4)]/[1.0-(3)]$ | Risk ^(e) | | Deviation | | (8) + (9) | (10) / (4) | | Capped ⁽ⁱ⁾ | Rate |
| | | | Contingency | | | | | (5) + (6) + (7) | | | | | | |
| 110 | 55.75 | 0.150 | 0.253 | 124 | 99.53 | 4.23 | 32.91 | 136.67 | 0.00 | 136.67 | 1.102 | 1.106 | 1.106 | 137 |
| 120 | 66.79 | 0.146 | 0.253 | 141 | 116.97 | 4.80 | 72.72 | 194.49 | 0.00 | 194.49 | 1.379 | 1.383 | 1.250 | 176 |
| 130 | 38.79 | 0.203 | 0.253 | 79 | 73.40 | 2.69 | 19.41 | 95.50 | 0.00 | 95.50 | 1.209 | 1.213 | 1.213 | 96 |
| 140 | 43.57 | 0.222 | 0.253 | 96 | 86.86 | 3.27 | 38.07 | 128.20 | 0.00 | 128.20 | 1.335 | 1.339 | 1.250 | 120 |
| 150 | 29.00 | 0.307 | 0.253 | 60 | 63.48 | 2.04 | 12.10 | 77.62 | 0.00 | 77.62 | 1.294 | 1.298 | 1.250 | 75 |
| 160 | 35.89 | 0.282 | 0.253 | 76 | 76.74 | 2.59 | 19.83 | 99.16 | 0.00 | 99.16 | 1.305 | 1.309 | 1.250 | 95 |
| 170 | 26.56 | 0.316 | 0.253 | 56 | 59.24 | 1.91 | 2.91 | 64.06 | 0.00 | 64.06 | 1.144 | 1.148 | 1.148 | 64 |
| 180 | 27.28 | 0.358 | 0.253 | 60 | 65.27 | 2.04 | 8.19 | 75.50 | 0.00 | 75.50 | 1.258 | 1.262 | 1.250 | 75 |
| 190 | 30.67 | 0.285 | 0.253 | 63 | 65.09 | 2.15 | 10.71 | 77.95 | 0.00 | 77.95 | 1.237 | 1.241 | 1.241 | 78 |
| 200 | 31.91 | 0.249 | 0.253 | 67 | 65.05 | 2.28 | 12.27 | 79.60 | 0.00 | 79.60 | 1.188 | 1.192 | 1.192 | 80 |
| 210 | 25.72 | 0.339 | 0.253 | 60 | 61.66 | 2.04 | 5.81 | 69.51 | 0.00 | 69.51 | 1.159 | 1.163 | 1.163 | 70 |
| 220 | 44.01 | 0.286 | 0.253 | 79 | 89.16 | 2.69 | 5.76 | 97.61 | 0.00 | 97.61 | 1.236 | 1.240 | 1.240 | 98 |
| 230 | 39.13 | 0.325 | 0.253 | 61 | 78.92 | 2.08 | 8.00 | 89.00 | 0.00 | 89.00 | 1.459 | 1.464 | 1.250 | 76 |
| 240 | 24.66 | 0.315 | 0.253 | 60 | 58.31 | 2.04 | 4.29 | 64.64 | 0.00 | 64.64 | 1.077 | 1.080 | 1.080 | 65 |
| 250 | 28.85 | 0.330 | 0.253 | 58 | 64.24 | 1.98 | 4.93 | 71.15 | 0.00 | 71.15 | 1.227 | 1.231 | 1.231 | 71 |
| 260 | 27.59 | 0.313 | 0.253 | 59 | 61.66 | 2.01 | 2.08 | 65.75 | 0.00 | 65.75 | 1.114 | 1.118 | 1.118 | 66 |
| 270 | 22.79 | 0.428 | 0.253 | 50 | 59.16 | 1.70 | 3.26 | 64.12 | 0.00 | 64.12 | 1.282 | 1.286 | 1.250 | 63 |
| 280 | 20.35 | 0.427 | 0.253 | 45 | 52.97 | 1.53 | 2.63 | 57.13 | 0.00 | 57.13 | 1.270 | 1.274 | 1.250 | 56 |
| 290 | 22.66 | 0.343 | 0.253 | 51 | 53.75 | 1.74 | 3.35 | 58.84 | 0.00 | 58.84 | 1.154 | 1.158 | 1.158 | 59 |
| 300 | 25.72 | 0.323 | 0.253 | 53 | 57.35 | 1.81 | 2.57 | 61.73 | 0.00 | 61.73 | 1.165 | 1.169 | 1.169 | 62 |
| 310 | 24.61 | 0.382 | 0.253 | 54 | 60.56 | 1.84 | 1.95 | 64.35 | 0.00 | 64.35 | 1.192 | 1.196 | 1.196 | 65 |
| 320 | 26.41 | 0.371 | 0.253 | 51 | 60.68 | 1.74 | 2.03 | 64.45 | 0.00 | 64.45 | 1.264 | 1.268 | 1.250 | 64 |
| 330 | 23.61 | 0.339 | 0.253 | 48 | 53.39 | 1.64 | 1.26 | 56.29 | 0.00 | 56.29 | 1.173 | 1.177 | 1.177 | 56 |
| 340 | 26.41 | 0.365 | 0.253 | 57 | 63.21 | 1.94 | 2.14 | 67.29 | 0.00 | 67.29 | 1.181 | 1.185 | 1.185 | 68 |
| 350 | 22.97 | 0.372 | 0.253 | 50 | 55.65 | 1.70 | 1.52 | 58.87 | 0.00 | 58.87 | 1.177 | 1.181 | 1.181 | 59 |
| 360 | 18.34 | 0.437 | 0.253 | 39 | 47.37 | 1.33 | 0.93 | 49.63 | 0.00 | 49.63 | 1.273 | 1.277 | 1.250 | 49 |
| 370 | 22.09 | 0.326 | 0.253 | 45 | 49.21 | 1.53 | 0.62 | 51.36 | 0.00 | 51.36 | 1.141 | 1.145 | 1.145 | 52 |
| 380 | 20.63 | 0.341 | 0.253 | 45 | 48.16 | 1.53 | 0.58 | 50.27 | 0.00 | 50.27 | 1.117 | 1.121 | 1.121 | 50 |
| 390 | 24.82 | 0.354 | 0.253 | 46 | 55.03 | 1.57 | 0.41 | 57.01 | 0.00 | 57.01 | 1.239 | 1.243 | 1.243 | 57 |
| Statewide | 25.69 | 0.369 | 0.253 | 55 | 61.61 | 1.88 | 4.54 | 68.03 | 0.00 | 68.03 | 1.232 | 1.236 | 1.216 | 67 |

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS

INDICATED BASE-CLASS LOSS COST BY TERRITORY

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|------------------|--------------------------------|--------------------------|----------------------------------|--|------------------------------------|----------------------------------|--------------------------|--------------------------------------|--------------------------------------|
| | Non-Hurricane Base Class | Five-Year House Years | | Credibility- Weighted Base Class | Modeled Hurricane Base Class | Total Base Class Loss Cost | Indicated Relativity | Indicated Statewide Base Class | Indicated Base Class Loss Cost |
| <u>Territory</u> | <u>Loss Cost^(a)</u> | <u>House Years</u> | <u>Credibility^(b)</u> | <u>Loss Cost*</u> | <u>Loss Cost^(c)</u> | <u>(4) + (5)</u> | <u>Terr (6) / SW (6)</u> | <u>Loss Cost**</u> | <u>Terr (7) / SW (7) × (8)</u> |
| 110 | 58.83 | 1,296 | 0.10 | 43.69 | 20.82 | 64.51 | 1.408 | 45.13 | 63.54 |
| 120 | 34.35 | 9,303 | 0.40 | 38.94 | 32.97 | 71.91 | 1.570 | 45.13 | 70.85 |
| 130 | 26.90 | 994 | 0.10 | 40.49 | 15.11 | 55.60 | 1.214 | 45.13 | 54.79 |
| 140 | 44.72 | 30,378 | 0.70 | 43.90 | 18.46 | 62.36 | 1.361 | 45.13 | 61.42 |
| 150 | 23.56 | 2,917 | 0.20 | 38.32 | 6.35 | 44.67 | 0.975 | 45.13 | 44.00 |
| 160 | 30.50 | 6,865 | 0.30 | 38.55 | 9.42 | 47.97 | 1.047 | 45.13 | 47.25 |
| 170 | 0.00 | 4 | 0.00 | 42.00 | 0.00 | 42.00 | 0.917 | 45.13 | 41.38 |
| 180 | 33.07 | 4,350 | 0.20 | 40.22 | 3.70 | 43.92 | 0.959 | 45.13 | 43.28 |
| 190 | 48.98 | 81 | 0.00 | 42.00 | 5.30 | 47.30 | 1.033 | 45.13 | 46.62 |
| 200 | 344.19 | 8 | 0.00 | 42.00 | 5.56 | 47.56 | 1.038 | 45.13 | 46.84 |
| 210 | 45.31 | 311 | 0.00 | 42.00 | 2.39 | 44.39 | 0.969 | 45.13 | 43.73 |
| 220 | 86.04 | 6,001 | 0.30 | 55.21 | 1.86 | 57.07 | 1.246 | 45.13 | 56.23 |
| 230 | 28.53 | 337 | 0.00 | 42.00 | 3.78 | 45.78 | 0.999 | 45.13 | 45.08 |
| 240 | 17.92 | 1,336 | 0.10 | 39.60 | 1.96 | 41.56 | 0.907 | 45.13 | 40.93 |
| 250 | 56.83 | 440 | 0.00 | 42.00 | 1.58 | 43.58 | 0.951 | 45.13 | 42.92 |
| 260 | 11.54 | 101 | 0.00 | 42.00 | 0.92 | 42.92 | 0.937 | 45.13 | 42.29 |
| 270 | 54.73 | 56,045 | 1.00 | 54.73 | 1.22 | 55.95 | 1.221 | 45.13 | 55.10 |
| 280 | 31.88 | 12,996 | 0.50 | 36.94 | 1.01 | 37.95 | 0.828 | 45.13 | 37.37 |
| 290 | 36.38 | 5,081 | 0.30 | 40.32 | 1.45 | 41.77 | 0.912 | 45.13 | 41.16 |
| 300 | 13.86 | 107 | 0.00 | 42.00 | 1.12 | 43.12 | 0.941 | 45.13 | 42.47 |
| 310 | 40.57 | 45,969 | 0.90 | 40.71 | 0.66 | 41.37 | 0.903 | 45.13 | 40.75 |
| 320 | 47.13 | 10,914 | 0.40 | 44.05 | 0.69 | 44.74 | 0.977 | 45.13 | 44.09 |
| 330 | 6.06 | 133 | 0.00 | 42.00 | 0.56 | 42.56 | 0.929 | 45.13 | 41.93 |
| 340 | 42.31 | 133,647 | 1.00 | 42.31 | 0.65 | 42.96 | 0.938 | 45.13 | 42.33 |
| 350 | 24.27 | 7,776 | 0.30 | 36.68 | 0.50 | 37.18 | 0.812 | 45.13 | 36.65 |
| 360 | 24.17 | 40,076 | 0.80 | 27.74 | 0.25 | 27.99 | 0.611 | 45.13 | 27.57 |
| 370 | 36.31 | 5,928 | 0.30 | 40.30 | 0.22 | 40.52 | 0.885 | 45.13 | 39.94 |
| 380 | 20.25 | 3,971 | 0.20 | 37.65 | 0.19 | 37.84 | 0.826 | 45.13 | 37.28 |
| 390 | 50.87 | 3,009 | 0.20 | 43.78 | 0.19 | 43.97 | 0.960 | 45.13 | 43.32 |
| Statewide | 42.00 | 390,374 | 1.00 | 42.00 | 3.02 | 45.81 | 1.0000 | 45.13 | 45.13 |

* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

** Column (8) = Line (10) + Line (12), page C-4

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
|-----------|------------|------------------------|-------------|------------|--------------------------------|---------------------|----------------------------|-----------------|-----------------------------|------------|------------|-----------------------|-----------------------|-------|
| | Indicated | Trended | Variable | Current | Indicated Net | Compensation | Net Cost of | Indicated | Dollar | Indicated | Indicated | Balanced | Filed | Filed |
| | Base Class | Fixed | Expense, | Base Class | Base Class | For | Reinsurance ^(f) | Rate | Deviation | Base Class | Rate Level | Rate Level | Rate Level | Base |
| | Loss Cost | Expense ^(d) | Dividends, | Rate | Rate | Assessment | Reinsurance ^(f) | Excluding | per Exposure ^(g) | Rate | Change | Change ^(h) | Change | Class |
| Territory | | | Profit, | | $[(1)+(2)\times(4)]/[1.0-(3)]$ | Risk ^(e) | | Deviation | | (8) + (9) | (10) / (4) | Change ^(h) | Capped ⁽ⁱ⁾ | Rate |
| | | | Contingency | | | | | (5) + (6) + (7) | | | | | | |
| 110 | 63.54 | 0.099 | 0.253 | 102 | 98.58 | 3.48 | 23.07 | 125.13 | 0.00 | 125.13 | 1.227 | 1.234 | 1.234 | 126 |
| 120 | 70.85 | 0.081 | 0.253 | 125 | 108.40 | 4.26 | 56.83 | 169.49 | 0.00 | 169.49 | 1.356 | 1.363 | 1.250 | 156 |
| 130 | 54.79 | 0.106 | 0.253 | 79 | 84.56 | 2.69 | 19.94 | 107.19 | 0.00 | 107.19 | 1.357 | 1.364 | 1.250 | 99 |
| 140 | 61.42 | 0.115 | 0.253 | 86 | 95.46 | 2.93 | 31.88 | 130.27 | 0.00 | 130.27 | 1.515 | 1.523 | 1.250 | 108 |
| 150 | 44.00 | 0.130 | 0.253 | 59 | 69.17 | 2.01 | 9.75 | 80.93 | 0.00 | 80.93 | 1.372 | 1.379 | 1.250 | 74 |
| 160 | 47.25 | 0.142 | 0.253 | 64 | 75.42 | 2.18 | 17.57 | 95.17 | 0.00 | 95.17 | 1.487 | 1.495 | 1.250 | 80 |
| 170 | 41.38 | 0.194 | 0.253 | 52 | 68.90 | 1.77 | 0.00 | 70.67 | 0.00 | 70.67 | 1.359 | 1.366 | 1.250 | 65 |
| 180 | 43.28 | 0.175 | 0.253 | 55 | 70.82 | 1.87 | 6.11 | 78.80 | 0.00 | 78.80 | 1.433 | 1.441 | 1.250 | 69 |
| 190 | 46.62 | 0.112 | 0.253 | 58 | 71.11 | 1.98 | 8.96 | 82.05 | 0.00 | 82.05 | 1.415 | 1.423 | 1.250 | 73 |
| 200 | 46.84 | 0.254 | 0.253 | 64 | 84.47 | 2.18 | 10.71 | 97.36 | 0.00 | 97.36 | 1.521 | 1.529 | 1.250 | 80 |
| 210 | 43.73 | 0.135 | 0.253 | 53 | 68.12 | 1.81 | 4.29 | 74.22 | 0.00 | 74.22 | 1.400 | 1.407 | 1.250 | 66 |
| 220 | 56.23 | 0.152 | 0.253 | 54 | 86.26 | 1.84 | 3.60 | 91.70 | 0.00 | 91.70 | 1.698 | 1.707 | 1.250 | 68 |
| 230 | 45.08 | 0.201 | 0.253 | 57 | 75.69 | 1.94 | 6.78 | 84.41 | 0.00 | 84.41 | 1.481 | 1.489 | 1.250 | 71 |
| 240 | 40.93 | 0.140 | 0.253 | 50 | 64.16 | 1.70 | 3.67 | 69.53 | 0.00 | 69.53 | 1.391 | 1.398 | 1.250 | 63 |
| 250 | 42.92 | 0.145 | 0.253 | 49 | 66.97 | 1.67 | 2.93 | 71.57 | 0.00 | 71.57 | 1.461 | 1.469 | 1.250 | 61 |
| 260 | 42.29 | 0.158 | 0.253 | 49 | 66.98 | 1.67 | 1.57 | 70.22 | 0.00 | 70.22 | 1.433 | 1.441 | 1.250 | 61 |
| 270 | 55.10 | 0.141 | 0.253 | 55 | 84.14 | 1.87 | 2.55 | 88.56 | 0.00 | 88.56 | 1.610 | 1.619 | 1.250 | 69 |
| 280 | 37.37 | 0.182 | 0.253 | 41 | 60.02 | 1.40 | 2.30 | 63.72 | 0.00 | 63.72 | 1.554 | 1.562 | 1.250 | 51 |
| 290 | 41.16 | 0.166 | 0.253 | 50 | 66.21 | 1.70 | 2.87 | 70.78 | 0.00 | 70.78 | 1.416 | 1.424 | 1.250 | 63 |
| 300 | 42.47 | 0.172 | 0.253 | 49 | 68.14 | 1.67 | 2.17 | 71.98 | 0.00 | 71.98 | 1.469 | 1.477 | 1.250 | 61 |
| 310 | 40.75 | 0.190 | 0.253 | 43 | 65.49 | 1.47 | 1.66 | 68.62 | 0.00 | 68.62 | 1.596 | 1.604 | 1.250 | 54 |
| 320 | 44.09 | 0.189 | 0.253 | 44 | 70.16 | 1.50 | 1.76 | 73.42 | 0.00 | 73.42 | 1.669 | 1.678 | 1.250 | 55 |
| 330 | 41.93 | 0.152 | 0.253 | 48 | 65.90 | 1.64 | 1.31 | 68.85 | 0.00 | 68.85 | 1.434 | 1.442 | 1.250 | 60 |
| 340 | 42.33 | 0.170 | 0.253 | 47 | 67.36 | 1.60 | 1.80 | 70.76 | 0.00 | 70.76 | 1.506 | 1.514 | 1.250 | 59 |
| 350 | 36.65 | 0.180 | 0.253 | 46 | 60.15 | 1.57 | 1.31 | 63.03 | 0.00 | 63.03 | 1.370 | 1.377 | 1.250 | 58 |
| 360 | 27.57 | 0.197 | 0.253 | 37 | 46.67 | 1.26 | 0.72 | 48.65 | 0.00 | 48.65 | 1.315 | 1.322 | 1.250 | 46 |
| 370 | 39.94 | 0.196 | 0.253 | 48 | 66.06 | 1.64 | 0.69 | 68.39 | 0.00 | 68.39 | 1.425 | 1.433 | 1.250 | 60 |
| 380 | 37.28 | 0.175 | 0.253 | 46 | 60.68 | 1.57 | 0.54 | 62.79 | 0.00 | 62.79 | 1.365 | 1.372 | 1.250 | 58 |
| 390 | 43.32 | 0.138 | 0.253 | 47 | 66.67 | 1.60 | 0.60 | 68.87 | 0.00 | 68.87 | 1.465 | 1.473 | 1.250 | 59 |
| Statewide | 45.13 | 0.159 | 0.253 | 52 | 71.50 | 1.78 | 5.63 | 78.91 | 0.00 | 78.91 | 1.506 | 1.514 | 1.250 | 65 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

- (a) The Non-Hurricane Base Class Loss Cost is based on five-year incurred developed losses (excluding hurricane), five-year house years, and the five-year average rating factor. Since the rate level indications by territory will be based on both modeled and non-modeled experience, and since the modeled loss experience is based on exposures that have been trended to the prospective period and loaded for LAE, the non-hurricane losses and corresponding average rating factors used in the calculation of the Non-Hurricane Base Class Loss Cost have also been trended to the prospective period and loaded for LAE. The calculation of the Non-Hurricane Base Class Loss Costs is displayed on pages D-60-77.
- (b) Credibility values are assigned to a given territory based on the territory credibility table shown on page D-24.
- (c) The calculation of the Modeled Hurricane Base Class Loss Cost is shown on pages D-78-80.
- (d) The trended fixed expense ratios are calculated as the ratio of the trended fixed expense dollar loadings displayed on page D-29 to trended earned premium at current manual level. This calculation is shown on page D-30.
- (e) The Compensation for Assessment Risk provision is calculated as $(0.029 \times \text{Current Base Rate}) / (1.0 - (\text{Provisions for Commissions} + \text{Taxes}))$. The 2.9% value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on page D-25.
- (f) The calculation of the provisions for the Net Cost of Reinsurance is displayed on pages D-81-83.
- (g) A 0% deviation loading was selected by the North Carolina Rate Bureau.
- (h) Since the statewide indicated rate level change may not equal the weighted average of the indicated rate level change by territory (shown in column (11)), an adjustment factor (calculated as $\text{Statewide Indicated Rate Level Change} / \text{Statewide column (11)}$) is applied to the column (11) values in order to determine the column (12) values.
- (i) For all forms, the indicated rate level changes by territory were capped at +25%.
- (j) The Off-Balance Factor represents the rate level effect that would result if the revised Age of Construction factors were to be implemented without any adjustment to the current base class rates. Hence, by dividing out the off-balance factor in the calculation of the revised base class rates, the revised rating factors will have no effect on the average rate for all insureds.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND EXCLUSION CREDIT

| OWNERS FORMS | | | | | | | | | | | | | | | | | |
|---------------------|-------------------------|----------|-------------------------|-----------------------------|----------|-------------------------|-------------------------|-----------|------------|----------|--------------------|----------|----------|----------------------|----------------------|----------------------|----------------------|
| Territory | <i>L</i> ^(a) | <i>d</i> | <i>F</i> ^(b) | <i>(I-V)</i> ^(c) | <i>k</i> | <i>B</i> ^(d) | <i>R</i> ^(e) | <i>d'</i> | <i>d'R</i> | <i>D</i> | <i>Off-Balance</i> | <i>I</i> | <i>r</i> | <i>p_f</i> | <i>p_m</i> | <i>C_f</i> | <i>C_m</i> |
| 110 | 1,850.84 | 0.256 | 78.51 | 0.747 | 0.286 | 89.18 | 1,173.22 | 0.0004 | 0.41 | 0.00 | 0.989 | 3,308 | 1.000 | 1.007 | 0.901 | 2,552 | 2,285 |
| 120 | 1,881.79 | 0.171 | 88.97 | 0.747 | 0.208 | 104.55 | 2,285.77 | 0.0002 | 0.52 | 0.00 | 0.984 | 3,897 | 1.005 | 1.001 | 0.900 | 3,334 | 2,997 |
| 130 | 943.52 | 0.383 | 80.78 | 0.747 | 0.432 | 53.98 | 613.01 | 0.0005 | 0.29 | 0.00 | 0.981 | 2,018 | 1.000 | 1.129 | 1.038 | 1,570 | 1,443 |
| 140 | 1,241.29 | 0.296 | 91.93 | 0.747 | 0.345 | 72.86 | 1,272.10 | 0.0004 | 0.51 | 0.00 | 0.978 | 2,733 | 1.002 | 1.012 | 0.903 | 2,108 | 1,880 |
| 150 | 677.86 | 0.451 | 95.63 | 0.747 | 0.519 | 44.64 | 427.15 | 0.0006 | 0.28 | 0.00 | 0.983 | 1,533 | 1.001 | 1.070 | 0.950 | 1,032 | 916 |
| 160 | 780.04 | 0.447 | 105.30 | 0.747 | 0.513 | 48.49 | 605.96 | 0.0007 | 0.42 | 0.00 | 0.969 | 1,836 | 1.001 | 1.036 | 0.931 | 1,227 | 1,102 |

| TENANTS | | | | | | | | | | | | | | | | | |
|----------------|-------------------------|----------|-------------------------|-----------------------------|----------|-------------------------|-------------------------|-----------|------------|----------|--------------------|----------|----------|----------------------|----------------------|----------------------|----------------------|
| Territory | <i>L</i> ^(a) | <i>d</i> | <i>F</i> ^(b) | <i>(I-V)</i> ^(c) | <i>k</i> | <i>B</i> ^(d) | <i>R</i> ^(e) | <i>d'</i> | <i>d'R</i> | <i>D</i> | <i>Off-Balance</i> | <i>I</i> | <i>r</i> | <i>p_f</i> | <i>p_m</i> | <i>C_f</i> | <i>C_m</i> |
| 110 | 55.75 | 0.391 | 18.60 | 0.747 | 0.543 | 4.23 | 32.91 | 0.0001 | 0.00 | 0.00 | 1.000 | 137 | 1.000 | 1.003 | 0.891 | 81 | 72 |
| 120 | 66.79 | 0.339 | 20.59 | 0.747 | 0.495 | 4.80 | 72.72 | 0.0001 | 0.00 | 0.00 | 1.000 | 176 | 1.000 | 1.000 | 0.897 | 116 | 104 |
| 130 | 38.79 | 0.593 | 16.04 | 0.747 | 0.712 | 2.69 | 19.41 | 0.0001 | 0.00 | 0.00 | 1.000 | 96 | 1.000 | 1.063 | 0.969 | 44 | 41 |
| 140 | 43.57 | 0.479 | 21.31 | 0.747 | 0.650 | 3.27 | 38.07 | 0.0001 | 0.00 | 0.00 | 1.000 | 120 | 1.000 | 1.001 | 0.899 | 61 | 55 |
| 150 | 29.00 | 0.690 | 18.42 | 0.747 | 0.810 | 2.04 | 12.10 | 0.0002 | 0.00 | 0.00 | 1.000 | 75 | 1.000 | 1.019 | 0.910 | 22 | 20 |
| 160 | 35.89 | 0.669 | 21.43 | 0.747 | 0.793 | 2.59 | 19.83 | 0.0002 | 0.00 | 0.00 | 1.000 | 95 | 1.000 | 1.009 | 0.903 | 32 | 29 |

| CONDOMINIUM UNIT OWNERS | | | | | | | | | | | | | | | | | |
|--------------------------------|-------------------------|----------|-------------------------|-----------------------------|----------|-------------------------|-------------------------|-----------|------------|----------|--------------------|----------|----------|----------------------|----------------------|----------------------|----------------------|
| Territory | <i>L</i> ^(a) | <i>d</i> | <i>F</i> ^(b) | <i>(I-V)</i> ^(c) | <i>k</i> | <i>B</i> ^(d) | <i>R</i> ^(e) | <i>d'</i> | <i>d'R</i> | <i>D</i> | <i>Off-Balance</i> | <i>I</i> | <i>r</i> | <i>p_f</i> | <i>p_m</i> | <i>C_f</i> | <i>C_m</i> |
| 110 | 63.54 | 0.668 | 10.10 | 0.747 | 0.714 | 3.48 | 23.07 | 0.0001 | 0.00 | 0.00 | 1.000 | 126 | 1.000 | 1.001 | 0.898 | 53 | 48 |
| 120 | 70.85 | 0.532 | 10.13 | 0.747 | 0.590 | 4.26 | 56.83 | 0.0000 | 0.00 | 0.00 | 1.000 | 156 | 1.000 | 1.001 | 0.885 | 90 | 79 |
| 130 | 54.79 | 0.717 | 8.37 | 0.747 | 0.754 | 2.69 | 19.94 | 0.0001 | 0.00 | 0.00 | 1.000 | 99 | 1.000 | 1.017 | 0.900 | 34 | 30 |
| 140 | 61.42 | 0.694 | 9.89 | 0.747 | 0.736 | 2.93 | 31.88 | 0.0002 | 0.01 | 0.00 | 1.000 | 108 | 1.000 | 1.000 | 0.896 | 36 | 32 |
| 150 | 44.00 | 0.844 | 7.67 | 0.747 | 0.867 | 2.01 | 9.75 | 0.0002 | 0.00 | 0.00 | 1.000 | 74 | 1.000 | 1.032 | 0.901 | 13 | 11 |
| 160 | 47.25 | 0.782 | 9.09 | 0.747 | 0.817 | 2.18 | 17.57 | 0.0002 | 0.00 | 0.00 | 1.000 | 80 | 1.000 | 1.002 | 0.900 | 17 | 15 |

^(a) equals column (9) on pages C-7, C-9 and C-11.

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

^(c) equals (1.0 - statewide provisions for profit, dividends, contingencies, commission, taxes on page D-25).

^(d) equals column (6) on pages C-8, C-10 and C-12.

^(e) equals column (7) on pages C-8, C-10 and C-12.

NORTH CAROLINA
HOMEOWNERS INSURANCE
DERIVATION OF WIND EXCLUSION CREDITS

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

- $C_x = [I - \{(Ld + F) / (1.0 - V) + kB + d'R\} / (1.0 - D)] / \text{Off-Balance} p_x r$, where
- C_x = Filed credit for construction type x (Frame or Masonry)
- I = Filed base class rate
- L = Pure-premium underlying indicated rate level change
- d = The portion of L that is attributable to non-wind losses
- F = Fixed expense provision underlying indicated rate level change
- V = Variable expense provision
- B = Provision in indicated base class rate for Compensation for Assessment Risk
- k = An adjustment factor, applied to B , to reflect exclusion of wind coverage
= (Indicated non-wind rate without B) / (Indicated rate, without B)
= $[(Ld + F) / (1.0 - V)] / [(L + F) / (1.0 - V)] = (Ld + F) / (L + F)$
- R = Reinsurance provision as calculated on pages D-81-83
- d' = The portion of the reinsurance cost attributable to non-wind related perils
- D = Selected deviation percentage
- p_x = Average protection class relativity for construction x (Frame or Masonry), weighted by latest-year industry earned house years
- r = Average policy form relativity weighted by latest-year industry earned house years

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

The d value is calculated as

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

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

The d' value is calculated as

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

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

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WINDSTORM LOSS MITIGATION CREDITS - FRAME CONSTRUCTION

| | Territory | | | | | |
|--|-----------|-------|-------|-------|-------|-------|
| | 110 | 120 | 130 | 140 | 150 | 160 |
| (1) Current Wind Exclusion Credit - Frame | 1,903 | 2,634 | 1,204 | 1,659 | 891 | 966 |
| (2) Filed Wind Exclusion Credit - Frame | 2,552 | 3,334 | 1,570 | 2,108 | 1,032 | 1,227 |
| (3) Ratio of Filed and Current Wind Credits = (2)/(1) | 1.341 | 1.266 | 1.304 | 1.271 | 1.158 | 1.270 |
| (4) Current Windstorm Loss Mitigation Credits | | | | | | |
| Total Hip Roof | 133 | 180 | 84 | 113 | 60 | 65 |
| Opening Protection | 137 | 184 | 84 | 114 | 59 | 68 |
| Total Hip Roof and Opening Protection | 270 | 362 | 166 | 228 | 117 | 133 |
| <u>IBHS Designation:</u> | | | | | | |
| FORTIFIED for Safer Living® | 437 | 634 | 241 | 380 | 128 | 222 |
| FORTIFIED Roof - Hurricane - Existing Roof | 105 | 143 | 67 | 90 | 47 | 53 |
| FORTIFIED Roof - Hurricane - New Roof | 164 | 225 | 94 | 142 | 59 | 82 |
| FORTIFIED Roof - Hurricane - Silver -Existing Roof | 262 | 382 | 135 | 231 | 62 | 133 |
| FORTIFIED Roof - Hurricane - Silver -New Roof | 315 | 461 | 161 | 283 | 70 | 165 |
| FORTIFIED Roof - Hurricane - Gold -Existing Roof | 335 | 485 | 180 | 288 | 92 | 168 |
| FORTIFIED Roof - Hurricane - Gold -New Roof | 389 | 567 | 205 | 341 | 100 | 198 |
| (5) Revised Windstorm Loss Mitigation Credits = (3)×(4) | | | | | | |
| Total Hip Roof | 179 | 228 | 110 | 144 | 69 | 83 |
| Opening Protection | 183 | 233 | 110 | 145 | 68 | 86 |
| Total Hip Roof and Opening Protection | 362 | 458 | 217 | 289 | 136 | 169 |
| <u>IBHS Designation:</u> | | | | | | |
| FORTIFIED for Safer Living® | 586 | 803 | 314 | 482 | 148 | 282 |
| FORTIFIED Roof - Hurricane - Existing Roof | 141 | 182 | 87 | 115 | 54 | 67 |
| FORTIFIED Roof - Hurricane - New Roof | 219 | 285 | 123 | 180 | 68 | 104 |
| FORTIFIED Roof - Hurricane - Silver -Existing Roof | 352 | 483 | 176 | 294 | 71 | 169 |
| FORTIFIED Roof - Hurricane - Silver -New Roof | 422 | 584 | 210 | 359 | 82 | 210 |
| FORTIFIED Roof - Hurricane - Gold -Existing Roof | 449 | 614 | 235 | 366 | 107 | 214 |
| FORTIFIED Roof - Hurricane - Gold -New Roof | 522 | 718 | 268 | 433 | 116 | 252 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WINDSTORM LOSS MITIGATION CREDITS - MASONRY CONSTRUCTION

| | Territory | | | | | |
|--|-----------|-------|-------|-------|-------|-------|
| | 110 | 120 | 130 | 140 | 150 | 160 |
| (1) Current Wind Exclusion Credit - Masonry | 1,715 | 2,372 | 1,111 | 1,479 | 791 | 867 |
| (2) Filed Wind Exclusion Credit - Masonry | 2,285 | 2,997 | 1,443 | 1,880 | 916 | 1,102 |
| (3) Ratio of Filed and Current Wind Credits = (2)/(1) | 1.332 | 1.263 | 1.299 | 1.271 | 1.158 | 1.271 |
| (4) Current Windstorm Loss Mitigation Credits | | | | | | |
| Total Hip Roof | 121 | 161 | 77 | 101 | 54 | 59 |
| Opening Protection | 123 | 165 | 77 | 103 | 52 | 60 |
| Total Hip Roof and Opening Protection | 243 | 326 | 154 | 205 | 104 | 120 |
| <u>IBHS Designation:</u> | | | | | | |
| FORTIFIED for Safer Living® | 394 | 570 | 222 | 338 | 114 | 199 |
| FORTIFIED Roof - Hurricane - Existing Roof | 94 | 130 | 60 | 79 | 42 | 47 |
| FORTIFIED Roof - Hurricane - New Roof | 146 | 203 | 87 | 127 | 52 | 74 |
| FORTIFIED Roof - Hurricane - Silver -Existing Roof | 236 | 345 | 125 | 207 | 55 | 120 |
| FORTIFIED Roof - Hurricane - Silver -New Roof | 283 | 415 | 148 | 252 | 62 | 147 |
| FORTIFIED Roof - Hurricane - Gold -Existing Roof | 301 | 438 | 166 | 256 | 80 | 151 |
| FORTIFIED Roof - Hurricane - Gold -New Roof | 348 | 511 | 190 | 304 | 89 | 177 |
| (5) Revised Windstorm Loss Mitigation Credits = (3)×(4) | | | | | | |
| Total Hip Roof | 161 | 203 | 101 | 129 | 62 | 75 |
| Opening Protection | 164 | 209 | 101 | 131 | 60 | 77 |
| Total Hip Roof and Opening Protection | 323 | 412 | 200 | 260 | 121 | 153 |
| <u>IBHS Designation:</u> | | | | | | |
| FORTIFIED for Safer Living® | 524 | 720 | 288 | 429 | 132 | 253 |
| FORTIFIED Roof - Hurricane - Existing Roof | 125 | 164 | 78 | 101 | 48 | 59 |
| FORTIFIED Roof - Hurricane - New Roof | 195 | 256 | 113 | 161 | 60 | 94 |
| FORTIFIED Roof - Hurricane - Silver -Existing Roof | 314 | 435 | 162 | 263 | 63 | 153 |
| FORTIFIED Roof - Hurricane - Silver -New Roof | 377 | 524 | 193 | 320 | 71 | 187 |
| FORTIFIED Roof - Hurricane - Gold -Existing Roof | 401 | 553 | 216 | 326 | 93 | 191 |
| FORTIFIED Roof - Hurricane - Gold -New Roof | 463 | 645 | 246 | 386 | 103 | 226 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WINDSTORM LOSS MITIGATION CREDITS

The filed credits displayed on pages C-16 and C-17 apply to the current IBHS designations effective on or after March 31, 2019. The same filed credits apply to the previous IBHS designations according to the following mappings:

Current IBHS Designation:

FORTIFIED for Safer Living®
FORTIFIED Roof - Hurricane - Existing Roof
FORTIFIED Roof - Hurricane - New Roof
FORTIFIED Home - Hurricane - Silver - Existing Roof
FORTIFIED Home - Hurricane - Silver - New Roof
FORTIFIED Home - Hurricane - Gold - Existing Roof
FORTIFIED Home - Hurricane - Gold - New Roof

Previous IBHS Designation:

Hurricane Fortified for Safer Living®
Hurricane Fortified for Existing Homes® Bronze Option 1
Hurricane Fortified for Existing Homes® Bronze Option 2
Hurricane Fortified for Existing Homes® Silver Option 1
Hurricane Fortified for Existing Homes® Silver Option 2
Hurricane Fortified for Existing Homes® Gold Option 1
Hurricane Fortified for Existing Homes® Gold Option 2

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND-ONLY RATES

| OWNERS FORMS | | | | | | | |
|---------------------|----------------|------------|----------------|-----------------------|--------------------------|-------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | | =(1)/(2) | | =(3)+(4) | | =(3)+(6) |
| | Fixed | | Fixed | Revised | Revised | Revised | Revised |
| <u>Territory</u> | <u>Expense</u> | <u>1-V</u> | <u>Expense</u> | <u>Wind Exclusion</u> | <u>Wind-Only</u> | <u>Wind Exclusion</u> | <u>Wind-Only</u> |
| | | | <u>Loading</u> | <u>Credit - Frame</u> | <u>Base Rate - Frame</u> | <u>Credit - Masonry</u> | <u>Base Rate - Masonry</u> |
| 110 | 78.51 | 0.747 | 105.10 | 2,552 | 2,657 | 2,285 | 2,390 |
| 120 | 88.97 | 0.747 | 119.10 | 3,334 | 3,453 | 2,997 | 3,116 |
| 130 | 80.78 | 0.747 | 108.14 | 1,570 | 1,678 | 1,443 | 1,551 |
| 140 | 91.93 | 0.747 | 123.07 | 2,108 | 2,231 | 1,880 | 2,003 |
| 150 | 95.63 | 0.747 | 128.02 | 1,032 | 1,160 | 916 | 1,044 |
| 160 | 105.30 | 0.747 | 140.96 | 1,227 | 1,368 | 1,102 | 1,243 |

| TENANTS | | | | | | | |
|------------------|----------------|------------|----------------|-----------------------|--------------------------|-------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | | =(1)/(2) | | =(3)+(4) | | =(3)+(6) |
| | Fixed | | Fixed | Revised | Revised | Revised | Revised |
| <u>Territory</u> | <u>Expense</u> | <u>1-V</u> | <u>Expense</u> | <u>Wind Exclusion</u> | <u>Wind-Only</u> | <u>Wind Exclusion</u> | <u>Wind-Only</u> |
| | | | <u>Loading</u> | <u>Credit - Frame</u> | <u>Base Rate - Frame</u> | <u>Credit - Masonry</u> | <u>Base Rate - Masonry</u> |
| 110 | 18.60 | 0.747 | 24.90 | 81 | 106 | 72 | 97 |
| 120 | 20.59 | 0.747 | 27.56 | 116 | 144 | 104 | 132 |
| 130 | 16.04 | 0.747 | 21.47 | 44 | 65 | 41 | 62 |
| 140 | 21.31 | 0.747 | 28.53 | 61 | 90 | 55 | 84 |
| 150 | 18.42 | 0.747 | 24.66 | 22 | 47 | 20 | 45 |
| 160 | 21.43 | 0.747 | 28.69 | 32 | 61 | 29 | 58 |

| CONDOMINIUM UNIT OWNERS | | | | | | | |
|--------------------------------|----------------|------------|----------------|-----------------------|--------------------------|-------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | | =(1)/(2) | | =(3)+(4) | | =(3)+(6) |
| | Fixed | | Fixed | Revised | Revised | Revised | Revised |
| <u>Territory</u> | <u>Expense</u> | <u>1-V</u> | <u>Expense</u> | <u>Wind Exclusion</u> | <u>Wind-Only</u> | <u>Wind Exclusion</u> | <u>Wind-Only</u> |
| | | | <u>Loading</u> | <u>Credit - Frame</u> | <u>Base Rate - Frame</u> | <u>Credit - Masonry</u> | <u>Base Rate - Masonry</u> |
| 110 | 10.10 | 0.747 | 13.52 | 53 | 67 | 48 | 62 |
| 120 | 10.13 | 0.747 | 13.55 | 90 | 104 | 79 | 93 |
| 130 | 8.37 | 0.747 | 11.21 | 34 | 45 | 30 | 41 |
| 140 | 9.89 | 0.747 | 13.24 | 36 | 49 | 32 | 45 |
| 150 | 7.67 | 0.747 | 10.27 | 13 | 23 | 11 | 21 |
| 160 | 9.09 | 0.747 | 12.17 | 17 | 29 | 15 | 27 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND-ONLY RATES

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

The wind-only rates are calculated as follows:

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

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

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

F = Fixed expense provision underlying indicated rate level change

V = Variable expense provision

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION D - EXPLANATORY MATERIAL

| | |
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NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

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

Premium and Loss Experience

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

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

Experience utilized in the filing was collected under the Personal Lines Statistical Plan and the 2018 Official Statistical Programs of ISO, the Statistical Plan for Homeowners Policies, Mobilehome Policies, and Dwelling Policies and the 2018 Statistical Programs of ISS, the Homeowners Statistical Plan developed by the NISS and the 2018 Statistical Programs of the NISS. In substance, the statistical plans of these statistical agents are similar in North Carolina and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined. The experience collected by AAIS and in the ISO Stat Agent Plan (which totals less than 0.15% of the aggregate experience) is collected in lesser detail and has not been used in this review.

The licensing of an organization and its appointment as a statistical agent in North Carolina is predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time such organizations are called upon by Insurance Department examiners to verify, and do verify, the data consolidated by them as statistical agents.

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations extend into the statistical records of the companies.

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

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

Statewide Rate Level Exhibits

1. Experience

Homeowners insurance experience was compiled on a calendar accident year basis for the years ended December 31, 2018, 2017, 2016, 2015 and 2014. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the average rating factors and number of exposures "earned" during the same period. Since this filing utilizes computer models to estimate the average annual losses attributable to hurricanes, actual hurricane losses have been removed from the ratemaking experience.

2. Average Rating Factors

The earned premiums at present manual rates for the homeowners insurance coverages are calculated by multiplying the number of insured exposures earned during the experience period by the base rates and rating factors in effect at the time of review. Earned premiums at present rates are used to determine average rating factors. The average rating factor is the ratio of the average rate (earned premium at manual level divided by corresponding house-years) and the current manual base rate by territory. The average rating factor is used to convert the pure-premiums incurred during the experience period to the "base-class" level. This calculation is shown on pages D-42-59.

3. Losses

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows:

Each year the experience is compiled for the latest five years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months, the next preceding year as of 39 months, the third preceding year as of 51 months and the fourth preceding year as of 63 months all measured from the beginning of each accident year respectively.

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

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Homeowners claims generally are settled, and are therefore sufficiently matured, as of 63 months, by which time nearly all homeowners incurred losses have been paid. From a comparison of the incurred losses for each year at successive valuation dates, it is determined what the rate of development has been in the past in order to calculate the development of less mature losses. This development is reflected in the incurred losses for the less mature years by the application of loss development factors. In this filing, loss development factors have been calculated based on the experience of companies reporting to ISO and three large company-groups reporting to the ISS, by policy form, and are as follows:

| <u>Accident Year Ending</u> | <u>Factor to Develop to 63 Months</u> | | |
|-----------------------------|---------------------------------------|----------------|------------------------------------|
| | <u>Owners Forms</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
| December 31, 2018 | 1.031 | 1.020 | 1.001 |
| December 31, 2017 | 1.001 | 1.007 | 0.999 |
| December 31, 2016 | 0.998 | 1.002 | 0.997 |
| December 31, 2015 | 0.999 | 1.000 | 1.001 |
| December 31, 2014 | 1.000 | 1.000 | 1.000 |

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

4. "Excess Wind" Losses and Modeled Hurricane Losses

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

With respect to the excess wind procedure (pages D-31-32), two adjustments to reported (non-hurricane) incurred losses are made. First, excess wind losses, which result from unusually severe non-hurricane wind activity, are removed from the rate-making experience. Second, the excess losses for a given year are replaced with an expected excess wind loss loading, by application of the statewide "excess wind factor". This statewide excess wind factor is based on the long-term (non-hurricane) wind history and, therefore, is not subject to the type of yearly variation inherent in actual wind losses. In this filing, 30 years of historical experience are evaluated to determine the excess wind factor. The derivation of the excess wind factor is described below.

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

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The "normal" wind-to-total-minus-wind ratio is determined by first capping the historical ratios for unusually large wind loss years at 5 times the median statewide value. (The capped wind-to-total-minus-wind ratios are shown in column (5) of the excess wind factor exhibit, page D-31). An excess wind-to-total-minus-wind ratio for a given year is composed of two parts:

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

The excess wind factor is calculated as:

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

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

The modeled hurricane losses used in this filing are based on analysis performed by Aon on behalf of the North Carolina Rate Bureau and are displayed on pages D-78-80.

5. Loss Adjustment Expense

Loss adjustment expenses are determined as an average percentage of the North Carolina incurred losses for the corresponding five calendar accident years, based on a North Carolina expense call. The high and low years are excluded in the average and the effects of loss trend and expense trend are incorporated into the calculated loading. See pages D-27-28 and item 11 below.

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

6. Credibility Factor Determination

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

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

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

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for the Tenants Form, and 190,000 house years for the Condominium Unit Owner Form. (See page D-24.)

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7. Loss Trend

Loss trends are selected using the information provided by the observed growth in frequencies, severities, and pure premiums that occurred during the historical experience period. This procedure is displayed on pages D-15-18.

First, the frequencies, severities, and pure premiums are calculated by policy form group, cause-of-loss group (i.e., fire-related, water-related, etc), and year. Hurricane losses are excluded from the loss experience. Then average annual rates of change are calculated by fitting exponential curves to the data for three time periods: the latest five years, the latest four years, and the latest three years. Based on these average annual rates of change, historical annual rates of change are selected to trend the historical loss experience to the average occurrence date of the latest year (July 1, 2018) and prospective annual rates of change are selected to trend the losses from the latest year to one year beyond the assumed effective date (August 1, 2022). The historical and prospective annual rates of change that are selected for the pure premiums are used to trend the losses and are based on the selections for frequency and severity. The selected historical annual changes are +4.0%, -1.0%, and +5.0% for Owners, Tenants, and Condominium Unit Owners, respectively. The selected prospective annual changes are +6.0%, +0.5%, and +5.0% for Owners, Tenants, and Condominium Unit Owners, respectively.

8. Premium Trend

The premium trend procedure is based on the observed growth in yearly average policy amount relativities. (For the Owners forms, these relativities reflect the Coverage A limit selections made by insureds. For the Tenant and Condominium Unit Owners forms, these relativities reflect the Coverage C limit selections made by insureds.) This procedure is displayed on pages D-19-20.

First, the Current Amount Factors are calculated by policy form group and year. The Current Amount Factor trends the average policy amount relativity (and, therefore, the Average Rating Factor used in the derivation of the statewide and territory rate level indications) from a given historical year to the average date of writing for the latest year of the review (January 1, 2018). Then, a least-squares fitted annual change is calculated for the historical average relativities. Based on the calculated value, a selection for the annual change is made. (The selected annual changes reflect consideration of the calculated value and the overall pattern in average relativity growth observed during the experience period.) The selected annual changes are used to trend the average policy size relativity from the latest year to six months beyond the assumed effective date (February 1, 2022). The selected annual changes are +1.1%, -2.0%, and 0.0% in the Owners, Tenant and Condominium forms, respectively.

9. Exposure Trend

The exposure trend procedure is based on the observed growth in yearly average policy amounts. (For the Owners forms, the policy amounts reflect the Coverage A limit selections made by insureds. For the Tenant and Condominium Unit Owners forms, the policy amounts reflect the Coverage C limit selections made by insureds.) This procedure is displayed on pages D-21.

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First, the average policy amounts are calculated by policy form group and year. Then average annual rates of change are calculated by fitting exponential curves to the data for three time periods: the latest five years, the latest four years, and the latest three years. Based on these average annual rates of change, annual rates of change are selected to trend the latest-year exposures used to calculate the modeled hurricane losses to six months beyond the assumed effective date (February 1, 2022). The selected annual changes are +2.0%, -2.5%, and -1.0% in the Owners, Tenant and Condominium forms, respectively.

10. Expense Trend

The selected annual change to be applied to general expense, other acquisition expense and loss adjustment expense costs is based on the observed growth in the All Items Consumer Price Index and the Compensation Cost Index. The selected annual change is +2.2% based on analysis and review of the index data, which are displayed on pages D-22-23. Item 12 below describes how the selected annual change is used in the derivation of the loadings for general, other acquisition and loss adjustment expenses.

11. Trend Periods

The effective date assumed in this filing is August 1, 2021 for new and renewal policies. Given this effective date, the trend periods for premiums, losses and expenses are as follows:

- premiums, and the corresponding average rating factors, are trended from January 1 of the given year to February 1, 2022.
- losses are trended from July 1 of the given year to August 1, 2022.
- general expense and other acquisition expense loadings, since they are based on 2017-2019 data, are trended from July 1, 2018 to February 1, 2022.
- loss adjustment expense percentages, since they are based on 2015-2019 data, are trended from July 1, 2017 to August 1, 2022.

12. Expense Loadings

General and Other Acquisition Expenses (Fixed Expenses)- The loadings for these "fixed" expenses are based on the information collected in special "calls" for North Carolina expense experience and reflect the 2017, 2018, and 2019 call results as reported by all companies licensed in North Carolina during those years. Based on the information in these calls, the provisions for these expenses are expressed as percentages of all-policy-forms premium. The percentage provision for these expenses (which, in effect, represents the ratio of a "numerator" of expense dollars and a "denominator" of premium dollars) is trended. The numerator is trended based on the indices shown on pages D-22-23, from which a selection of 2.2% annual growth was made, and the denominator is trended using (a subset of) the premium trend factors that are needed in the overall ratemaking methodology. Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

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The calculations described above, and the conversion to the base-class level that is required by the ratemaking methodology utilized in this filing, are shown in detail on page D-29. The underlying experience is shown on page D-25.

Commissions and Taxes (Variable Expenses)- The loadings for these expenses are based on the same special call information, and same years, as described above for general and other acquisition expenses. Since these expenses are "variable", there is no need for trending or conversion to a dollar value. The underlying experience for these expenses is shown on page D-25.

Loss Adjustment Expense- The percentage loading for this expense is based on the same special call information as described above for general and other acquisition expenses. Since loss adjustment expense is measured relative to losses, a longer time period, 2015-2019, is used. The selected LAE factor is based on the average LAE ratio over the five years excluding the highest and lowest ratios. The percentage loading for loss adjustment expense is trended in a manner that is analogous to the trending of the percentage loading for general and other acquisition expenses: the numerator, i.e., dollars of expense, is trended using the indices shown on page D-25 and the denominator, i.e., dollars of loss, is trended using (a subset of) the loss trend factors that are needed in the overall ratemaking methodology. This calculation and the underlying data are displayed in detail on pages D-27-28.

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

Net Cost of Reinsurance- The provisions for the net cost of reinsurance are based on an analysis provided by Aon. This analysis generates the total dollars required by policy form and by territory based on latest-year house years. The conversion to the required base-class level is shown on pages D-81-83. (See also pre-filed testimony of S. Fiete.)

Compensation for Assessment Risk- The Compensation for Assessment Risk provision is calculated as $(0.029 \times \text{Current Average Base Rate}) / (1.0 - (\text{Provision for Commissions} + \text{Provision for Taxes}))$.

The 0.029 value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on pages D-25. (See also pre-filed testimony of P. Anderson.)

Dividends- A dividend provision of 0.4% was selected based on the dividend dollars from companies issuing dividends as a percentage of industry-wide written premium from 2015-2019. See Exhibit (1)(h)(ii-vi) in Section E.

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

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

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Determination of Base-Class Loss Costs by Territory

1. Non-Hurricane Base-Class Loss Cost

A five-year non-hurricane base-class loss cost by territory is derived by dividing five-year territory losses excluding actual hurricane losses by the product of the five-year average rating factor and five-year house-years. For the Owners forms, the loss cost also excludes actual wind losses and includes a territory (non-hurricane) "wind provision" (described below). The losses are trended to one year beyond the assumed effective date (August 1, 2022) and the average rating factors are trended to six months beyond the assumed effective date (February 1, 2022) so as to be compatible with the modeled hurricane losses (which reflect exposures for the latest year trended to six months beyond the assumed effective date). Since the modeled hurricane losses include a loading for LAE, the non-hurricane loss cost has also been loaded for LAE. The calculation of the non-hurricane base-class loss costs by territory is shown on pages D-60-77.

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

The statewide non-hurricane wind provision is defined as

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

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

In the second step, the long-term history of wind losses by territory is used to distribute the statewide non-hurricane wind provision to each territory. This calculation is shown on pages D-33-41.

2. Credibility

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

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

The full credibility standard is 60,000 house years for the Owners Forms, 75,000 house years for the Tenants Form, and 50,000 house years for the Condominium Unit Owner Form (see page D-24). The complement of credibility is assigned to the statewide five-year base-class loss cost excluding hurricane.

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3. Modeled Hurricane Base-Class Loss Cost

The modeled hurricane base-class loss cost is derived by dividing the modeled hurricane losses by the product of the latest-year trended average rating factor and latest-year house-years. This calculation is shown on pages D-78-80.

4. Total Base-Class Loss Cost

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

5. Indicated Territory Relativity

The total loss costs by territory are made to be relative to the state by taking the ratio of the by-territory loss costs and the statewide loss cost.

6. Indicated Base-Class Loss Costs By Territory

The territory relativities are applied to the statewide base-class loss cost (computed on the statewide indications pages) in order to obtain the indicated base-class loss costs by territory.

Determination of Base Rates by Territory

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

The statewide trended fixed expense ratio, which is calculated on page D-29, is adjusted in order to reflect the varying size of the current rates by territory. This is accomplished by multiplying the statewide fixed expense ratio by the ratio of the statewide five-year average rate and the five-year average rate for the given territory. This calculation is shown on page D-30.

2. Variable Expenses, Dividends, Profit and Contingency Loading

These provisions are shown on page D-25 and do not vary by territory. The variable expense loadings include provisions for commissions and taxes.

3. Compensation for Assessment Risk

The Compensation for Assessment Risk provision is calculated as

$$(0.029 \times \text{Current Average Base Rate}) / (1.0 - (\text{Provision for Commissions} + \text{Provision for Taxes})).$$

The 0.029 value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on page D-25.

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4. Net Cost of Reinsurance

The provisions for the net cost of reinsurance are based on analysis provided by Aon. This analysis generates the total dollars required by policy form to cover the cost of the expense and profit components of the reinsurance premium paid by the primary insurers. The conversion to the base-class level that is required by the ratemaking methodology utilized in this filing is shown on pages D-81-83.

5. Selected Deviation

A 0% deviation provision was selected by the NCRB.

NORTH CAROLINA
HOMEOWNERS INSURANCE
LOSS DEVELOPMENT
OWNERS FORMS

| Accident Year | Incurred Losses as of: | | | | |
|------------------|------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 410,493,719 | 413,778,649 | 413,938,784 | 414,172,551 | 413,861,083 |
| 2008 | 550,155,792 | 584,677,969 | 586,150,758 | 586,641,892 | 586,305,023 |
| 2009 | 701,808,402 | 710,182,823 | 711,412,875 | 711,228,328 | 708,249,630 |
| 2010 | 843,180,491 | 848,125,202 | 846,728,553 | 845,192,574 | 844,588,416 |
| 2011 | 1,751,149,142 | 1,781,326,162 | 1,783,116,711 | 1,783,051,953 | 1,780,709,107 |
| 2012 | 766,631,216 | 801,394,407 | 807,955,447 | 808,813,246 | 807,382,640 |
| 2013 | 647,311,132 | 661,739,986 | 662,132,059 | 659,750,509 | 659,324,226 |
| 2014 | 729,593,596 | 747,113,768 | 752,261,018 | 750,698,782 | 750,655,503 |
| 2015 | 695,963,699 | 712,314,248 | 710,763,560 | 708,936,008 | |
| 2016 | 990,406,692 | 1,045,122,482 | 1,058,686,582 | | |
| 2017 | 852,530,156 | 902,212,260 | | | |
| 2018 | 2,109,053,851 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 1.008 | 1.000 | 1.001 | 0.999 |
| 2008 | 1.063 | 1.003 | 1.001 | 0.999 |
| 2009 | 1.012 | 1.002 | 1.000 | 0.996 |
| 2010 | 1.006 | 0.998 | 0.998 | 0.999 |
| 2011 | 1.017 | 1.001 | 1.000 | 0.999 |
| 2012 | 1.045 | 1.008 | 1.001 | 0.998 |
| 2013 | 1.022 | 1.001 | 0.996 | 0.999 |
| 2014 | 1.024 | 1.007 | 0.998 | 1.000 |
| 2015 | 1.023 | 0.998 | 0.997 | |
| 2016 | 1.055 | 1.013 | | |
| 2017 | 1.058 | | | |
| Average | <u>27:15</u> 1.030 | <u>39:27</u> 1.003 | <u>51:39</u> 0.999 | <u>63:51</u> 0.999 |
| Selected | 1.030 | 1.003 | 0.999 | 0.999 |

Loss Development Factors

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1.000 | 0.999 | 0.998 | 1.001 | 1.031 |

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

TENANTS

| Accident Year | Incurred Losses as of: | | | | |
|------------------|------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 9,590,294 | 9,784,096 | 9,666,094 | 9,676,889 | 9,724,089 |
| 2008 | 11,285,429 | 11,480,468 | 11,453,629 | 11,269,891 | 11,266,726 |
| 2009 | 13,858,446 | 14,152,987 | 14,514,739 | 14,426,781 | 14,429,458 |
| 2010 | 15,753,663 | 15,890,258 | 16,061,400 | 16,161,647 | 16,134,409 |
| 2011 | 19,864,329 | 19,802,790 | 20,111,412 | 20,095,621 | 20,096,401 |
| 2012 | 17,662,493 | 17,492,395 | 17,564,636 | 17,636,162 | 17,626,162 |
| 2013 | 18,976,791 | 18,705,800 | 18,933,459 | 19,084,172 | 18,977,201 |
| 2014 | 17,872,668 | 17,909,087 | 17,960,645 | 18,108,791 | 18,165,261 |
| 2015 | 18,788,021 | 19,269,317 | 19,319,486 | 19,587,566 | |
| 2016 | 20,325,604 | 21,285,546 | 21,089,009 | | |
| 2017 | 19,269,058 | 19,726,954 | | | |
| 2018 | 30,181,515 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 1.020 | 0.988 | 1.001 | 1.005 |
| 2008 | 1.017 | 0.998 | 0.984 | 1.000 |
| 2009 | 1.021 | 1.026 | 0.994 | 1.000 |
| 2010 | 1.009 | 1.011 | 1.006 | 0.998 |
| 2011 | 0.997 | 1.016 | 0.999 | 1.000 |
| 2012 | 0.990 | 1.004 | 1.004 | 0.999 |
| 2013 | 0.986 | 1.012 | 1.008 | 0.994 |
| 2014 | 1.002 | 1.003 | 1.008 | 1.003 |
| 2015 | 1.026 | 1.003 | 1.014 | |
| 2016 | 1.047 | 0.991 | | |
| 2017 | 1.024 | | | |
| Average | <u>27:15</u> 1.013 | <u>39:27</u> 1.005 | <u>51:39</u> 1.002 | <u>63:51</u> 1.000 |
| Selected | 1.013 | 1.005 | 1.002 | 1.000 |

Loss Development Factors

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1.000 | 1.000 | 1.002 | 1.007 | 1.020 |

NORTH CAROLINA
HOMEOWNERS INSURANCE
LOSS DEVELOPMENT
CONDOMINIUM UNIT OWNERS

| Accident Year | Incurred Losses as of: | | | | |
|------------------|------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 5,115,394 | 5,048,695 | 5,030,849 | 5,019,044 | 5,019,044 |
| 2008 | 5,990,676 | 5,988,250 | 5,969,741 | 5,890,587 | 5,888,982 |
| 2009 | 7,983,124 | 7,938,395 | 8,002,120 | 8,010,819 | 8,019,136 |
| 2010 | 8,698,244 | 8,702,113 | 8,655,846 | 8,548,088 | 8,514,501 |
| 2011 | 10,333,496 | 10,146,480 | 10,183,056 | 10,041,300 | 10,080,425 |
| 2012 | 8,894,362 | 9,039,235 | 9,145,088 | 9,138,878 | 9,139,987 |
| 2013 | 8,555,175 | 8,518,694 | 8,353,273 | 8,337,353 | 8,394,147 |
| 2014 | 10,848,390 | 10,898,846 | 10,998,198 | 11,101,719 | 11,101,719 |
| 2015 | 12,031,740 | 12,138,407 | 12,351,820 | 12,355,592 | |
| 2016 | 10,910,884 | 11,047,372 | 11,002,341 | | |
| 2017 | 14,477,689 | 14,749,536 | | | |
| 2018 | 23,905,615 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 0.987 | 0.996 | 0.998 | 1.000 |
| 2008 | 1.000 | 0.997 | 0.987 | 1.000 |
| 2009 | 0.994 | 1.008 | 1.001 | 1.001 |
| 2010 | 1.000 | 0.995 | 0.988 | 0.996 |
| 2011 | 0.982 | 1.004 | 0.986 | 1.004 |
| 2012 | 1.016 | 1.012 | 0.999 | 1.000 |
| 2013 | 0.996 | 0.981 | 0.998 | 1.007 |
| 2014 | 1.005 | 1.009 | 1.009 | 1.000 |
| 2015 | 1.009 | 1.018 | 1.000 | |
| 2016 | 1.013 | 0.996 | | |
| 2017 | 1.019 | | | |
| Average | <u>27:15</u> 1.002 | <u>39:27</u> 1.002 | <u>51:39</u> 0.996 | <u>63:51</u> 1.001 |
| Selected | 1.002 | 1.002 | 0.996 | 1.001 |

Loss Development Factors

| | | | | |
|-------------|-------------|-------------|-------------|-------------|
| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| 1.000 | 1.001 | 0.997 | 0.999 | 1.001 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

FREQUENCY, SEVERITY AND PURE PREMIUM RATES OF CHANGE

OWNERS FORMS

FREQUENCY

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|------------------------------|------------------|-----------------|--------------|
| 2014 | 0.36% | 1.47% | 1.29% | 0.35% | 0.55% | 0.16% | 2.70% | 4.17% |
| 2015 | 0.36% | 1.26% | 1.24% | 0.31% | 0.32% | 0.17% | 2.40% | 3.66% |
| 2016 | 0.40% | 2.16% | 1.09% | 0.26% | 0.30% | 0.16% | 2.21% | 4.37% |
| 2017 | 0.35% | 2.40% | 1.18% | 0.23% | 0.31% | 0.09% | 2.16% | 4.57% |
| 2018 | 0.34% | 1.67% | 1.45% | 0.19% | 0.47% | 0.09% | 2.54% | 4.21% |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | -1.4% | +9.5% | +1.9% | -14.3% | -3.3% | -16.6% | -2.3% | +2.4% |
| 4-Year Average (2015 - 2018) | -2.9% | +10.1% | +5.6% | -15.4% | +12.8% | -22.6% | +1.4% | +4.8% |
| 3-Year Average (2016 - 2018) | -7.5% | -12.0% | +15.4% | -15.3% | +26.0% | -27.1% | +7.1% | -1.8% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | 0.0% |
| Prospective Time Period | | | | | | | | 0.0% |

SEVERITY

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|------------------------------|------------------|-----------------|--------------|
| 2014 | 33,614 | 7,346 | 9,129 | 3,498 | 4,807 | 8,167 | 10,751 | 9,551 |
| 2015 | 35,900 | 7,108 | 9,707 | 3,766 | 5,945 | 7,132 | 12,200 | 10,449 |
| 2016 | 33,022 | 7,550 | 9,477 | 3,819 | 6,371 | 8,777 | 12,620 | 10,115 |
| 2017 | 33,660 | 8,701 | 10,445 | 3,845 | 6,523 | 13,016 | 13,037 | 10,754 |
| 2018 | 42,129 | 7,940 | 10,900 | 3,999 | 6,979 | 11,025 | 13,894 | 11,527 |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +3.9% | +3.6% | +4.4% | +2.9% | +8.7% | +12.8% | +6.0% | +4.1% |
| 4-Year Average (2015 - 2018) | +5.1% | +4.8% | +4.6% | +1.9% | +5.2% | +18.5% | +4.3% | +3.6% |
| 3-Year Average (2016 - 2018) | +13.0% | +2.5% | +7.2% | +2.3% | +4.7% | +12.1% | +4.9% | +6.8% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | +4.0% |
| Prospective Time Period | | | | | | | | +6.0% |

PURE PREMIUM

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|------------------------------|------------------|-----------------|--------------|
| 2014 | 121.74 | 108.00 | 117.38 | 12.11 | 26.54 | 12.78 | 290.55 | 398.55 |
| 2015 | 129.83 | 89.37 | 120.24 | 11.76 | 19.13 | 11.78 | 292.74 | 382.11 |
| 2016 | 132.63 | 163.05 | 102.98 | 9.91 | 18.99 | 14.44 | 278.95 | 442.00 |
| 2017 | 117.81 | 209.19 | 123.54 | 8.83 | 20.44 | 11.17 | 281.78 | 490.98 |
| 2018 | 144.67 | 132.89 | 157.62 | 7.45 | 33.01 | 9.64 | 352.38 | 485.27 |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +2.5% | +13.5% | +6.4% | -11.8% | +5.2% | -6.0% | +3.5% | +6.7% |
| 4-Year Average (2015 - 2018) | +2.1% | +15.5% | +10.5% | -13.8% | +18.6% | -8.2% | +5.8% | +8.6% |
| 3-Year Average (2016 - 2018) | +4.4% | -9.7% | +23.7% | -13.3% | +31.8% | -18.3% | +12.4% | +4.8% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | +4.0% |
| Prospective Time Period | | | | | | | | +6.0% |

NORTH CAROLINA

HOMEOWNERS INSURANCE

FREQUENCY, SEVERITY AND PURE PREMIUM RATES OF CHANGE

TENANTS

FREQUENCY

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| 2014 | 0.21% | 0.03% | 0.26% | 0.77% | 0.31% | 0.17% | 1.73% | 1.76% |
| 2015 | 0.21% | 0.02% | 0.25% | 0.72% | 0.17% | 0.18% | 1.54% | 1.55% |
| 2016 | 0.27% | 0.03% | 0.17% | 0.71% | 0.16% | 0.16% | 1.46% | 1.49% |
| 2017 | 0.24% | 0.04% | 0.20% | 0.64% | 0.18% | 0.15% | 1.41% | 1.45% |
| 2018 | 0.24% | 0.09% | 0.29% | 0.58% | 0.26% | 0.16% | 1.53% | 1.61% |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +3.9% | +35.8% | +0.1% | -6.8% | -3.2% | -3.7% | -3.3% | -2.4% |
| 4-Year Average (2015 - 2018) | +2.7% | +64.5% | +6.2% | -7.3% | +14.2% | -3.8% | -0.5% | +0.9% |
| 3-Year Average (2016 - 2018) | -5.5% | +77.5% | +31.4% | -9.6% | +28.3% | +0.6% | +2.4% | +4.2% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | -2.0% |
| Prospective Time Period | | | | | | | | +1.0% |

SEVERITY

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| 2014 | 6,513 | 2,108 | 3,635 | 2,367 | 1,566 | 7,941 | 3,482 | 3,461 |
| 2015 | 7,633 | 2,185 | 3,712 | 2,335 | 2,464 | 8,940 | 4,067 | 4,045 |
| 2016 | 6,138 | 2,490 | 3,412 | 2,501 | 2,343 | 9,764 | 4,029 | 4,001 |
| 2017 | 7,171 | 3,021 | 3,577 | 2,621 | 2,184 | 10,296 | 4,309 | 4,276 |
| 2018 | 5,997 | 2,350 | 3,746 | 2,696 | 2,036 | 9,730 | 4,022 | 3,932 |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | -2.3% | +5.6% | +0.2% | +3.8% | +4.1% | +5.6% | +3.5% | +3.2% |
| 4-Year Average (2015 - 2018) | -5.5% | +4.2% | +0.7% | +4.9% | -6.2% | +3.1% | +0.3% | -0.2% |
| 3-Year Average (2016 - 2018) | -1.2% | -2.9% | +4.8% | +3.8% | -6.8% | -0.2% | -0.1% | -0.9% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | +1.0% |
| Prospective Time Period | | | | | | | | -0.5% |

PURE PREMIUM

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| 2014 | 13.71 | 0.56 | 9.43 | 18.32 | 4.87 | 13.89 | 60.22 | 60.78 |
| 2015 | 16.12 | 0.39 | 9.41 | 16.81 | 4.29 | 15.83 | 62.46 | 62.85 |
| 2016 | 16.37 | 0.68 | 5.78 | 17.70 | 3.74 | 15.19 | 58.77 | 59.45 |
| 2017 | 17.45 | 1.11 | 7.21 | 16.73 | 3.84 | 15.51 | 60.74 | 61.85 |
| 2018 | 14.27 | 2.02 | 10.96 | 15.60 | 5.35 | 15.31 | 61.48 | 63.50 |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +1.6% | +43.3% | +0.3% | -3.2% | +0.8% | +1.8% | +0.1% | +0.7% |
| 4-Year Average (2015 - 2018) | -3.0% | +71.4% | +7.0% | -2.8% | +7.1% | -0.8% | -0.1% | +0.7% |
| 3-Year Average (2016 - 2018) | -6.6% | +72.4% | +37.7% | -6.1% | +19.6% | +0.4% | +2.3% | +3.3% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | -1.0% |
| Prospective Time Period | | | | | | | | +0.5% |

NORTH CAROLINA

HOMEOWNERS INSURANCE

FREQUENCY, SEVERITY AND PURE PREMIUM RATES OF CHANGE
CONDOMINIUM UNIT OWNERS

FREQUENCY

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| 2014 | 0.25% | 0.08% | 2.23% | 0.27% | 0.36% | 0.23% | 3.35% | 3.44% |
| 2015 | 0.25% | 0.06% | 2.30% | 0.27% | 0.37% | 0.24% | 3.43% | 3.49% |
| 2016 | 0.23% | 0.07% | 1.97% | 0.24% | 0.31% | 0.24% | 2.99% | 3.06% |
| 2017 | 0.29% | 0.09% | 2.30% | 0.25% | 0.31% | 0.22% | 3.37% | 3.46% |
| 2018 | 0.24% | 0.11% | 2.79% | 0.22% | 0.43% | 0.20% | 3.88% | 3.99% |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +0.5% | +9.7% | +4.5% | -4.6% | +1.8% | -3.9% | +2.8% | +2.9% |
| 4-Year Average (2015 - 2018) | +0.8% | +22.5% | +7.5% | -4.9% | +5.4% | -6.8% | +5.0% | +5.4% |
| 3-Year Average (2016 - 2018) | +1.8% | +26.3% | +18.8% | -4.3% | +19.1% | -8.8% | +13.9% | +14.2% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | +3.0% |
| Prospective Time Period | | | | | | | | +5.0% |

SEVERITY

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| 2014 | 8,185 | 2,321 | 5,289 | 2,572 | 3,887 | 5,429 | 5,143 | 5,075 |
| 2015 | 9,027 | 6,192 | 5,772 | 2,175 | 3,893 | 7,462 | 5,652 | 5,662 |
| 2016 | 6,546 | 5,164 | 5,929 | 2,805 | 4,415 | 3,689 | 5,391 | 5,386 |
| 2017 | 18,255 | 3,903 | 5,941 | 2,367 | 6,532 | 5,092 | 6,737 | 6,666 |
| 2018 | 10,050 | 2,718 | 6,064 | 2,801 | 4,754 | 4,909 | 5,919 | 5,830 |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +11.8% | -1.4% | +3.1% | +2.6% | +9.6% | -5.7% | +4.7% | +4.5% |
| 4-Year Average (2015 - 2018) | +14.4% | -24.0% | +1.5% | +6.1% | +10.4% | -8.9% | +3.7% | +3.1% |
| 3-Year Average (2016 - 2018) | +23.9% | -27.5% | +1.1% | -0.1% | +3.8% | +15.4% | +4.8% | +4.0% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | +2.0% |
| Prospective Time Period | | | | | | | | 0.0% |

PURE PREMIUM

| <u>Year</u> | <u>Fire</u> | <u>Wind</u> | <u>Water</u> | <u>Theft</u> | <u>Other Physical Damage</u> | <u>Liability</u> | <u>Non-Wind</u> | <u>Total</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| 2014 | 20.64 | 1.94 | 118.19 | 7.00 | 14.18 | 12.47 | 172.47 | 174.41 |
| 2015 | 22.74 | 3.75 | 132.78 | 5.77 | 14.23 | 18.19 | 193.72 | 197.47 |
| 2016 | 15.15 | 3.57 | 117.08 | 6.79 | 13.52 | 8.74 | 161.29 | 164.86 |
| 2017 | 53.22 | 3.41 | 136.66 | 5.93 | 20.20 | 11.35 | 227.37 | 230.78 |
| 2018 | 24.11 | 3.00 | 168.88 | 6.21 | 20.65 | 9.68 | 229.52 | 232.53 |
| Annual Rate of Change | | | | | | | | |
| 5-Year Average (2014 - 2018) | +12.3% | +8.1% | +7.7% | -2.1% | +11.6% | -9.3% | +7.6% | +7.6% |
| 4-Year Average (2015 - 2018) | +15.4% | -6.9% | +9.2% | +0.8% | +16.4% | -15.1% | +8.9% | +8.6% |
| 3-Year Average (2016 - 2018) | +26.2% | -8.3% | +20.1% | -4.4% | +23.6% | +5.2% | +19.3% | +18.8% |
| Selected Annual Rate of Change | | | | | | | | |
| Historical Time Period | | | | | | | | +5.0% |
| Prospective Time Period | | | | | | | | +5.0% |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF LOSS TREND FACTORS

OWNERS FORMS

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-------------|--|--|-------------------------------------|---|--------------------------------------|--|
| <u>Year</u> | <u>Average Date of Occurrence</u> ^(a) | <u>Number of Years of Historical Loss Trend</u> ^(b) | <u>Historical Annual Loss Trend</u> | <u>Number of Years of Prospective Loss Trend</u> ^(c) | <u>Prospective Annual Loss Trend</u> | <u>Loss Trend Factors</u> ^(d) |
| 2014 | 7/1/2014 | 4.00 | +4.0% | 4.08 | +6.0% | 1.484 |
| 2015 | 7/1/2015 | 3.00 | +4.0% | 4.08 | +6.0% | 1.427 |
| 2016 | 7/1/2016 | 2.00 | +4.0% | 4.08 | +6.0% | 1.372 |
| 2017 | 7/1/2017 | 1.00 | +4.0% | 4.08 | +6.0% | 1.319 |
| 2018 | 7/1/2018 | 0.00 | +4.0% | 4.08 | +6.0% | 1.269 |

TENANTS

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-------------|--|--|-------------------------------------|---|--------------------------------------|--|
| <u>Year</u> | <u>Average Date of Occurrence</u> ^(a) | <u>Number of Years of Historical Loss Trend</u> ^(b) | <u>Historical Annual Loss Trend</u> | <u>Number of Years of Prospective Loss Trend</u> ^(c) | <u>Prospective Annual Loss Trend</u> | <u>Loss Trend Factors</u> ^(d) |
| 2014 | 7/1/2014 | 4.00 | -1.0% | 4.08 | +0.5% | 0.980 |
| 2015 | 7/1/2015 | 3.00 | -1.0% | 4.08 | +0.5% | 0.990 |
| 2016 | 7/1/2016 | 2.00 | -1.0% | 4.08 | +0.5% | 1.000 |
| 2017 | 7/1/2017 | 1.00 | -1.0% | 4.08 | +0.5% | 1.010 |
| 2018 | 7/1/2018 | 0.00 | -1.0% | 4.08 | +0.5% | 1.021 |

CONDOMINIUM UNIT OWNERS

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-------------|--|--|-------------------------------------|---|--------------------------------------|--|
| <u>Year</u> | <u>Average Date of Occurrence</u> ^(a) | <u>Number of Years of Historical Loss Trend</u> ^(b) | <u>Historical Annual Loss Trend</u> | <u>Number of Years of Prospective Loss Trend</u> ^(c) | <u>Prospective Annual Loss Trend</u> | <u>Loss Trend Factors</u> ^(d) |
| 2014 | 7/1/2014 | 4.00 | +5.0% | 4.08 | +5.0% | 1.483 |
| 2015 | 7/1/2015 | 3.00 | +5.0% | 4.08 | +5.0% | 1.413 |
| 2016 | 7/1/2016 | 2.00 | +5.0% | 4.08 | +5.0% | 1.346 |
| 2017 | 7/1/2017 | 1.00 | +5.0% | 4.08 | +5.0% | 1.281 |
| 2018 | 7/1/2018 | 0.00 | +5.0% | 4.08 | +5.0% | 1.220 |

^(a) Average date of occurrence for the accident year shown in Column (1)

^(b) Number of years between Column (2) and 7/1/2018, the average date of occurrence for the latest year.

^(c) Number of years between 7/1/2018 and 8/1/2022, one year beyond the assumed effective date of 8/1/2021.

^(d) Column (7) = [1 + (4)]⁽³⁾ × [1 + (6)]⁽⁵⁾

NORTH CAROLINA

HOMEOWNERS INSURANCE

AVERAGE POLICY SIZE RELATIVITY ANNUAL RATE OF CHANGE

(1)
Average Policy Size Relativity

| <u>Year</u> | <u>Owners</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
|------------------------------------|---------------|----------------|------------------------------------|
| 2014 | 1.132 | 2.656 | 4.581 |
| 2015 | 1.143 | 2.605 | 4.523 |
| 2016 | 1.152 | 2.567 | 4.427 |
| 2017 | 1.163 | 2.508 | 4.409 |
| 2018 | 1.184 | 2.446 | 4.459 |
| (2) Fitted Annual Rate of Change | +1.1% | -2.0% | -0.8% |
| (3) Selected Annual Rate of Change | +1.1% | -2.0% | 0.0% |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF PREMIUM TREND FACTORS

OWNERS FORMS

| (1) | (2) | (3) | (4) | (5) | (6) |
|-------------|---------------------------------------|---|--|---|--|
| <u>Year</u> | <u>Average Policy Size Relativity</u> | <u>Current Amount Factor</u> ^(a) | <u>Number of Years of Prospective Premium Trend</u> ^(b) | <u>Prospective Annual Premium Trend</u> | <u>Premium Trend Factor</u> ^(c) |
| 2014 | 1.132 | 1.046 | 4.08 | +1.1% | 1.094 |
| 2015 | 1.143 | 1.036 | 4.08 | +1.1% | 1.083 |
| 2016 | 1.152 | 1.028 | 4.08 | +1.1% | 1.075 |
| 2017 | 1.163 | 1.018 | 4.08 | +1.1% | 1.065 |
| 2018 | 1.184 | 1.000 | 4.08 | +1.1% | 1.046 |

TENANTS

| (1) | (2) | (3) | (4) | (5) | (6) |
|-------------|---------------------------------------|---|--|---|--|
| <u>Year</u> | <u>Average Policy Size Relativity</u> | <u>Current Amount Factor</u> ^(a) | <u>Number of Years of Prospective Premium Trend</u> ^(b) | <u>Prospective Annual Premium Trend</u> | <u>Premium Trend Factor</u> ^(c) |
| 2014 | 2.656 | 0.921 | 4.08 | -2.0% | 0.848 |
| 2015 | 2.605 | 0.939 | 4.08 | -2.0% | 0.865 |
| 2016 | 2.567 | 0.953 | 4.08 | -2.0% | 0.878 |
| 2017 | 2.508 | 0.975 | 4.08 | -2.0% | 0.898 |
| 2018 | 2.446 | 1.000 | 4.08 | -2.0% | 0.921 |

CONDOMINIUM UNIT OWNERS

| (1) | (2) | (3) | (4) | (5) | (6) |
|-------------|---------------------------------------|---|--|---|--|
| <u>Year</u> | <u>Average Policy Size Relativity</u> | <u>Current Amount Factor</u> ^(a) | <u>Number of Years of Prospective Premium Trend</u> ^(b) | <u>Prospective Annual Premium Trend</u> | <u>Premium Trend Factor</u> ^(c) |
| 2014 | 4.581 | 0.973 | 4.08 | 0.0% | 0.973 |
| 2015 | 4.523 | 0.986 | 4.08 | 0.0% | 0.986 |
| 2016 | 4.427 | 1.007 | 4.08 | 0.0% | 1.007 |
| 2017 | 4.409 | 1.011 | 4.08 | 0.0% | 1.011 |
| 2018 | 4.459 | 1.000 | 4.08 | 0.0% | 1.000 |

^(a) Column (3) = Latest Year Column (2) / Column (2)

^(b) Number of years between 1/1/2018 and 2/1/2022, six months beyond the assumed effective date of 8/1/2021.

^(c) Column (6) = (3) × [1 + (5)]⁽⁴⁾

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF EXPOSURE TREND

Average Exposure Per Policy

| Accident <u>Year</u> | Owners <u>(Coverage A)</u> | Tenants <u>(Coverage C)</u> | Condominium Unit Owners <u>(Coverage C)</u> |
|---------------------------------------|-------------------------------|--------------------------------|---|
| 2014 | 249,593 | 29,484 | 53,711 |
| 2015 | 253,084 | 28,831 | 53,068 |
| 2016 | 256,281 | 28,322 | 54,198 |
| 2017 | 259,266 | 27,634 | 54,065 |
| 2018 | 266,871 | 26,885 | 52,599 |
| Annual Rate of Change | | | |
| 5-Year Average (2014 - 2018) | +1.6% | -2.2% | -0.2% |
| 4-Year Average (2015 - 2018) | +1.7% | -2.3% | -0.3% |
| 3-Year Average (2016 - 2018) | +2.0% | -2.6% | -1.5% |
| Selected Annual Rate of Change | +2.0% | -2.5% | -1.0% |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF TREND FOR EXPENSES

| <u>Month</u> | <u>All Items CPI Index</u> ^(a) | <u>All Items (Less Energy) CPI Index</u> ^(b) | <u>Compensation Cost Index</u> ^(c) |
|--------------|---|---|---|
| Jan-16 | 236.9 | 244.5 | |
| Feb-16 | 237.1 | 245.5 | 126.9 |
| Mar-16 | 238.1 | 245.9 | |
| Apr-16 | 239.3 | 246.5 | |
| May-16 | 240.2 | 246.9 | 128.2 |
| Jun-16 | 241.0 | 247.1 | |
| Jul-16 | 240.6 | 247.0 | |
| Aug-16 | 240.8 | 247.5 | 129.5 |
| Sep-16 | 241.4 | 247.9 | |
| Oct-16 | 241.7 | 248.4 | |
| Nov-16 | 241.4 | 248.3 | 129.5 |
| Dec-16 | 241.4 | 248.2 | |
| Jan-17 | 242.8 | 249.1 | |
| Feb-17 | 243.6 | 250.1 | 130.8 |
| Mar-17 | 243.8 | 250.3 | |
| Apr-17 | 244.5 | 250.7 | |
| May-17 | 244.7 | 250.9 | 132.8 |
| Jun-17 | 245.0 | 251.0 | |
| Jul-17 | 244.8 | 251.0 | |
| Aug-17 | 245.5 | 251.5 | 132.5 |
| Sep-17 | 246.8 | 252.0 | |
| Oct-17 | 246.7 | 252.6 | |
| Nov-17 | 246.7 | 252.4 | 132.6 |
| Dec-17 | 246.5 | 252.5 | |
| Jan-18 | 247.9 | 253.6 | |
| Feb-18 | 249.0 | 254.6 | 134.1 |
| Mar-18 | 249.6 | 255.3 | |
| Apr-18 | 250.5 | 255.8 | |
| May-18 | 251.6 | 256.1 | 136.3 |
| Jun-18 | 252.0 | 256.3 | |
| Jul-18 | 252.0 | 256.5 | |
| Aug-18 | 252.1 | 256.7 | 135.9 |
| Sep-18 | 252.4 | 257.1 | |
| Oct-18 | 252.9 | 257.7 | |
| Nov-18 | 252.0 | 257.7 | 135.7 |
| Dec-18 | 251.2 | 257.8 | |
| Jan-19 | 251.7 | 258.9 | |
| Feb-19 | 252.8 | 259.8 | 137.8 |
| Mar-19 | 254.2 | 260.5 | |
| Apr-19 | 255.5 | 260.9 | |
| May-19 | 256.1 | 261.2 | 139.1 |
| Jun-19 | 256.1 | 261.7 | |
| Jul-19 | 256.6 | 262.1 | |
| Aug-19 | 256.6 | 262.6 | 139.6 |
| Sep-19 | 256.8 | 263.0 | |
| Oct-19 | 257.3 | 263.5 | |
| Nov-19 | 257.2 | 263.5 | 139.6 |
| Dec-19 | 257.0 | 263.5 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF TREND FOR EXPENSES

| | <u>All Items CPI Index</u> ^(a) | <u>All Items (Less Energy) CPI Index</u> ^(b) | <u>Compensation Cost Index</u> ^(c) | <u>Combined</u> ^(d) |
|---|---|---|---|--------------------------------|
| (1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters) | 2.15% | 1.94% | 2.59% | 2.32% |
| (2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters) | 2.10% | 2.04% | 2.45% | 2.26% |
| (3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters) | 1.83% | 2.06% | 2.34% | 2.14% |
| (4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters) | 2.13% | 1.94% | 1.72% | 1.88% |

(5) Average Annual Index^(e)

| <u>Year Ended</u> | <u>All Items CPI Index</u> ^(a) | <u>All Items (Less Energy) CPI Index</u> ^(b) | <u>Compensation Cost Index</u> ^(c) |
|-------------------|---|---|---|
| 06/30/2017 | 242.6 | 249.1 | 130.7 |
| 12/31/2017 | 245.1 | 251.2 | 132.2 |
| 06/30/2018 | 248.1 | 253.6 | 133.9 |
| 12/31/2018 | 251.1 | 256.3 | 135.5 |
| 06/30/2019 | 253.3 | 258.9 | 137.1 |
| 12/31/2019 | 255.7 | 261.8 | 139.0 |

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

| <u>Year Ended</u> | <u>All Items CPI Index</u> ^(a) | <u>All Items (Less Energy) CPI Index</u> ^(b) | <u>Compensation Cost Index</u> ^(c) | <u>Combined</u> ^(d) |
|-------------------|---|---|---|--------------------------------|
| 06/30/2017 | 1.059 | 1.058 | 1.069 | 1.064 |
| 12/31/2017 | 1.048 | 1.049 | 1.056 | 1.052 |
| 06/30/2018 | 1.036 | 1.039 | 1.043 | 1.040 |
| 12/31/2018 | 1.023 | 1.028 | 1.030 | 1.028 |
| 06/30/2019 | 1.015 | 1.018 | 1.018 | 1.017 |
| 12/31/2019 | 1.005 | 1.007 | 1.004 | 1.005 |

Selected Annual Change = +2.2% (based on Comp. Cost Index and CPI with and without energy)

^(a) CPI - All Urban Consumers - All Items. Source: Bureau of Labor Statistics (Series ID: CUUR0000SA0).

^(b) CPI - All Urban Consumers - All Items Less Energy. Source: Bureau of Labor Statistics (Series ID: CUUR0000SA0LE).

^(c) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service. Source: Bureau of Labor Statistics (Series ID: CIU2015240000000I).

^(d) Weighted average determined as .25 (All Items) + .25 (All Items - Less Energy) + .50 (CCI).

^(e) Average year ended index for period shown.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CREDIBILITY TABLES

STATEWIDE CREDIBILITY

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

TERRITORY CREDIBILITY

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

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

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPENSE, DIVIDEND, PROFIT AND CONTINGENCIES

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>3-Year Average</u> | <u>Selected</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------------------|------------------|
| Commission & Brokerage | 258,409,202 | 264,696,301 | 282,822,033 | 298,055,192 | 320,350,461 | | |
| Written Premium Including Deviations | 2,145,186,422 | 2,227,105,617 | 2,326,955,428 | 2,464,248,017 | 2,636,750,707 | | |
| Ratio | 0.120 | 0.119 | 0.122 | 0.121 | 0.121 | 0.121 | 0.121 |
| Other Acquisition Expense | 148,425,175 | 156,979,791 | 163,743,498 | 167,855,920 | 178,606,876 | | |
| Earned Premium Excluding Deviations | 2,103,063,431 | 2,185,552,872 | 2,271,752,760 | 2,386,274,726 | 2,552,815,278 | | |
| Earned Premium at Current Manual Level ^(a) | 2,292,170,895 | 2,382,077,786 | 2,476,028,768 | 2,596,953,120 | 2,689,574,121 | | |
| Ratio | 0.065 | 0.066 | 0.066 | 0.065 | 0.066 | 0.066 | 0.066 |
| General Expense | 102,023,463 | 95,740,631 | 98,559,605 | 126,233,185 | 131,573,684 | | |
| Earned Premium Excluding Deviations | 2,103,063,431 | 2,185,552,872 | 2,271,752,760 | 2,386,274,726 | 2,552,815,278 | | |
| Earned Premium at Current Manual Level ^(a) | 2,292,170,895 | 2,382,077,786 | 2,476,028,768 | 2,596,953,120 | 2,689,574,121 | | |
| Ratio | 0.045 | 0.040 | 0.040 | 0.049 | 0.049 | 0.046 | 0.046 |
| Taxes, Licenses & Fees | 59,273,750 | 59,769,567 | 64,298,062 | 68,245,754 | 73,902,704 | | |
| Written Premium Including Deviations | 2,145,186,422 | 2,227,105,617 | 2,326,955,428 | 2,464,248,017 | 2,636,750,707 | | |
| Ratio | 0.028 | 0.027 | 0.028 | 0.028 | 0.028 | 0.028 | 0.028 |
| | | | | | | <u>5-Year Average</u> | <u>Selected</u> |
| Direct Written Premium of Companies w/ Dividends | 132,247,663 | 127,336,223 | 176,306,948 | 149,075,370 | 161,561,656 | | |
| Direct Written Premium (Statutory Page 14) | 2,337,630,079 | 2,422,544,236 | 2,520,916,144 | 2,660,370,763 | 2,831,680,169 | | |
| Ratio of DWP w/ Dividends to Total DWP | 5.7% | 5.3% | 7.0% | 5.6% | 5.7% | | |
| Total Dividends | 10,331,019 | 9,333,581 | 10,203,208 | 11,677,883 | 17,986,477 | | |
| Ratio of Dividends to Direct Written Premium | 0.44% | 0.39% | 0.40% | 0.44% | 0.64% | 0.46% | 0.4% |
| | | | | | | | <u>Statewide</u> |
| Profit | | | | | | | 9.0% |
| Contingencies | | | | | | | 1.0% |
| 1.0 - (Commission, Tax, Profit, Contingencies, Dividends) | | | | | | | 0.747 |
| Compensation for Assessment Risk | | | | | | | 2.9% |
| Selected Deviation | | | | | | | 0.0% |

^(a) The calculation of the on-leveling factors used to adjust the Earned Premium to the current manual level is found on page D-26.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF EARNED PREMIUM AT CURRENT MANUAL LEVEL

(A) Calculation of On-leveling Factors

| Rate Filing Effective Date | Implemented Overall Rate Change | Cumulative Overall Rate Change | Portion of Earned Premium Based on Implemented Rates | | | | |
|-----------------------------------|---------------------------------------|--------------------------------------|--|-------------|-------------|-------------|-------------|
| | | | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| 7/1/2013 | 1.070 | 1.070 | 0.8299 | 0.0868 | | | |
| 6/1/2015 | 1.000 | 1.070 | 0.1701 | 0.9132 | 1.0000 | 0.9688 | 0.2813 |
| 10/1/2018 | 1.048 | 1.121 | | | | 0.0313 | 0.7188 |
| 5/1/2020 | 1.040 | 1.166 | | | | | |
| Average Cumulative Rate Change | | | 1.0700 | 1.0700 | 1.0700 | 1.0716 | 1.1069 |
| On-leveling Factor ^(a) | | | 1.0899 | 1.0899 | 1.0899 | 1.0883 | 1.0536 |

(B) Calculation of Earned Premium at Current Level

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| (1) Earned Premium Excluding Deviations | 2,103,063,431 | 2,185,552,872 | 2,271,752,760 | 2,386,274,726 | 2,552,815,278 |
| (2) On-leveling Factor | 1.0899 | 1.0899 | 1.0899 | 1.0883 | 1.0536 |
| (3) Earned Premium at Current Manual Level ^(b) | 2,292,170,895 | 2,382,077,786 | 2,476,028,768 | 2,596,953,120 | 2,689,574,121 |

^(a) The On-leveling Factor is calculated as the Total Cumulative Overall Rate Change divided by the Average Cumulative Rate Change for the accident year.

^(b) (3) = (1) x (2)

NORTH CAROLINA

HOMEOWNERS INSURANCE

NON-MODELED LOSS ADJUSTMENT EXPENSES

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>5-Year Average</u> |
|-----------------|-------------|---------------|---------------|---------------|-------------------------------------|---------------------------|
| Allocated LAE | 16,933,304 | 15,721,781 | 15,829,203 | 30,511,729 | 18,080,495 | |
| Unallocated LAE | 128,293,961 | 164,740,968 | 142,508,504 | 261,289,358 | 170,549,388 | |
| Total LAE | 145,227,265 | 180,462,749 | 158,337,707 | 291,801,087 | 188,629,883 | |
| Incurred Losses | 928,864,039 | 1,229,267,521 | 1,162,412,998 | 2,163,894,489 | 1,497,471,490 | |
| Ratio: LAE/I.L. | 0.156 | 0.147 | 0.136 | 0.135 | 0.126 | 0.140 |
| | | | | | Selected LAE Ratio ^(a) : | 0.139 |

^(a) The selection of 0.139 is based on the average LAE ratio excluding the high and low years (2015 and 2019).

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

| | |
|---|------------------|
| A. Selected Annual Expense Trend Factor | 1.022 |
| B. Midpoint of Historical LAE Experience (2015 - 2019) | July 1, 2017 |
| C. LAE Projected to | August 1, 2022 * |
| D. Number of months between midpoint and projection dates | 61 |
| E. Trend Factor for LAE dollars = $A^{(D/12)}$ | 1.117 |

* One year beyond the assumed effective date

| | <u>Owners</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
|---|---------------|----------------|------------------------------------|
| F. Loss Trend Factor | 1.319 | 1.010 | 1.281 |
| G. Historical Average LAE ratio (2015 - 2019, excluding high/low) | 0.139 | 0.139 | 0.139 |
| H. Trended LAE Factor = $1.000 + (G \times E / F) =$ | 1.118 | 1.154 | 1.121 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

Calculation of Trend factor for GE, OA Dollars

| | |
|---|--------------------|
| A. Selected Annual Expense Trend Factor | 1.022 |
| B. Midpoint of Historical GE, OA Experience (2017 - 2019) | July 1, 2018 |
| C. GE, OA Expenses Projected to | February 1, 2022 * |
| D. Number of months between midpoint and projection dates | 43 |
| E. Trend Factor for GE, OA expense dollars = $A^{(D/12)}$ | 1.081 |

* Six months beyond the assumed effective date

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

| | (1) 2018 Earned <u>Premium</u> | (2) 2018 Premium <u>Trend Factor</u> | (3) Trended Premium <u>(1) × (2) × (3)</u> | (4) 2018 House- <u>Years</u> | (5) Trended Average Rate <u>(3) / (4)</u> |
|--------------------|---|---|---|---------------------------------------|--|
| Owners | 2,161,073,789 | 1.046 | 2,260,483,183 | 1,955,603 | 1,155.90 |
| Tenant | 76,318,464 | 0.921 | 70,289,305 | 416,816 | 168.63 |
| <u>Condominium</u> | <u>31,251,398</u> | 1.000 | <u>31,251,398</u> | <u>79,754</u> | <u>391.85</u> |
| Total | 2,268,643,651 | | 2,362,023,886 | 2,452,173 | 963.24 |

| | |
|---|----------|
| F. All-Forms Premium Trend Factor (Total (3) / Total (1)) | 1.041 |
| G. Historical Average GE OA ratio (2017 - 2019) | 0.112 |
| H. Trended GE OA ratio (G × E / F) | 0.116 |
| I. All-Forms Trended Average Rate (Total (5)) | \$963.24 |
| J. All-Forms Dollar loading for GE, OA (H × I) | \$111.74 |

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

| | (6) 2018 House- <u>Years</u> | (7) Selected Relativity for GE, OA Dollars <u>Per Policy ***</u> | (8) Average GE, OA Loading <u>(7) × J / Total (7)</u> | (9) 2018 Average <u>Rating Factor</u> | (10) 2018 Premium Trend <u>Factor</u> | (11) GE, OA Loading at Base-Class Level <u>(8) / (9) × (10)</u> | (12) Trended Fixed Expense Ratio <u>(6) x (8) / (3)</u> |
|--------------------|---------------------------------------|--|--|---|---|--|--|
| Owners | 1,955,603 | 1.00 | \$124.34 | 1.355 | 1.046 | 87.73 | 0.1076 |
| Tenant | 416,816 | 0.50 | \$62.17 | 3.304 | 0.921 | 20.43 | 0.3687 |
| <u>Condominium</u> | <u>79,754</u> | <u>0.50</u> | <u>\$62.17</u> | 7.451 | 1.000 | 8.34 | 0.1587 |
| Total | 2,452,173 | 0.8987 | | | | | |

*** Total (7) calculated as weighted average of the column (7) relativities by form using column (6) as weights

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF TRENDED FIXED EXPENSE RATIO BY TERRITORY

(1) Trended Fixed Expense Ratio:

| | |
|-------------------------|--------|
| Owners | 0.1076 |
| Tenants | 0.3687 |
| Condominium Unit Owners | 0.1587 |

| Territory | Owners | | Tenants | | Condominium Unit Owners | |
|-----------|------------------------|---|------------------------|---|-------------------------|---|
| | (2) | (3) | (2) | (3) | (2) | (3) |
| | 5-Year Average Rate | Trended Fixed Expense Ratio ^(a) | 5-Year Average Rate | Trended Fixed Expense Ratio ^(a) | 5-Year Average Rate | Trended Fixed Expense Ratio ^(a) |
| 110 | 3,885.38 | 0.030 | 472.26 | 0.150 | 601.78 | 0.099 |
| 120 | 4,054.97 | 0.029 | 485.21 | 0.146 | 737.87 | 0.081 |
| 130 | 2,282.20 | 0.051 | 350.16 | 0.203 | 562.31 | 0.106 |
| 140 | 2,707.49 | 0.043 | 319.59 | 0.222 | 515.22 | 0.115 |
| 150 | 1,592.64 | 0.073 | 231.41 | 0.307 | 455.83 | 0.130 |
| 160 | 1,570.10 | 0.074 | 251.69 | 0.282 | 419.89 | 0.142 |
| 170 | 975.89 | 0.120 | 224.83 | 0.316 | 306.00 | 0.194 |
| 180 | 1,094.46 | 0.107 | 198.34 | 0.358 | 339.48 | 0.175 |
| 190 | 1,302.94 | 0.090 | 248.57 | 0.285 | 530.49 | 0.112 |
| 200 | 1,618.24 | 0.072 | 285.38 | 0.249 | 233.88 | 0.254 |
| 210 | 968.19 | 0.121 | 209.60 | 0.339 | 441.65 | 0.135 |
| 220 | 1,140.00 | 0.102 | 248.36 | 0.286 | 390.39 | 0.152 |
| 230 | 1,236.49 | 0.094 | 218.27 | 0.325 | 296.39 | 0.201 |
| 240 | 1,007.17 | 0.116 | 225.36 | 0.315 | 423.72 | 0.140 |
| 250 | 1,124.37 | 0.104 | 214.83 | 0.330 | 411.06 | 0.145 |
| 260 | 928.64 | 0.126 | 226.45 | 0.313 | 376.22 | 0.158 |
| 270 | 1,037.32 | 0.113 | 165.92 | 0.428 | 420.91 | 0.141 |
| 280 | 1,060.48 | 0.110 | 166.33 | 0.427 | 327.10 | 0.182 |
| 290 | 1,090.37 | 0.107 | 206.89 | 0.343 | 359.24 | 0.166 |
| 300 | 966.87 | 0.121 | 219.67 | 0.323 | 345.20 | 0.172 |
| 310 | 805.45 | 0.145 | 185.62 | 0.382 | 313.09 | 0.190 |
| 320 | 876.72 | 0.133 | 191.30 | 0.371 | 314.23 | 0.189 |
| 330 | 824.23 | 0.142 | 209.44 | 0.339 | 390.82 | 0.152 |
| 340 | 898.71 | 0.130 | 194.54 | 0.365 | 349.00 | 0.170 |
| 350 | 833.95 | 0.140 | 190.60 | 0.372 | 331.29 | 0.180 |
| 360 | 818.19 | 0.143 | 162.32 | 0.437 | 302.58 | 0.197 |
| 370 | 977.12 | 0.119 | 218.01 | 0.326 | 304.03 | 0.196 |
| 380 | 898.20 | 0.130 | 208.25 | 0.341 | 338.95 | 0.175 |
| 390 | 1,009.00 | 0.116 | 200.19 | 0.354 | 429.81 | 0.138 |
| Statewide | 1,084.56 | 0.108 | 192.47 | 0.369 | 374.81 | 0.159 |

^(a) Column (3) = (1) x Statewide (2) / (2)

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES)
OWNERS FORMS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-------------|--------------------|-----------------------------|---|----------------------------|--|--|--|--|---|---|
| | Reported Wind | Reported Total Losses | Reported Non-Wind Losses (2) - (1) | Wind Ratio (1) / (3) | Capped Wind Ratio < (5 × Med) | Capped Excess Wind Ratio (5) - Avg(5) | Capped Excess Wind Losses (3) × (6) | Excess Wind Ratio Above The Cap (5) - (6) | Excess Wind Losses Above The Cap (8) × (3) | Total Excess Wind Losses (7) + (9) |
| Year | Losses | Losses | Losses | Ratio | Ratio | Ratio | Losses | Ratio | Losses | Losses |
| 1989 | 83,498,398 | 278,467,229 | 194,968,831 | 0.428 | 0.428 | 0.086 | 16,767,319 | 0.000 | 0 | 16,767,319 |
| 1990 | 37,671,988 | 220,252,894 | 182,580,906 | 0.206 | 0.206 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1991 | 18,151,400 | 219,353,728 | 201,202,328 | 0.090 | 0.090 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1992 | 26,654,935 | 222,532,035 | 195,877,100 | 0.136 | 0.136 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1993 | 97,830,965 | 321,921,890 | 224,090,925 | 0.437 | 0.437 | 0.095 | 21,288,638 | 0.000 | 0 | 21,288,638 |
| 1994 | 28,862,821 | 278,066,775 | 249,203,954 | 0.116 | 0.116 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1995 | 52,370,482 | 291,974,195 | 239,603,713 | 0.219 | 0.219 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1996 | 40,901,941 | 332,747,529 | 291,845,588 | 0.140 | 0.140 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1997 | 37,382,138 | 303,669,980 | 266,287,842 | 0.140 | 0.140 | 0.000 | 0 | 0.000 | 0 | 0 |
| 1998 | 120,075,356 | 394,840,091 | 274,764,735 | 0.437 | 0.437 | 0.095 | 26,102,650 | 0.000 | 0 | 26,102,650 |
| 1999 | 58,232,430 | 350,186,938 | 291,954,508 | 0.199 | 0.199 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2000 | 86,652,848 | 447,040,839 | 360,387,991 | 0.240 | 0.240 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2001 | 29,726,203 | 371,449,659 | 341,723,456 | 0.087 | 0.087 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2002 | 46,670,010 | 511,786,136 | 465,116,126 | 0.100 | 0.100 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2003 | 112,051,939 | 466,385,684 | 354,333,745 | 0.316 | 0.316 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2004 | 61,608,200 | 394,284,296 | 332,676,096 | 0.185 | 0.185 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2005 | 48,759,994 | 427,428,940 | 378,668,946 | 0.129 | 0.129 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2006 | 94,077,678 | 496,085,897 | 402,008,219 | 0.234 | 0.234 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2007 | 90,878,475 | 552,538,866 | 461,660,391 | 0.197 | 0.197 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2008 | 256,718,100 | 756,466,619 | 499,748,519 | 0.514 | 0.514 | 0.172 | 85,956,745 | 0.000 | 0 | 85,956,745 |
| 2009 | 208,743,189 | 761,556,251 | 552,813,062 | 0.378 | 0.378 | 0.036 | 19,901,270 | 0.000 | 0 | 19,901,270 |
| 2010 | 289,177,645 | 909,422,572 | 620,244,927 | 0.466 | 0.466 | 0.124 | 76,910,371 | 0.000 | 0 | 76,910,371 |
| 2011 | 988,749,951 | 1,541,428,800 | 552,678,849 | 1.789 | 1.360 | 1.018 | 562,627,068 | 0.429 | 237,099,226 | 799,726,294 |
| 2012 | 371,441,730 | 884,213,049 | 512,771,319 | 0.724 | 0.724 | 0.382 | 195,878,644 | 0.000 | 0 | 195,878,644 |
| 2013 | 218,088,994 | 723,503,760 | 505,414,766 | 0.432 | 0.432 | 0.090 | 45,487,329 | 0.000 | 0 | 45,487,329 |
| 2014 | 225,160,007 | 835,143,121 | 609,983,114 | 0.369 | 0.369 | 0.027 | 16,469,544 | 0.000 | 0 | 16,469,544 |
| 2015 | 183,292,990 | 786,973,708 | 603,680,718 | 0.304 | 0.304 | 0.000 | 0 | 0.000 | 0 | 0 |
| 2016 | 333,647,481 | 910,858,664 | 577,211,183 | 0.578 | 0.578 | 0.236 | 136,221,839 | 0.000 | 0 | 136,221,839 |
| 2017 | 431,999,991 | 1,022,664,428 | 590,664,437 | 0.731 | 0.731 | 0.389 | 229,768,466 | 0.000 | 0 | 229,768,466 |
| <u>2018</u> | <u>262,658,845</u> | <u>971,815,856</u> | <u>709,157,011</u> | <u>0.370</u> | <u>0.370</u> | <u>0.028</u> | <u>19,856,396</u> | <u>0.000</u> | <u>0</u> | <u>19,856,396</u> |
| Total | 4,941,737,124 | 16,985,060,429 | 12,043,323,305 | 10.691 | 10.262 | 2.778 | 1,453,236,279 | 0.429 | 237,099,226 | 1,690,335,505 |
| Average | | | | 0.356 | 0.342 | 0.093 | | 0.014 | | |

Average of Column (5) 0.342
 Median value of Column (4) 0.272
 Median × 5 1.360

Excess Factor = 1.0 + [(Avg(6) + Avg(8)) / (1.0 + Avg(5) - Avg(6))] = 1.086

NORTH CAROLINA

HOMEOWNERS INSURANCE

**CALCULATION OF STATEWIDE NON-HURRICANE WIND PROVISION
OWNERS FORMS**

| | (1) | (2) | (3) |
|-------------|----------------------------|--------------------|-------------------|
| | Excess | Statewide | Statewide |
| | Ratio ^(a) | Adjusted | Adjusted |
| <u>Year</u> | <u>Ratio^(a)</u> | <u>Wind Losses</u> | <u>(1) × (2)</u> |
| 2014 | 0.073 | 208,977,070 | 15,255,326 |
| 2015 | 0.000 | 172,743,440 | 0 |
| 2016 | 0.408 | 318,899,332 | 130,110,927 |
| 2017 | 0.532 | 413,983,971 | 220,239,472 |
| 2018 | 0.076 | <u>260,638,643</u> | <u>19,808,537</u> |
| | | 1,375,242,456 | 385,414,262 |

| | (4) | (5) | (6) |
|-------------|---------------------|---------------|-----------------------|
| | Statewide | Statewide | Statewide |
| | Adjusted | Excess | Non-Hurricane |
| <u>Year</u> | <u>Total Losses</u> | <u>Factor</u> | <u>Wind Provision</u> |
| 2014 | 771,180,217 | 1.086 | 258,731,284 |
| 2015 | 738,568,025 | 1.086 | 236,260,290 |
| 2016 | 864,478,198 | 1.086 | 251,943,990 |
| 2017 | 971,622,632 | 1.086 | 258,363,450 |
| 2018 | <u>951,774,886</u> | 1.086 | <u>320,979,212</u> |
| | 4,297,623,957 | | 1,326,278,226 |

^(a) From calculation of excess factor; ratio of excess losses to reported wind losses

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF LONG-TERM RATIO OF WIND TO NON-WIND LOSSES
OWNERS FORMS

| Territory Group ^(a) | Year | (1) | (2) | (3) | (4) |
|-----------------------------------|-------------|---|--|--|-----------------------------------|
| | | Reported Wind Losses ^(b) | Reported Total Losses ^(b) | Reported Non-Wind Losses <u>(2) - (1)</u> | Wind Ratio <u>(1) / (3)</u> |
| Beach | 1989 | 88,242 | 2,068,482 | 1,980,240 | 0.045 |
| | 1990 | 133,918 | 1,126,045 | 992,127 | 0.135 |
| | 1991 | 83,455 | 1,875,651 | 1,792,196 | 0.047 |
| | 1992 | 84,595 | 1,715,590 | 1,630,995 | 0.052 |
| | 1993 | 4,288,494 | 5,775,315 | 1,486,821 | 2.884 |
| | 1994 | 125,000 | 2,749,575 | 2,624,575 | 0.048 |
| | 1995 | 162,958 | 2,356,851 | 2,193,893 | 0.074 |
| | 1996 | 230,545 | 2,789,383 | 2,558,838 | 0.090 |
| | 1997 | 175,404 | 2,335,913 | 2,160,509 | 0.081 |
| | 1998 | 575,339 | 2,062,090 | 1,486,751 | 0.387 |
| | 1999 | 1,830,290 | 4,132,811 | 2,302,521 | 0.795 |
| | 2000 | 204,733 | 1,908,210 | 1,703,477 | 0.120 |
| | 2001 | 80,129 | 1,806,860 | 1,726,731 | 0.046 |
| | 2002 | 98,754 | 2,889,575 | 2,790,821 | 0.035 |
| | 2003 | 163,450 | 2,581,654 | 2,418,204 | 0.068 |
| | 2004 | 150,960 | 3,823,265 | 3,672,305 | 0.041 |
| | 2005 | 742,021 | 4,760,817 | 4,018,796 | 0.185 |
| | 2006 | 619,848 | 5,086,655 | 4,466,807 | 0.139 |
| | 2007 | 257,133 | 6,372,870 | 6,115,737 | 0.042 |
| | 2008 | 808,720 | 3,917,641 | 3,108,921 | 0.260 |
| | 2009 | 932,033 | 4,229,165 | 3,297,132 | 0.283 |
| | 2010 | 1,047,110 | 5,719,897 | 4,672,787 | 0.224 |
| | 2011 | 1,786,394 | 5,446,181 | 3,659,787 | 0.488 |
| | 2012 | 717,377 | 3,777,732 | 3,060,355 | 0.234 |
| | 2013 | 802,501 | 5,740,465 | 4,937,964 | 0.163 |
| | 2014 | 515,309 | 6,562,869 | 6,047,560 | 0.085 |
| | 2015 | 949,963 | 16,775,375 | 15,825,412 | 0.060 |
| | 2016 | 909,156 | 8,821,343 | 7,912,187 | 0.115 |
| | 2017 | 870,144 | 8,289,831 | 7,419,687 | 0.117 |
| | <u>2018</u> | 1,826,445 | 13,664,911 | 11,838,466 | <u>0.154</u> |
| | Average | | | | 0.250 |

^(a) The Beach Territory Group consists of current Territories 110 and 120, as well as past Territories 04, 05, 06, 07, and 08.

^(b) Reported losses exclude hurricanes.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF LONG-TERM RATIO OF WIND TO NON-WIND LOSSES
OWNERS FORMS

| Territory Group ^(a) | Year | (1) | (2) | (3) | (4) |
|-----------------------------------|-------------|---|--|--|-----------------------------------|
| | | Reported Wind Losses ^(b) | Reported Total Losses ^(b) | Reported Non-Wind Losses <u>(2) - (1)</u> | Wind Ratio <u>(1) / (3)</u> |
| Coast | 1989 | 1,364,644 | 17,349,379 | 15,984,735 | 0.085 |
| | 1990 | 1,252,158 | 18,329,324 | 17,077,166 | 0.073 |
| | 1991 | 1,167,154 | 18,407,725 | 17,240,571 | 0.068 |
| | 1992 | 1,892,843 | 17,167,807 | 15,274,964 | 0.124 |
| | 1993 | 26,069,678 | 43,448,529 | 17,378,851 | 1.500 |
| | 1994 | 1,046,637 | 19,530,710 | 18,484,073 | 0.057 |
| | 1995 | 3,007,093 | 22,981,194 | 19,974,101 | 0.151 |
| | 1996 | 1,399,703 | 23,253,667 | 21,853,964 | 0.064 |
| | 1997 | 1,973,079 | 22,914,583 | 20,941,504 | 0.094 |
| | 1998 | 3,601,959 | 24,173,431 | 20,571,472 | 0.175 |
| | 1999 | 10,818,032 | 29,886,810 | 19,068,778 | 0.567 |
| | 2000 | 3,329,614 | 26,876,050 | 23,546,436 | 0.141 |
| | 2001 | 1,218,889 | 26,169,789 | 24,950,900 | 0.049 |
| | 2002 | 1,175,062 | 22,848,887 | 21,673,825 | 0.054 |
| | 2003 | 3,444,082 | 21,962,518 | 18,518,436 | 0.186 |
| | 2004 | 2,220,822 | 25,425,963 | 23,205,141 | 0.096 |
| | 2005 | 4,756,111 | 27,867,905 | 23,111,794 | 0.206 |
| | 2006 | 2,773,666 | 32,757,755 | 29,984,089 | 0.093 |
| | 2007 | 1,258,680 | 36,398,865 | 35,140,185 | 0.036 |
| | 2008 | 4,325,522 | 40,628,554 | 36,303,032 | 0.119 |
| | 2009 | 3,659,383 | 45,149,412 | 41,490,029 | 0.088 |
| | 2010 | 6,116,634 | 52,015,859 | 45,899,225 | 0.133 |
| | 2011 | 12,569,814 | 56,340,518 | 43,770,704 | 0.287 |
| | 2012 | 6,670,728 | 46,808,734 | 40,138,006 | 0.166 |
| | 2013 | 5,019,000 | 46,843,884 | 41,824,884 | 0.120 |
| | 2014 | 17,108,125 | 67,705,860 | 50,597,735 | 0.338 |
| | 2015 | 10,715,035 | 58,250,792 | 47,535,757 | 0.225 |
| | 2016 | 8,637,948 | 54,022,284 | 45,384,336 | 0.190 |
| | 2017 | 9,838,532 | 56,614,008 | 46,775,476 | 0.210 |
| | <u>2018</u> | 10,957,434 | 72,849,816 | 61,892,382 | <u>0.177</u> |
| | Average | | | | 0.196 |

^(a) The Coast Territory Group consists of current Territories 130-160, as well as past Territories 30, 31, 48, 49, and 52.

^(b) Reported losses exclude hurricanes.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF LONG-TERM RATIO OF WIND TO NON-WIND LOSSES
OWNERS FORMS

| Territory Group ^(a) | Year | (1) | (2) | (3) | (4) |
|-----------------------------------|-------------|---|--|--|-----------------------------------|
| | | Reported Wind Losses ^(b) | Reported Total Losses ^(b) | Reported Non-Wind Losses <u>(2) - (1)</u> | Wind Ratio <u>(1) / (3)</u> |
| Inland | 1989 | 82,153,045 | 259,498,679 | 177,345,634 | 0.463 |
| | 1990 | 37,772,447 | 209,571,999 | 171,799,552 | 0.220 |
| | 1991 | 17,186,068 | 204,444,965 | 187,258,897 | 0.092 |
| | 1992 | 24,677,497 | 203,648,638 | 178,971,141 | 0.138 |
| | 1993 | 67,472,768 | 272,698,047 | 205,225,279 | 0.329 |
| | 1994 | 27,691,184 | 255,786,490 | 228,095,306 | 0.121 |
| | 1995 | 49,200,431 | 266,636,150 | 217,435,719 | 0.226 |
| | 1996 | 39,271,693 | 306,704,479 | 267,432,786 | 0.147 |
| | 1997 | 35,233,655 | 278,419,484 | 243,185,829 | 0.145 |
| | 1998 | 115,898,058 | 368,604,570 | 252,706,512 | 0.459 |
| | 1999 | 45,584,108 | 316,167,317 | 270,583,209 | 0.168 |
| | 2000 | 83,118,501 | 418,256,579 | 335,138,078 | 0.248 |
| | 2001 | 28,427,185 | 343,473,010 | 315,045,825 | 0.090 |
| | 2002 | 45,396,194 | 486,047,674 | 440,651,480 | 0.103 |
| | 2003 | 108,444,407 | 441,841,512 | 333,397,105 | 0.325 |
| | 2004 | 59,236,418 | 365,035,068 | 305,798,650 | 0.194 |
| | 2005 | 43,261,863 | 394,800,219 | 351,538,356 | 0.123 |
| | 2006 | 90,684,164 | 458,241,489 | 367,557,325 | 0.247 |
| | 2007 | 89,362,664 | 509,767,134 | 420,404,470 | 0.213 |
| | 2008 | 251,583,856 | 711,920,425 | 460,336,569 | 0.547 |
| | 2009 | 204,151,774 | 712,177,673 | 508,025,899 | 0.402 |
| | 2010 | 282,013,902 | 851,686,817 | 569,672,915 | 0.495 |
| | 2011 | 974,393,743 | 1,479,642,101 | 505,248,358 | 1.929 |
| | 2012 | 364,053,622 | 833,626,567 | 469,572,945 | 0.775 |
| | 2013 | 212,267,496 | 670,919,415 | 458,651,919 | 0.463 |
| | 2014 | 207,536,573 | 760,874,392 | 553,337,819 | 0.375 |
| | 2015 | 171,627,992 | 711,947,541 | 540,319,549 | 0.318 |
| | 2016 | 324,100,377 | 848,015,037 | 523,914,660 | 0.619 |
| | 2017 | 421,291,315 | 957,760,589 | 536,469,274 | 0.785 |
| | <u>2018</u> | 249,874,966 | 885,301,129 | 635,426,163 | <u>0.393</u> |
| | Average | | | | 0.372 |

^(a) The Inland Territory Group consists of current Territories 170-390, as well as past Territories 32-41, 44-47, 53, 57, and 60.

^(b) Reported losses exclude hurricanes.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF TERRITORY GROUP NON-HURRICANE WIND PROVISION OWNERS FORMS

| | (1) | (2) | (3) | (4) |
|---------------|------------------------|--------------------------|----------------------|------------------------|
| Territory | Long-term | Non-Wind | "Expected" | "Expected" |
| <u>Group</u> | Ratio of Wind to | Losses for | Wind Losses for | Wind |
| | <u>Non-Wind Losses</u> | <u>Latest Five Years</u> | Latest Five Years | Distribution |
| | | | <u>(1) x (2)</u> | <u>(3) / Total (3)</u> |
| Beach | 0.250 | 49,043,312 | 12,260,828 | 0.011153 |
| Coast | 0.196 | 252,185,686 | 49,428,394 | 0.044961 |
| <u>Inland</u> | 0.372 | 2,789,467,465 | <u>1,037,681,897</u> | <u>0.943887</u> |
| Total | | | 1,099,371,119 | 1.000000 |

| | | (5) | (6) |
|--------------|-------------|-----------------------|------------------|
| Territory | | Statewide | Territory Group |
| <u>Group</u> | <u>Year</u> | <u>Non-Hurricane</u> | Non-Hurricane |
| | | <u>Wind Provision</u> | Wind Provision |
| | | | <u>(4) x (5)</u> |
| Beach | 2014 | 258,731,284 | 2,885,630 |
| | 2015 | 236,260,290 | 2,635,011 |
| | 2016 | 251,943,990 | 2,809,931 |
| | 2017 | 258,363,450 | 2,881,528 |
| | 2018 | 320,979,212 | 3,579,881 |
| Coast | 2014 | 258,731,284 | 11,632,817 |
| | 2015 | 236,260,290 | 10,622,499 |
| | 2016 | 251,943,990 | 11,327,654 |
| | 2017 | 258,363,450 | 11,616,279 |
| | 2018 | 320,979,212 | 14,431,546 |
| Inland | 2014 | 258,731,284 | 244,212,837 |
| | 2015 | 236,260,290 | 223,002,780 |
| | 2016 | 251,943,990 | 237,806,405 |
| | 2017 | 258,363,450 | 243,865,643 |
| | 2018 | 320,979,212 | 302,967,784 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION
OWNERS FORMS

| Territory Group | Territory | Year | (1) | (2) | (3) | (4) | |
|--------------------|-----------|------|---------------------------------------|--|--|--|-----------|
| | | | Territory Earned House Years | Territory Group Earned House Years | Territory Group Non-Hurricane Wind Provision | Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$ | |
| Beach | 110 | 2014 | 8,107 | 20,043 | 2,885,630 | 1,167,181 | |
| | | 2015 | 11,958 | 26,148 | 2,635,011 | 1,205,043 | |
| | | 2016 | 14,761 | 29,431 | 2,809,931 | 1,409,310 | |
| | | 2017 | 14,294 | 30,705 | 2,881,528 | 1,341,428 | |
| | | 2018 | 13,913 | 30,159 | 3,579,881 | 1,651,477 | |
| | 120 | 2014 | 11,936 | 20,043 | 2,885,630 | 1,718,449 | |
| | | 2015 | 14,190 | 26,148 | 2,635,011 | 1,429,968 | |
| | | 2016 | 14,670 | 29,431 | 2,809,931 | 1,400,622 | |
| | | 2017 | 16,411 | 30,705 | 2,881,528 | 1,540,099 | |
| | | 2018 | 16,246 | 30,159 | 3,579,881 | 1,928,404 | |
| | Coast | 130 | 2014 | 15,725 | 180,406 | 11,632,817 | 1,013,969 |
| | | | 2015 | 13,715 | 175,621 | 10,622,499 | 829,557 |
| | | | 2016 | 10,827 | 172,236 | 11,327,654 | 712,072 |
| | | | 2017 | 10,973 | 168,053 | 11,616,279 | 758,484 |
| | | | 2018 | 11,264 | 168,828 | 14,431,546 | 962,855 |
| | | 140 | 2014 | 80,684 | 180,406 | 11,632,817 | 5,202,611 |
| | | | 2015 | 80,872 | 175,621 | 10,622,499 | 4,891,572 |
| | | | 2016 | 78,696 | 172,236 | 11,327,654 | 5,175,695 |
| | | | 2017 | 76,421 | 168,053 | 11,616,279 | 5,282,427 |
| | | | 2018 | 76,114 | 168,828 | 14,431,546 | 6,506,283 |
| 150 | | 2014 | 47,846 | 180,406 | 11,632,817 | 3,085,173 | |
| | | 2015 | 43,922 | 175,621 | 10,622,499 | 2,656,638 | |
| | | 2016 | 43,919 | 172,236 | 11,327,654 | 2,888,474 | |
| | | 2017 | 44,601 | 168,053 | 11,616,279 | 3,082,942 | |
| | | 2018 | 45,198 | 168,828 | 14,431,546 | 3,863,560 | |
| 160 | | 2014 | 36,151 | 180,406 | 11,632,817 | 2,331,064 | |
| | | 2015 | 37,112 | 175,621 | 10,622,499 | 2,244,733 | |
| | | 2016 | 38,794 | 172,236 | 11,327,654 | 2,551,412 | |
| | | 2017 | 36,058 | 168,053 | 11,616,279 | 2,492,427 | |
| | | 2018 | 36,252 | 168,828 | 14,431,546 | 3,098,849 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION
OWNERS FORMS**

| Territory Group | Territory | Year | (1) | (2) | (3) | (4) |
|--------------------|-----------|--------|---------------------------------------|--|--|--|
| | | | Territory Earned House Years | Territory Group Earned House Years | Territory Group Non-Hurricane Wind Provision | Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$ |
| Inland | 170 | 2014 | 4,215 | 1,727,509 | 244,212,837 | 595,862 |
| | | 2015 | 4,073 | 1,724,693 | 223,002,780 | 526,639 |
| | | 2016 | 4,070 | 1,748,226 | 237,806,405 | 553,631 |
| | | 2017 | 4,083 | 1,774,625 | 243,865,643 | 561,078 |
| | | 2018 | 4,029 | 1,756,616 | 302,967,784 | 694,891 |
| | 180 | 2014 | 49,252 | 1,727,509 | 244,212,837 | 6,962,610 |
| | | 2015 | 48,979 | 1,724,693 | 223,002,780 | 6,332,984 |
| | | 2016 | 49,378 | 1,748,226 | 237,806,405 | 6,716,754 |
| | | 2017 | 49,703 | 1,774,625 | 243,865,643 | 6,830,093 |
| | | 2018 | 50,152 | 1,756,616 | 302,967,784 | 8,649,836 |
| | 190 | 2014 | 13,575 | 1,727,509 | 244,212,837 | 1,919,058 |
| | | 2015 | 13,244 | 1,724,693 | 223,002,780 | 1,712,449 |
| | | 2016 | 12,870 | 1,748,226 | 237,806,405 | 1,750,671 |
| | | 2017 | 12,741 | 1,774,625 | 243,865,643 | 1,750,844 |
| | | 2018 | 12,481 | 1,756,616 | 302,967,784 | 2,152,628 |
| | 200 | 2014 | 6,156 | 1,727,509 | 244,212,837 | 870,256 |
| | | 2015 | 5,958 | 1,724,693 | 223,002,780 | 770,369 |
| | | 2016 | 5,774 | 1,748,226 | 237,806,405 | 785,421 |
| | | 2017 | 5,687 | 1,774,625 | 243,865,643 | 781,497 |
| | | 2018 | 5,619 | 1,756,616 | 302,967,784 | 969,122 |
| 210 | 2014 | 19,765 | 1,727,509 | 244,212,837 | 2,794,120 | |
| | 2015 | 19,768 | 1,724,693 | 223,002,780 | 2,556,002 | |
| | 2016 | 20,093 | 1,748,226 | 237,806,405 | 2,733,196 | |
| | 2017 | 20,249 | 1,774,625 | 243,865,643 | 2,782,580 | |
| | 2018 | 20,058 | 1,756,616 | 302,967,784 | 3,459,451 | |
| 220 | 2014 | 54,825 | 1,727,509 | 244,212,837 | 7,750,448 | |
| | 2015 | 54,038 | 1,724,693 | 223,002,780 | 6,987,113 | |
| | 2016 | 54,036 | 1,748,226 | 237,806,405 | 7,350,369 | |
| | 2017 | 53,788 | 1,774,625 | 243,865,643 | 7,391,446 | |
| | 2018 | 53,645 | 1,756,616 | 302,967,784 | 9,252,282 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION
OWNERS FORMS**

| Territory Group | Territory | Year | (1) | (2) | (3) | (4) |
|--------------------|-----------|---------|---------------------------------------|--|--|--|
| | | | Territory Earned House Years | Territory Group Earned House Years | Territory Group Non-Hurricane Wind Provision | Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$ |
| Inland | 230 | 2014 | 13,467 | 1,727,509 | 244,212,837 | 1,903,790 |
| | | 2015 | 13,170 | 1,724,693 | 223,002,780 | 1,702,881 |
| | | 2016 | 13,345 | 1,748,226 | 237,806,405 | 1,815,284 |
| | | 2017 | 13,326 | 1,774,625 | 243,865,643 | 1,831,234 |
| | | 2018 | 13,362 | 1,756,616 | 302,967,784 | 2,304,576 |
| | 240 | 2014 | 73,542 | 1,727,509 | 244,212,837 | 10,396,415 |
| | | 2015 | 73,518 | 1,724,693 | 223,002,780 | 9,505,876 |
| | | 2016 | 74,192 | 1,748,226 | 237,806,405 | 10,092,135 |
| | | 2017 | 77,933 | 1,774,625 | 243,865,643 | 10,709,407 |
| | | 2018 | 78,520 | 1,756,616 | 302,967,784 | 13,542,533 |
| | 250 | 2014 | 31,122 | 1,727,509 | 244,212,837 | 4,399,625 |
| | | 2015 | 31,145 | 1,724,693 | 223,002,780 | 4,027,048 |
| | | 2016 | 31,686 | 1,748,226 | 237,806,405 | 4,310,160 |
| | | 2017 | 32,144 | 1,774,625 | 243,865,643 | 4,417,168 |
| | | 2018 | 32,130 | 1,756,616 | 302,967,784 | 5,541,538 |
| | 260 | 2014 | 26,309 | 1,727,509 | 244,212,837 | 3,719,225 |
| | | 2015 | 26,922 | 1,724,693 | 223,002,780 | 3,481,014 |
| | | 2016 | 28,274 | 1,748,226 | 237,806,405 | 3,846,035 |
| | | 2017 | 26,815 | 1,774,625 | 243,865,643 | 3,684,867 |
| | | 2018 | 26,874 | 1,756,616 | 302,967,784 | 4,635,023 |
| 270 | 2014 | 274,915 | 1,727,509 | 244,212,837 | 38,863,920 | |
| | 2015 | 276,747 | 1,724,693 | 223,002,780 | 35,783,383 | |
| | 2016 | 278,601 | 1,748,226 | 237,806,405 | 37,897,333 | |
| | 2017 | 284,079 | 1,774,625 | 243,865,643 | 39,037,604 | |
| | 2018 | 282,014 | 1,756,616 | 302,967,784 | 48,639,633 | |
| 280 | 2014 | 39,719 | 1,727,509 | 244,212,837 | 5,614,958 | |
| | 2015 | 40,404 | 1,724,693 | 223,002,780 | 5,224,237 | |
| | 2016 | 41,825 | 1,748,226 | 237,806,405 | 5,689,340 | |
| | 2017 | 42,852 | 1,774,625 | 243,865,643 | 5,888,642 | |
| | 2018 | 42,984 | 1,756,616 | 302,967,784 | 7,413,554 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION
OWNERS FORMS**

| Territory Group | Territory | Year | (1) | (2) | (3) | (4) |
|--------------------|-----------|---------|---------------------------------------|--|--|--|
| | | | Territory Earned House Years | Territory Group Earned House Years | Territory Group Non-Hurricane Wind Provision | Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$ |
| Inland | 290 | 2014 | 31,632 | 1,727,509 | 244,212,837 | 4,471,722 |
| | | 2015 | 31,954 | 1,724,693 | 223,002,780 | 4,131,652 |
| | | 2016 | 32,425 | 1,748,226 | 237,806,405 | 4,410,684 |
| | | 2017 | 33,415 | 1,774,625 | 243,865,643 | 4,591,827 |
| | | 2018 | 33,845 | 1,756,616 | 302,967,784 | 5,837,329 |
| | 300 | 2014 | 13,803 | 1,727,509 | 244,212,837 | 1,951,289 |
| | | 2015 | 13,575 | 1,724,693 | 223,002,780 | 1,755,247 |
| | | 2016 | 13,682 | 1,748,226 | 237,806,405 | 1,861,125 |
| | | 2017 | 13,749 | 1,774,625 | 243,865,643 | 1,889,362 |
| | | 2018 | 13,391 | 1,756,616 | 302,967,784 | 2,309,578 |
| | 310 | 2014 | 259,796 | 1,727,509 | 244,212,837 | 36,726,592 |
| | | 2015 | 257,494 | 1,724,693 | 223,002,780 | 33,293,970 |
| | | 2016 | 261,171 | 1,748,226 | 237,806,405 | 35,526,377 |
| | | 2017 | 265,079 | 1,774,625 | 243,865,643 | 36,426,660 |
| | | 2018 | 262,168 | 1,756,616 | 302,967,784 | 45,216,745 |
| | 320 | 2014 | 137,198 | 1,727,509 | 244,212,837 | 19,395,275 |
| | | 2015 | 133,607 | 1,724,693 | 223,002,780 | 17,275,383 |
| | | 2016 | 130,067 | 1,748,226 | 237,806,405 | 17,692,659 |
| | | 2017 | 131,557 | 1,774,625 | 243,865,643 | 18,078,317 |
| | | 2018 | 130,444 | 1,756,616 | 302,967,784 | 22,497,990 |
| 330 | 2014 | 6,889 | 1,727,509 | 244,212,837 | 973,878 | |
| | 2015 | 6,898 | 1,724,693 | 223,002,780 | 891,911 | |
| | 2016 | 7,206 | 1,748,226 | 237,806,405 | 980,212 | |
| | 2017 | 7,247 | 1,774,625 | 243,865,643 | 995,869 | |
| | 2018 | 6,968 | 1,756,616 | 302,967,784 | 1,201,788 | |
| 340 | 2014 | 308,769 | 1,727,509 | 244,212,837 | 43,649,760 | |
| | 2015 | 302,292 | 1,724,693 | 223,002,780 | 39,086,351 | |
| | 2016 | 301,894 | 1,748,226 | 237,806,405 | 41,065,816 | |
| | 2017 | 316,428 | 1,774,625 | 243,865,643 | 43,482,943 | |
| | 2018 | 309,142 | 1,756,616 | 302,967,784 | 53,318,464 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION
OWNERS FORMS**

| Territory Group | Territory | Year | (1) | (2) | (3) | (4) |
|--------------------|-----------|--------|---------------------------------------|--|--|--|
| | | | Territory Earned House Years | Territory Group Earned House Years | Territory Group Non-Hurricane Wind Provision | Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$ |
| Inland | 350 | 2014 | 92,252 | 1,727,509 | 244,212,837 | 13,041,392 |
| | | 2015 | 93,120 | 1,724,693 | 223,002,780 | 12,040,415 |
| | | 2016 | 95,152 | 1,748,226 | 237,806,405 | 12,943,267 |
| | | 2017 | 96,919 | 1,774,625 | 243,865,643 | 13,318,427 |
| | | 2018 | 96,268 | 1,756,616 | 302,967,784 | 16,603,573 |
| | 360 | 2014 | 192,929 | 1,727,509 | 244,212,837 | 27,273,802 |
| | | 2015 | 196,655 | 1,724,693 | 223,002,780 | 25,427,489 |
| | | 2016 | 206,091 | 1,748,226 | 237,806,405 | 28,033,995 |
| | | 2017 | 199,421 | 1,774,625 | 243,865,643 | 27,404,060 |
| | | 2018 | 195,832 | 1,756,616 | 302,967,784 | 33,775,616 |
| | 370 | 2014 | 9,223 | 1,727,509 | 244,212,837 | 1,303,828 |
| | | 2015 | 9,977 | 1,724,693 | 223,002,780 | 1,290,026 |
| | | 2016 | 10,923 | 1,748,226 | 237,806,405 | 1,485,826 |
| | | 2017 | 10,995 | 1,774,625 | 243,865,643 | 1,510,912 |
| | | 2018 | 10,987 | 1,756,616 | 302,967,784 | 1,894,954 |
| | 380 | 2014 | 32,314 | 1,727,509 | 244,212,837 | 4,568,135 |
| | | 2015 | 33,522 | 1,724,693 | 223,002,780 | 4,334,394 |
| | | 2016 | 35,782 | 1,748,226 | 237,806,405 | 4,867,328 |
| | | 2017 | 36,248 | 1,774,625 | 243,865,643 | 4,981,132 |
| | | 2018 | 35,754 | 1,756,616 | 302,967,784 | 6,166,578 |
| 390 | 2014 | 35,842 | 1,727,509 | 244,212,837 | 5,066,878 | |
| | 2015 | 37,633 | 1,724,693 | 223,002,780 | 4,865,946 | |
| | 2016 | 39,689 | 1,748,226 | 237,806,405 | 5,398,786 | |
| | 2017 | 40,167 | 1,774,625 | 243,865,643 | 5,519,674 | |
| | 2018 | 39,949 | 1,756,616 | 302,967,784 | 6,890,100 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - OWNERS FORMS

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------------|-------------|---------------|--------------|--------------------|-----------------|--------------|--------------|--------------------|-----------------|
| | | Earned | Current | Aggregate | Average | Average | Premium | Trended | Trended |
| | | House | Base | Calculated | Rate | Rating | Trend | Aggregate | Average |
| | | Years | Rate | Earned | (3) / (1) | Factor | Factor | Calculated | Rating |
| <u>Territory</u> | <u>Year</u> | | | Premium at | | | | at Current Level | Factor |
| | | | | Current Level | (3) / (1) | (4) / (2) | | (3) x (6) | (7) / [(1)x(2)] |
| 110 | 2014 | 8,107 | 2,617 | 29,169,816 | 3,598.10 | 1.375 | 1.094 | 31,911,779 | 1.504 |
| | 2015 | 11,958 | 2,617 | 45,977,204 | 3,844.89 | 1.469 | 1.083 | 49,793,312 | 1.591 |
| | 2016 | 14,761 | 2,617 | 59,607,494 | 4,038.17 | 1.543 | 1.075 | 64,078,056 | 1.659 |
| | 2017 | 14,294 | 2,617 | 56,635,170 | 3,962.16 | 1.514 | 1.065 | 60,316,456 | 1.612 |
| | <u>2018</u> | <u>13,913</u> | <u>2,617</u> | <u>53,517,212</u> | <u>3,846.56</u> | <u>1.470</u> | <u>1.046</u> | <u>55,979,004</u> | <u>1.537</u> |
| | Total | 63,033 | 2,617 | 244,906,896 | 3,885.38 | 1.485 | | 262,078,607 | 1.589 |
| 120 | 2014 | 11,936 | 3,068 | 48,620,649 | 4,073.45 | 1.328 | 1.094 | 53,190,990 | 1.453 |
| | 2015 | 14,190 | 3,068 | 56,664,651 | 3,993.28 | 1.302 | 1.083 | 61,367,817 | 1.410 |
| | 2016 | 14,670 | 3,068 | 60,139,377 | 4,099.48 | 1.336 | 1.075 | 64,649,830 | 1.436 |
| | 2017 | 16,411 | 3,068 | 66,806,028 | 4,070.81 | 1.327 | 1.065 | 71,148,420 | 1.413 |
| | <u>2018</u> | <u>16,246</u> | <u>3,068</u> | <u>65,619,354</u> | <u>4,039.11</u> | <u>1.317</u> | <u>1.046</u> | <u>68,637,844</u> | <u>1.377</u> |
| | Total | 73,453 | 3,068 | 297,850,059 | 4,054.97 | 1.322 | | 318,994,901 | 1.416 |
| 130 | 2014 | 15,725 | 1,584 | 36,057,383 | 2,293.00 | 1.448 | 1.094 | 39,446,777 | 1.584 |
| | 2015 | 13,715 | 1,584 | 31,716,586 | 2,312.55 | 1.460 | 1.083 | 34,349,063 | 1.581 |
| | 2016 | 10,827 | 1,584 | 24,105,444 | 2,226.42 | 1.406 | 1.075 | 25,913,352 | 1.511 |
| | 2017 | 10,973 | 1,584 | 24,347,140 | 2,218.82 | 1.401 | 1.065 | 25,929,704 | 1.492 |
| | <u>2018</u> | <u>11,264</u> | <u>1,584</u> | <u>26,420,075</u> | <u>2,345.53</u> | <u>1.481</u> | <u>1.046</u> | <u>27,635,398</u> | <u>1.549</u> |
| | Total | 62,504 | 1,584 | 142,646,628 | 2,282.20 | 1.441 | | 153,274,294 | 1.548 |
| 140 | 2014 | 80,684 | 2,138 | 217,896,146 | 2,700.61 | 1.263 | 1.094 | 238,378,384 | 1.382 |
| | 2015 | 80,872 | 2,138 | 218,373,011 | 2,700.23 | 1.263 | 1.083 | 236,497,971 | 1.368 |
| | 2016 | 78,696 | 2,138 | 212,390,039 | 2,698.87 | 1.262 | 1.075 | 228,319,292 | 1.357 |
| | 2017 | 76,421 | 2,138 | 206,400,043 | 2,700.83 | 1.263 | 1.065 | 219,816,046 | 1.345 |
| | <u>2018</u> | <u>76,114</u> | <u>2,138</u> | <u>208,409,374</u> | <u>2,738.12</u> | <u>1.281</u> | <u>1.046</u> | <u>217,996,205</u> | <u>1.340</u> |
| | Total | 392,787 | 2,138 | 1,063,468,613 | 2,707.49 | 1.266 | | 1,141,007,898 | 1.359 |
| 150 | 2014 | 47,846 | 1,310 | 76,898,119 | 1,607.20 | 1.227 | 1.094 | 84,126,542 | 1.342 |
| | 2015 | 43,922 | 1,310 | 68,920,468 | 1,569.16 | 1.198 | 1.083 | 74,640,867 | 1.297 |
| | 2016 | 43,919 | 1,310 | 69,525,689 | 1,583.04 | 1.208 | 1.075 | 74,740,116 | 1.299 |
| | 2017 | 44,601 | 1,310 | 71,075,957 | 1,593.60 | 1.216 | 1.065 | 75,695,894 | 1.296 |
| | <u>2018</u> | <u>45,198</u> | <u>1,310</u> | <u>72,697,310</u> | <u>1,608.42</u> | <u>1.228</u> | <u>1.046</u> | <u>76,041,386</u> | <u>1.284</u> |
| | Total | 225,486 | 1,310 | 359,117,543 | 1,592.64 | 1.216 | | 385,244,805 | 1.304 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - OWNERS FORMS

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------------|-------------|---------------|--------------|----------------------|-----------------|------------------|--------------|-------------------|------------------------|
| | | Earned | Current | Aggregate | Average | Average | Premium | Trended | Trended |
| | | House | Base | Calculated | Rate | Rating | Trend | Aggregate | Average |
| | | Years | Rate | Earned | (3) / (1) | Factor | Factor | Calculated | Rating |
| | | | | Premium at | | | | at Current Level | Factor |
| <u>Territory</u> | <u>Year</u> | | | <u>Current Level</u> | | <u>(4) / (2)</u> | | <u>(3) x (6)</u> | <u>(7) / [(1)x(2)]</u> |
| 160 | 2014 | 36,151 | 1,423 | 55,851,525 | 1,544.95 | 1.086 | 1.094 | 61,101,568 | 1.188 |
| | 2015 | 37,112 | 1,423 | 58,096,116 | 1,565.43 | 1.100 | 1.083 | 62,918,094 | 1.191 |
| | 2016 | 38,794 | 1,423 | 61,808,383 | 1,593.25 | 1.120 | 1.075 | 66,444,012 | 1.204 |
| | 2017 | 36,058 | 1,423 | 56,321,712 | 1,561.98 | 1.098 | 1.065 | 59,982,623 | 1.169 |
| | <u>2018</u> | <u>36,252</u> | <u>1,423</u> | <u>57,396,462</u> | <u>1,583.26</u> | <u>1.113</u> | <u>1.046</u> | <u>60,036,699</u> | <u>1.164</u> |
| | Total | 184,367 | 1,423 | 289,474,198 | 1,570.10 | 1.103 | | 310,482,996 | 1.183 |
| 170 | 2014 | 4,215 | 803 | 4,021,199 | 954.02 | 1.188 | 1.094 | 4,399,192 | 1.300 |
| | 2015 | 4,073 | 803 | 3,923,743 | 963.35 | 1.200 | 1.083 | 4,249,414 | 1.299 |
| | 2016 | 4,070 | 803 | 3,975,191 | 976.71 | 1.216 | 1.075 | 4,273,330 | 1.308 |
| | 2017 | 4,083 | 803 | 4,029,467 | 986.89 | 1.229 | 1.065 | 4,291,382 | 1.309 |
| | <u>2018</u> | <u>4,029</u> | <u>803</u> | <u>4,026,923</u> | <u>999.48</u> | <u>1.245</u> | <u>1.046</u> | <u>4,212,161</u> | <u>1.302</u> |
| | Total | 20,470 | 803 | 19,976,523 | 975.89 | 1.215 | | 21,425,479 | 1.303 |
| 180 | 2014 | 49,252 | 939 | 53,371,406 | 1,083.64 | 1.154 | 1.094 | 58,388,318 | 1.263 |
| | 2015 | 48,979 | 939 | 53,303,426 | 1,088.29 | 1.159 | 1.083 | 57,727,610 | 1.255 |
| | 2016 | 49,378 | 939 | 54,050,728 | 1,094.63 | 1.166 | 1.075 | 58,104,533 | 1.253 |
| | 2017 | 49,703 | 939 | 54,486,946 | 1,096.25 | 1.167 | 1.065 | 58,028,597 | 1.243 |
| | <u>2018</u> | <u>50,152</u> | <u>939</u> | <u>55,626,654</u> | <u>1,109.16</u> | <u>1.181</u> | <u>1.046</u> | <u>58,185,480</u> | <u>1.236</u> |
| | Total | 247,464 | 939 | 270,839,160 | 1,094.46 | 1.166 | | 290,434,538 | 1.250 |
| 190 | 2014 | 13,575 | 1,166 | 17,581,997 | 1,295.17 | 1.111 | 1.094 | 19,234,705 | 1.215 |
| | 2015 | 13,244 | 1,166 | 17,233,318 | 1,301.22 | 1.116 | 1.083 | 18,663,683 | 1.209 |
| | 2016 | 12,870 | 1,166 | 16,806,676 | 1,305.88 | 1.120 | 1.075 | 18,067,177 | 1.204 |
| | 2017 | 12,741 | 1,166 | 16,695,798 | 1,310.40 | 1.124 | 1.065 | 17,781,025 | 1.197 |
| | <u>2018</u> | <u>12,481</u> | <u>1,166</u> | <u>16,257,157</u> | <u>1,302.55</u> | <u>1.117</u> | <u>1.046</u> | <u>17,004,986</u> | <u>1.168</u> |
| | Total | 64,911 | 1,166 | 84,574,946 | 1,302.94 | 1.117 | | 90,751,576 | 1.199 |
| 200 | 2014 | 6,156 | 1,273 | 9,803,691 | 1,592.54 | 1.251 | 1.094 | 10,725,238 | 1.369 |
| | 2015 | 5,958 | 1,273 | 9,652,429 | 1,620.08 | 1.273 | 1.083 | 10,453,581 | 1.378 |
| | 2016 | 5,774 | 1,273 | 9,411,252 | 1,629.94 | 1.280 | 1.075 | 10,117,096 | 1.376 |
| | 2017 | 5,687 | 1,273 | 9,289,653 | 1,633.49 | 1.283 | 1.065 | 9,893,480 | 1.367 |
| | <u>2018</u> | <u>5,619</u> | <u>1,273</u> | <u>9,085,987</u> | <u>1,617.01</u> | <u>1.270</u> | <u>1.046</u> | <u>9,503,942</u> | <u>1.329</u> |
| | Total | 29,194 | 1,273 | 47,243,012 | 1,618.24 | 1.271 | | 50,693,337 | 1.364 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - OWNERS FORMS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|--|--|--|--|---|---|--|
| | | | Aggregate Calculated Earned Premium at Current Level | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Earned Premium at Current Level</u> | <u>Average Rate (3) / (1)</u> | <u>Average Rating Factor (4) / (2)</u> | <u>Premium Trend Factor</u> | <u>Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)</u> | <u>Trended Average Rating Factor (7) / [(1)x(2)]</u> |
| 210 | 2014 | 19,765 | 868 | 18,875,645 | 955.00 | 1.100 | 1.094 | 20,649,956 | 1.204 |
| | 2015 | 19,768 | 868 | 19,020,992 | 962.21 | 1.109 | 1.083 | 20,599,734 | 1.201 |
| | 2016 | 20,093 | 868 | 19,484,550 | 969.72 | 1.117 | 1.075 | 20,945,891 | 1.201 |
| | 2017 | 20,249 | 868 | 19,708,384 | 973.30 | 1.121 | 1.065 | 20,989,429 | 1.194 |
| | <u>2018</u> | <u>20,058</u> | <u>868</u> | <u>19,664,841</u> | <u>980.40</u> | <u>1.129</u> | <u>1.046</u> | <u>20,569,424</u> | <u>1.181</u> |
| | Total | 99,933 | 868 | 96,754,412 | 968.19 | 1.115 | | 103,754,434 | 1.196 |
| 220 | 2014 | 54,825 | 1,012 | 60,666,181 | 1,106.54 | 1.093 | 1.094 | 66,368,802 | 1.196 |
| | 2015 | 54,038 | 1,012 | 60,650,961 | 1,122.38 | 1.109 | 1.083 | 65,684,991 | 1.201 |
| | 2016 | 54,036 | 1,012 | 61,415,723 | 1,136.57 | 1.123 | 1.075 | 66,021,902 | 1.207 |
| | 2017 | 53,788 | 1,012 | 62,084,221 | 1,154.24 | 1.141 | 1.065 | 66,119,695 | 1.215 |
| | <u>2018</u> | <u>53,645</u> | <u>1,012</u> | <u>63,361,515</u> | <u>1,181.13</u> | <u>1.167</u> | <u>1.046</u> | <u>66,276,145</u> | <u>1.221</u> |
| | Total | 270,332 | 1,012 | 308,178,601 | 1,140.00 | 1.126 | | 330,471,535 | 1.208 |
| 230 | 2014 | 13,467 | 1,135 | 16,455,960 | 1,221.95 | 1.077 | 1.094 | 18,002,820 | 1.178 |
| | 2015 | 13,170 | 1,135 | 16,170,021 | 1,227.79 | 1.082 | 1.083 | 17,512,133 | 1.172 |
| | 2016 | 13,345 | 1,135 | 16,479,657 | 1,234.89 | 1.088 | 1.075 | 17,715,631 | 1.170 |
| | 2017 | 13,326 | 1,135 | 16,526,975 | 1,240.21 | 1.093 | 1.065 | 17,601,228 | 1.164 |
| | <u>2018</u> | <u>13,362</u> | <u>1,135</u> | <u>16,804,108</u> | <u>1,257.60</u> | <u>1.108</u> | <u>1.046</u> | <u>17,577,097</u> | <u>1.159</u> |
| | Total | 66,670 | 1,135 | 82,436,721 | 1,236.49 | 1.089 | | 88,408,909 | 1.168 |
| 240 | 2014 | 73,542 | 836 | 73,068,817 | 993.57 | 1.188 | 1.094 | 79,937,286 | 1.300 |
| | 2015 | 73,518 | 836 | 73,276,208 | 996.71 | 1.192 | 1.083 | 79,358,133 | 1.291 |
| | 2016 | 74,192 | 836 | 74,255,800 | 1,000.86 | 1.197 | 1.075 | 79,824,985 | 1.287 |
| | 2017 | 77,933 | 836 | 79,028,133 | 1,014.05 | 1.213 | 1.065 | 84,164,962 | 1.292 |
| | <u>2018</u> | <u>78,520</u> | <u>836</u> | <u>80,783,298</u> | <u>1,028.82</u> | <u>1.231</u> | <u>1.046</u> | <u>84,499,330</u> | <u>1.287</u> |
| | Total | 377,705 | 836 | 380,412,256 | 1,007.17 | 1.205 | | 407,784,696 | 1.291 |
| 250 | 2014 | 31,122 | 947 | 34,152,048 | 1,097.36 | 1.159 | 1.094 | 37,362,341 | 1.268 |
| | 2015 | 31,145 | 947 | 34,507,477 | 1,107.96 | 1.170 | 1.083 | 37,371,598 | 1.267 |
| | 2016 | 31,686 | 947 | 35,545,498 | 1,121.80 | 1.185 | 1.075 | 38,211,410 | 1.273 |
| | 2017 | 32,144 | 947 | 36,504,578 | 1,135.66 | 1.199 | 1.065 | 38,877,376 | 1.277 |
| | <u>2018</u> | <u>32,130</u> | <u>947</u> | <u>37,195,458</u> | <u>1,157.66</u> | <u>1.222</u> | <u>1.046</u> | <u>38,906,449</u> | <u>1.279</u> |
| | Total | 158,227 | 947 | 177,905,059 | 1,124.37 | 1.187 | | 190,729,174 | 1.273 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - OWNERS FORMS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------------|-------------|----------------|---------------|--------------------|-----------------|--------------|--------------------|-----------------|
| | Earned | Current | Aggregate | Average | Average | Premium | Trended | Trended |
| | House | Base | Calculated | Rate | Rating | Trend | Aggregate | Average |
| | Years | Rate | Earned | (3) / (1) | Factor | Factor | Calculated | Rating |
| <u>Territory</u> | <u>Year</u> | | Premium at | | | | at Current Level | Factor |
| | | | Current Level | (3) / (1) | (4) / (2) | | (3) x (6) | (7) / [(1)x(2)] |
| 260 | 2014 | 26,309 | 627 | 23,911,388 | 908.87 | 1.450 | 26,159,058 | 1.586 |
| | 2015 | 26,922 | 627 | 24,696,490 | 917.33 | 1.463 | 26,746,299 | 1.584 |
| | 2016 | 28,274 | 627 | 26,238,526 | 928.01 | 1.480 | 28,206,415 | 1.591 |
| | 2017 | 26,815 | 627 | 25,086,841 | 935.55 | 1.492 | 26,717,486 | 1.589 |
| | <u>2018</u> | <u>26,874</u> | <u>627</u> | <u>25,612,690</u> | <u>953.07</u> | <u>1.520</u> | <u>26,790,874</u> | <u>1.590</u> |
| | Total | 135,194 | 627 | 125,545,935 | 928.64 | 1.481 | 134,620,132 | 1.588 |
| 270 | 2014 | 274,915 | 708 | 280,954,574 | 1,021.97 | 1.443 | 307,364,304 | 1.579 |
| | 2015 | 276,747 | 708 | 284,327,373 | 1,027.39 | 1.451 | 307,926,545 | 1.572 |
| | 2016 | 278,601 | 708 | 287,762,639 | 1,032.88 | 1.459 | 309,344,837 | 1.568 |
| | 2017 | 284,079 | 708 | 295,530,513 | 1,040.31 | 1.469 | 314,739,996 | 1.565 |
| | <u>2018</u> | <u>282,014</u> | <u>708</u> | <u>299,889,409</u> | <u>1,063.38</u> | <u>1.502</u> | <u>313,684,322</u> | <u>1.571</u> |
| | Total | 1,396,356 | 708 | 1,448,464,508 | 1,037.32 | 1.465 | 1,553,060,004 | 1.571 |
| 280 | 2014 | 39,719 | 622 | 41,718,748 | 1,050.35 | 1.689 | 45,640,310 | 1.847 |
| | 2015 | 40,404 | 622 | 42,272,230 | 1,046.24 | 1.682 | 45,780,825 | 1.822 |
| | 2016 | 41,825 | 622 | 44,169,228 | 1,056.05 | 1.698 | 47,481,920 | 1.825 |
| | 2017 | 42,852 | 622 | 45,638,054 | 1,065.02 | 1.712 | 48,604,528 | 1.824 |
| | <u>2018</u> | <u>42,984</u> | <u>622</u> | <u>46,551,767</u> | <u>1,083.00</u> | <u>1.741</u> | <u>48,693,148</u> | <u>1.821</u> |
| | Total | 207,784 | 622 | 220,350,027 | 1,060.48 | 1.705 | 236,200,731 | 1.828 |
| 290 | 2014 | 31,632 | 772 | 33,784,406 | 1,068.05 | 1.383 | 36,960,140 | 1.514 |
| | 2015 | 31,954 | 772 | 34,349,865 | 1,074.98 | 1.392 | 37,200,904 | 1.508 |
| | 2016 | 32,425 | 772 | 35,262,564 | 1,087.51 | 1.409 | 37,907,256 | 1.514 |
| | 2017 | 33,415 | 772 | 36,708,847 | 1,098.57 | 1.423 | 39,094,922 | 1.516 |
| | <u>2018</u> | <u>33,845</u> | <u>772</u> | <u>37,920,799</u> | <u>1,120.43</u> | <u>1.451</u> | <u>39,665,156</u> | <u>1.518</u> |
| | Total | 163,271 | 772 | 178,026,481 | 1,090.37 | 1.412 | 190,828,378 | 1.514 |
| 300 | 2014 | 13,803 | 827 | 13,120,057 | 950.52 | 1.149 | 14,353,342 | 1.257 |
| | 2015 | 13,575 | 827 | 12,994,751 | 957.26 | 1.158 | 14,073,315 | 1.254 |
| | 2016 | 13,682 | 827 | 13,232,048 | 967.11 | 1.169 | 14,224,452 | 1.257 |
| | 2017 | 13,749 | 827 | 13,395,752 | 974.31 | 1.178 | 14,266,476 | 1.255 |
| | <u>2018</u> | <u>13,391</u> | <u>827</u> | <u>13,197,791</u> | <u>985.57</u> | <u>1.192</u> | <u>13,804,889</u> | <u>1.247</u> |
| | Total | 68,200 | 827 | 65,940,399 | 966.87 | 1.169 | 70,722,474 | 1.254 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - OWNERS FORMS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|---|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Current Level</u> | | | | | |
| 310 | 2014 | 259,796 | 637 | 206,092,266 | 793.28 | 1.245 | 1.094 | 225,464,939 | 1.362 |
| | 2015 | 257,494 | 637 | 205,867,963 | 799.51 | 1.255 | 1.083 | 222,955,004 | 1.359 |
| | 2016 | 261,171 | 637 | 210,608,236 | 806.40 | 1.266 | 1.075 | 226,403,854 | 1.361 |
| | 2017 | 265,079 | 637 | 214,585,780 | 809.52 | 1.271 | 1.065 | 228,533,856 | 1.353 |
| | <u>2018</u> | <u>262,168</u> | <u>637</u> | <u>214,521,773</u> | <u>818.26</u> | <u>1.285</u> | <u>1.046</u> | <u>224,389,775</u> | <u>1.344</u> |
| | Total | 1,305,708 | 637 | 1,051,676,018 | 805.45 | 1.264 | | 1,127,747,428 | 1.356 |
| 320 | 2014 | 137,198 | 711 | 119,516,431 | 871.12 | 1.225 | 1.094 | 130,750,976 | 1.340 |
| | 2015 | 133,607 | 711 | 116,727,863 | 873.67 | 1.229 | 1.083 | 126,416,276 | 1.331 |
| | 2016 | 130,067 | 711 | 113,820,835 | 875.09 | 1.231 | 1.075 | 122,357,398 | 1.323 |
| | 2017 | 131,557 | 711 | 115,532,070 | 878.19 | 1.235 | 1.065 | 123,041,655 | 1.315 |
| | <u>2018</u> | <u>130,444</u> | <u>711</u> | <u>115,556,144</u> | <u>885.87</u> | <u>1.246</u> | <u>1.046</u> | <u>120,871,727</u> | <u>1.303</u> |
| | Total | 662,873 | 711 | 581,153,343 | 876.72 | 1.233 | | 623,438,032 | 1.323 |
| 330 | 2014 | 6,889 | 594 | 5,532,259 | 803.06 | 1.352 | 1.094 | 6,052,291 | 1.479 |
| | 2015 | 6,898 | 594 | 5,609,915 | 813.27 | 1.369 | 1.083 | 6,075,538 | 1.483 |
| | 2016 | 7,206 | 594 | 5,967,146 | 828.08 | 1.394 | 1.075 | 6,414,682 | 1.499 |
| | 2017 | 7,247 | 594 | 6,048,724 | 834.65 | 1.405 | 1.065 | 6,441,891 | 1.496 |
| | <u>2018</u> | <u>6,968</u> | <u>594</u> | <u>5,861,585</u> | <u>841.21</u> | <u>1.416</u> | <u>1.046</u> | <u>6,131,218</u> | <u>1.481</u> |
| | Total | 35,208 | 594 | 29,019,629 | 824.23 | 1.388 | | 31,115,620 | 1.488 |
| 340 | 2014 | 308,769 | 621 | 272,458,058 | 882.40 | 1.421 | 1.094 | 298,069,115 | 1.555 |
| | 2015 | 302,292 | 621 | 268,772,349 | 889.11 | 1.432 | 1.083 | 291,080,454 | 1.551 |
| | 2016 | 301,894 | 621 | 269,949,143 | 894.19 | 1.440 | 1.075 | 290,195,329 | 1.548 |
| | 2017 | 316,428 | 621 | 285,843,961 | 903.35 | 1.455 | 1.065 | 304,423,818 | 1.549 |
| | <u>2018</u> | <u>309,142</u> | <u>621</u> | <u>285,666,289</u> | <u>924.06</u> | <u>1.488</u> | <u>1.046</u> | <u>298,806,938</u> | <u>1.556</u> |
| | Total | 1,538,525 | 621 | 1,382,689,800 | 898.71 | 1.447 | | 1,482,575,654 | 1.552 |
| 350 | 2014 | 92,252 | 660 | 76,169,413 | 825.67 | 1.251 | 1.094 | 83,329,338 | 1.369 |
| | 2015 | 93,120 | 660 | 77,152,488 | 828.53 | 1.255 | 1.083 | 83,556,145 | 1.360 |
| | 2016 | 95,152 | 660 | 79,126,409 | 831.58 | 1.260 | 1.075 | 85,060,890 | 1.354 |
| | 2017 | 96,919 | 660 | 80,905,544 | 834.77 | 1.265 | 1.065 | 86,164,404 | 1.347 |
| | <u>2018</u> | <u>96,268</u> | <u>660</u> | <u>81,696,029</u> | <u>848.63</u> | <u>1.286</u> | <u>1.046</u> | <u>85,454,046</u> | <u>1.345</u> |
| | Total | 473,711 | 660 | 395,049,883 | 833.95 | 1.264 | | 423,564,823 | 1.355 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - OWNERS FORMS

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------------|-------------|------------------|---------------|----------------------|------------------|------------------|--------------|----------------------|------------------------|
| | | Earned | Current | Aggregate | Average | Average | Premium | Trended | Trended |
| | | House | Base | Calculated | Rate | Rating | Trend | Aggregate | Average |
| | | Years | Rate | Earned | (3) / (1) | Factor | Factor | Calculated | Rating |
| | | | | Premium at | | | | at Current Level | Factor |
| <u>Territory</u> | <u>Year</u> | | | <u>Current Level</u> | <u>(3) / (1)</u> | <u>(4) / (2)</u> | | <u>(3) x (6)</u> | <u>(7) / [(1)x(2)]</u> |
| 360 | 2014 | 192,929 | 571 | 154,949,392 | 803.14 | 1.407 | 1.094 | 169,514,635 | 1.539 |
| | 2015 | 196,655 | 571 | 159,942,945 | 813.32 | 1.424 | 1.083 | 173,218,209 | 1.543 |
| | 2016 | 206,091 | 571 | 170,003,363 | 824.89 | 1.445 | 1.075 | 182,753,615 | 1.553 |
| | 2017 | 199,421 | 571 | 163,101,011 | 817.87 | 1.432 | 1.065 | 173,702,577 | 1.525 |
| | <u>2018</u> | <u>195,832</u> | <u>571</u> | <u>162,772,954</u> | <u>831.19</u> | <u>1.456</u> | <u>1.046</u> | <u>170,260,510</u> | <u>1.523</u> |
| | Total | 990,928 | 571 | 810,769,665 | 818.19 | 1.433 | | 869,449,546 | 1.537 |
| 370 | 2014 | 9,223 | 621 | 8,645,198 | 937.35 | 1.509 | 1.094 | 9,457,847 | 1.651 |
| | 2015 | 9,977 | 621 | 9,559,330 | 958.14 | 1.543 | 1.083 | 10,352,754 | 1.671 |
| | 2016 | 10,923 | 621 | 10,764,407 | 985.48 | 1.587 | 1.075 | 11,571,738 | 1.706 |
| | 2017 | 10,995 | 621 | 10,820,872 | 984.16 | 1.585 | 1.065 | 11,524,229 | 1.688 |
| | <u>2018</u> | <u>10,987</u> | <u>621</u> | <u>11,123,029</u> | <u>1,012.38</u> | <u>1.630</u> | <u>1.046</u> | <u>11,634,688</u> | <u>1.705</u> |
| | Total | 52,105 | 621 | 50,912,836 | 977.12 | 1.573 | | 54,541,256 | 1.686 |
| 380 | 2014 | 32,314 | 577 | 28,719,332 | 888.76 | 1.540 | 1.094 | 31,418,949 | 1.685 |
| | 2015 | 33,522 | 577 | 29,789,204 | 888.65 | 1.540 | 1.083 | 32,261,708 | 1.668 |
| | 2016 | 35,782 | 577 | 32,052,249 | 895.76 | 1.552 | 1.075 | 34,456,168 | 1.669 |
| | 2017 | 36,248 | 577 | 32,637,733 | 900.40 | 1.560 | 1.065 | 34,759,186 | 1.662 |
| | <u>2018</u> | <u>35,754</u> | <u>577</u> | <u>32,747,341</u> | <u>915.91</u> | <u>1.587</u> | <u>1.046</u> | <u>34,253,719</u> | <u>1.660</u> |
| | Total | 173,620 | 577 | 155,945,859 | 898.20 | 1.557 | | 167,149,730 | 1.669 |
| 390 | 2014 | 35,842 | 588 | 34,991,390 | 976.27 | 1.660 | 1.094 | 38,280,581 | 1.816 |
| | 2015 | 37,633 | 588 | 37,586,436 | 998.76 | 1.699 | 1.083 | 40,706,110 | 1.840 |
| | 2016 | 39,689 | 588 | 40,484,005 | 1,020.03 | 1.735 | 1.075 | 43,520,305 | 1.865 |
| | 2017 | 40,167 | 588 | 40,867,640 | 1,017.44 | 1.730 | 1.065 | 43,524,037 | 1.843 |
| | <u>2018</u> | <u>39,949</u> | <u>588</u> | <u>41,090,461</u> | <u>1,028.57</u> | <u>1.749</u> | <u>1.046</u> | <u>42,980,622</u> | <u>1.830</u> |
| | Total | 193,280 | 588 | 195,019,932 | 1,009.00 | 1.716 | | 209,011,655 | 1.839 |
| Statewide | 2014 | 1,927,958 | 813.60 | 2,053,053,494 | 1,064.88 | 1.309 | 1.094 | 2,246,040,523 | 1.432 |
| | 2015 | 1,926,462 | 818.05 | 2,077,135,813 | 1,078.21 | 1.318 | 1.083 | 2,249,538,087 | 1.427 |
| | 2016 | 1,949,893 | 816.59 | 2,118,442,299 | 1,086.44 | 1.330 | 1.075 | 2,277,325,472 | 1.430 |
| | 2017 | 1,973,383 | 814.44 | 2,146,643,547 | 1,087.80 | 1.336 | 1.065 | 2,286,175,378 | 1.422 |
| | <u>2018</u> | <u>1,955,603</u> | <u>815.71</u> | <u>2,161,073,789</u> | <u>1,105.07</u> | <u>1.355</u> | <u>1.046</u> | <u>2,260,483,182</u> | <u>1.417</u> |
| | Total | 9,733,299 | 815.67 | 10,556,348,942 | 1,084.56 | 1.330 | | 11,319,562,642 | 1.426 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - TENANTS

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------------|-------------|---------------|-------------|----------------------|------------------|------------------|---------------|-------------------------|------------------------|
| | | Earned | Current | Aggregate | Average | Average | Premium | Trended | Trended |
| | | House | Base | Calculated | Rate | Rating | Trend | Aggregate | Average |
| <u>Territory</u> | <u>Year</u> | <u>Years</u> | <u>Rate</u> | <u>Earned</u> | <u>(3) / (1)</u> | <u>(4) / (2)</u> | <u>Factor</u> | <u>Earned Premium</u> | <u>Rating</u> |
| | | | | <u>at</u> | | | | <u>at Current Level</u> | <u>Factor</u> |
| | | | | <u>Current Level</u> | | | | <u>(3) x (6)</u> | <u>(7) / [(1)x(2)]</u> |
| 110 | 2014 | 245 | 124 | 122,199 | 498.77 | 4.022 | 0.848 | 103,625 | 3.411 |
| | 2015 | 258 | 124 | 124,842 | 483.88 | 3.902 | 0.865 | 107,988 | 3.375 |
| | 2016 | 306 | 124 | 148,620 | 485.69 | 3.917 | 0.878 | 130,488 | 3.439 |
| | 2017 | 336 | 124 | 161,836 | 481.65 | 3.884 | 0.898 | 145,329 | 3.488 |
| | <u>2018</u> | <u>354</u> | <u>124</u> | <u>150,421</u> | <u>424.92</u> | <u>3.427</u> | <u>0.921</u> | <u>138,538</u> | <u>3.156</u> |
| | Total | 1,499 | 124 | 707,918 | 472.26 | 3.809 | | 625,968 | 3.368 |
| 120 | 2014 | 817 | 141 | 413,102 | 505.63 | 3.586 | 0.848 | 350,310 | 3.041 |
| | 2015 | 961 | 141 | 481,569 | 501.11 | 3.554 | 0.865 | 416,557 | 3.074 |
| | 2016 | 841 | 141 | 433,420 | 515.36 | 3.655 | 0.878 | 380,543 | 3.209 |
| | 2017 | 1,512 | 141 | 725,800 | 480.03 | 3.404 | 0.898 | 651,768 | 3.057 |
| | <u>2018</u> | <u>1,712</u> | <u>141</u> | <u>781,190</u> | <u>456.30</u> | <u>3.236</u> | <u>0.921</u> | <u>719,476</u> | <u>2.981</u> |
| | Total | 5,843 | 141 | 2,835,081 | 485.21 | 3.441 | | 2,518,654 | 3.057 |
| 130 | 2014 | 371 | 79 | 131,304 | 353.92 | 4.480 | 0.848 | 111,346 | 3.799 |
| | 2015 | 416 | 79 | 149,118 | 358.46 | 4.537 | 0.865 | 128,987 | 3.925 |
| | 2016 | 435 | 79 | 155,644 | 357.80 | 4.529 | 0.878 | 136,655 | 3.977 |
| | 2017 | 459 | 79 | 164,641 | 358.69 | 4.540 | 0.898 | 147,848 | 4.077 |
| | <u>2018</u> | <u>475</u> | <u>79</u> | <u>154,235</u> | <u>324.71</u> | <u>4.110</u> | <u>0.921</u> | <u>142,050</u> | <u>3.785</u> |
| | Total | 2,156 | 79 | 754,942 | 350.16 | 4.432 | | 666,886 | 3.915 |
| 140 | 2014 | 9,813 | 96 | 3,310,442 | 337.35 | 3.514 | 0.848 | 2,807,255 | 2.980 |
| | 2015 | 10,849 | 96 | 3,588,184 | 330.74 | 3.445 | 0.865 | 3,103,779 | 2.980 |
| | 2016 | 12,452 | 96 | 4,051,994 | 325.41 | 3.390 | 0.878 | 3,557,651 | 2.976 |
| | 2017 | 13,599 | 96 | 4,287,310 | 315.27 | 3.284 | 0.898 | 3,850,004 | 2.949 |
| | <u>2018</u> | <u>13,908</u> | <u>96</u> | <u>4,136,024</u> | <u>297.38</u> | <u>3.098</u> | <u>0.921</u> | <u>3,809,278</u> | <u>2.853</u> |
| | Total | 60,621 | 96 | 19,373,954 | 319.59 | 3.329 | | 17,127,967 | 2.943 |
| 150 | 2014 | 3,468 | 60 | 820,919 | 236.71 | 3.945 | 0.848 | 696,139 | 3.346 |
| | 2015 | 3,828 | 60 | 902,954 | 235.88 | 3.931 | 0.865 | 781,055 | 3.401 |
| | 2016 | 4,203 | 60 | 985,576 | 234.49 | 3.908 | 0.878 | 865,336 | 3.431 |
| | 2017 | 4,512 | 60 | 1,047,455 | 232.15 | 3.869 | 0.898 | 940,615 | 3.474 |
| | <u>2018</u> | <u>4,743</u> | <u>60</u> | <u>1,045,882</u> | <u>220.51</u> | <u>3.675</u> | <u>0.921</u> | <u>963,257</u> | <u>3.385</u> |
| | Total | 20,754 | 60 | 4,802,786 | 231.41 | 3.857 | | 4,246,402 | 3.410 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - TENANTS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|--|--|--|--|---|---|--|
| | | | Aggregate Calculated Earned Premium at Current Level | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Earned Premium at Current Level</u> | <u>Average Rate (3) / (1)</u> | <u>Average Rating Factor (4) / (2)</u> | <u>Premium Trend Factor</u> | <u>Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)</u> | <u>Trended Average Rating Factor (7) / [(1)x(2)]</u> |
| 160 | 2014 | 3,910 | 76 | 1,030,947 | 263.67 | 3.469 | 0.848 | 874,243 | 2.942 |
| | 2015 | 4,450 | 76 | 1,153,779 | 259.28 | 3.412 | 0.865 | 998,019 | 2.951 |
| | 2016 | 5,090 | 76 | 1,300,330 | 255.47 | 3.361 | 0.878 | 1,141,690 | 2.951 |
| | 2017 | 5,677 | 76 | 1,423,881 | 250.82 | 3.300 | 0.898 | 1,278,645 | 2.964 |
| | <u>2018</u> | <u>6,198</u> | <u>76</u> | <u>1,465,046</u> | <u>236.37</u> | <u>3.110</u> | 0.921 | <u>1,349,307</u> | <u>2.864</u> |
| | Total | 25,325 | 76 | 6,373,983 | 251.69 | 3.312 | | 5,641,904 | 2.931 |
| 170 | 2014 | 358 | 56 | 81,414 | 227.41 | 4.061 | 0.848 | 69,039 | 3.444 |
| | 2015 | 384 | 56 | 87,496 | 227.85 | 4.069 | 0.865 | 75,684 | 3.520 |
| | 2016 | 397 | 56 | 89,792 | 226.18 | 4.039 | 0.878 | 78,837 | 3.546 |
| | 2017 | 421 | 56 | 96,469 | 229.14 | 4.092 | 0.898 | 86,629 | 3.674 |
| | <u>2018</u> | <u>428</u> | <u>56</u> | <u>91,785</u> | <u>214.45</u> | <u>3.829</u> | 0.921 | <u>84,534</u> | <u>3.527</u> |
| | Total | 1,988 | 56 | 446,956 | 224.83 | 4.015 | | 394,723 | 3.546 |
| 180 | 2014 | 8,553 | 60 | 1,773,217 | 207.32 | 3.455 | 0.848 | 1,503,688 | 2.930 |
| | 2015 | 9,393 | 60 | 1,922,119 | 204.63 | 3.411 | 0.865 | 1,662,633 | 2.950 |
| | 2016 | 10,575 | 60 | 2,127,672 | 201.20 | 3.353 | 0.878 | 1,868,096 | 2.944 |
| | 2017 | 11,299 | 60 | 2,209,867 | 195.58 | 3.260 | 0.898 | 1,984,461 | 2.927 |
| | <u>2018</u> | <u>11,847</u> | <u>60</u> | <u>2,214,631</u> | <u>186.94</u> | <u>3.116</u> | 0.921 | <u>2,039,675</u> | <u>2.869</u> |
| | Total | 51,667 | 60 | 10,247,506 | 198.34 | 3.306 | | 9,058,553 | 2.922 |
| 190 | 2014 | 1,325 | 63 | 351,185 | 265.05 | 4.207 | 0.848 | 297,805 | 3.568 |
| | 2015 | 1,330 | 63 | 341,550 | 256.80 | 4.076 | 0.865 | 295,441 | 3.526 |
| | 2016 | 1,398 | 63 | 348,497 | 249.28 | 3.957 | 0.878 | 305,980 | 3.474 |
| | 2017 | 1,444 | 63 | 352,735 | 244.28 | 3.877 | 0.898 | 316,756 | 3.482 |
| | <u>2018</u> | <u>1,483</u> | <u>63</u> | <u>341,057</u> | <u>229.98</u> | <u>3.650</u> | 0.921 | <u>314,113</u> | <u>3.362</u> |
| | Total | 6,980 | 63 | 1,735,024 | 248.57 | 3.946 | | 1,530,095 | 3.480 |
| 200 | 2014 | 397 | 67 | 117,159 | 295.11 | 4.405 | 0.848 | 99,351 | 3.735 |
| | 2015 | 407 | 67 | 121,241 | 297.89 | 4.446 | 0.865 | 104,873 | 3.846 |
| | 2016 | 426 | 67 | 121,597 | 285.44 | 4.260 | 0.878 | 106,762 | 3.741 |
| | 2017 | 437 | 67 | 124,040 | 283.84 | 4.236 | 0.898 | 111,388 | 3.804 |
| | <u>2018</u> | <u>452</u> | <u>67</u> | <u>120,688</u> | <u>267.01</u> | <u>3.985</u> | 0.921 | <u>111,154</u> | <u>3.670</u> |
| | Total | 2,119 | 67 | 604,725 | 285.38 | 4.259 | | 533,528 | 3.758 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - TENANTS

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------------|-------------|---------------|-----------|------------------|---------------|--------------|---------|------------------|-----------------|
| | | Earned | Current | Aggregate | Average | Average | Premium | Trended | Trended |
| | | House | Base | Calculated | Rate | Rating | Trend | Aggregate | Average |
| | | Years | Rate | Earned | (3) / (1) | Factor | Factor | Calculated | Rating |
| <u>Territory</u> | <u>Year</u> | | | Premium at | | (4) / (2) | | at Current Level | Factor |
| | | | | Current Level | | | | (3) x (6) | (7) / [(1)x(2)] |
| 210 | 2014 | 2,596 | 60 | 574,493 | 221.30 | 3.688 | 0.848 | 487,170 | 3.128 |
| | 2015 | 2,806 | 60 | 606,256 | 216.06 | 3.601 | 0.865 | 524,411 | 3.115 |
| | 2016 | 3,089 | 60 | 652,641 | 211.28 | 3.521 | 0.878 | 573,019 | 3.092 |
| | 2017 | 3,229 | 60 | 672,055 | 208.13 | 3.469 | 0.898 | 603,505 | 3.115 |
| | <u>2018</u> | <u>3,356</u> | <u>60</u> | <u>654,547</u> | <u>195.04</u> | <u>3.251</u> | 0.921 | <u>602,838</u> | <u>2.994</u> |
| | Total | 15,076 | 60 | 3,159,992 | 209.60 | 3.493 | | 2,790,943 | 3.085 |
| 220 | 2014 | 8,092 | 79 | 2,143,722 | 264.92 | 3.353 | 0.848 | 1,817,876 | 2.844 |
| | 2015 | 9,085 | 79 | 2,358,897 | 259.65 | 3.287 | 0.865 | 2,040,446 | 2.843 |
| | 2016 | 9,778 | 79 | 2,474,905 | 253.11 | 3.204 | 0.878 | 2,172,967 | 2.813 |
| | 2017 | 10,385 | 79 | 2,526,094 | 243.24 | 3.079 | 0.898 | 2,268,432 | 2.765 |
| | <u>2018</u> | <u>11,035</u> | <u>79</u> | <u>2,510,571</u> | <u>227.51</u> | <u>2.880</u> | 0.921 | <u>2,312,236</u> | <u>2.652</u> |
| | Total | 48,375 | 79 | 12,014,189 | 248.36 | 3.144 | | 10,611,957 | 2.777 |
| 230 | 2014 | 1,214 | 61 | 291,066 | 239.76 | 3.930 | 0.848 | 246,824 | 3.333 |
| | 2015 | 1,295 | 61 | 303,959 | 234.72 | 3.848 | 0.865 | 262,925 | 3.328 |
| | 2016 | 1,486 | 61 | 338,627 | 227.88 | 3.736 | 0.878 | 297,315 | 3.280 |
| | 2017 | 1,734 | 61 | 368,617 | 212.58 | 3.485 | 0.898 | 331,018 | 3.129 |
| | <u>2018</u> | <u>1,958</u> | <u>61</u> | <u>375,603</u> | <u>191.83</u> | <u>3.145</u> | 0.921 | <u>345,930</u> | <u>2.896</u> |
| | Total | 7,687 | 61 | 1,677,872 | 218.27 | 3.578 | | 1,484,012 | 3.165 |
| 240 | 2014 | 6,744 | 60 | 1,612,501 | 239.10 | 3.985 | 0.848 | 1,367,401 | 3.379 |
| | 2015 | 7,318 | 60 | 1,710,444 | 233.73 | 3.896 | 0.865 | 1,479,534 | 3.370 |
| | 2016 | 7,941 | 60 | 1,808,371 | 227.73 | 3.795 | 0.878 | 1,587,750 | 3.332 |
| | 2017 | 8,443 | 60 | 1,875,385 | 222.12 | 3.702 | 0.898 | 1,684,096 | 3.324 |
| | <u>2018</u> | <u>8,794</u> | <u>60</u> | <u>1,836,573</u> | <u>208.84</u> | <u>3.481</u> | 0.921 | <u>1,691,484</u> | <u>3.206</u> |
| | Total | 39,240 | 60 | 8,843,274 | 225.36 | 3.756 | | 7,810,265 | 3.317 |
| 250 | 2014 | 2,695 | 58 | 618,258 | 229.41 | 3.955 | 0.848 | 524,283 | 3.354 |
| | 2015 | 2,938 | 58 | 654,447 | 222.75 | 3.841 | 0.865 | 566,097 | 3.322 |
| | 2016 | 3,222 | 58 | 713,582 | 221.47 | 3.818 | 0.878 | 626,525 | 3.353 |
| | 2017 | 3,566 | 58 | 755,787 | 211.94 | 3.654 | 0.898 | 678,697 | 3.281 |
| | <u>2018</u> | <u>3,863</u> | <u>58</u> | <u>756,202</u> | <u>195.76</u> | <u>3.375</u> | 0.921 | <u>696,462</u> | <u>3.108</u> |
| | Total | 16,284 | 58 | 3,498,276 | 214.83 | 3.704 | | 3,092,064 | 3.274 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - TENANTS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|--|--|--|--|---|---|--|
| | | | Aggregate Calculated Earned Premium at Current Level | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Earned Premium at Current Level</u> | <u>Average Rate (3) / (1)</u> | <u>Average Rating Factor (4) / (2)</u> | <u>Premium Trend Factor</u> | <u>Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)</u> | <u>Trended Average Rating Factor (7) / [(1)x(2)]</u> |
| 260 | 2014 | 2,514 | 59 | 593,227 | 235.97 | 3.999 | 0.848 | 503,056 | 3.392 |
| | 2015 | 2,463 | 59 | 591,067 | 239.98 | 4.067 | 0.865 | 511,273 | 3.518 |
| | 2016 | 2,699 | 59 | 624,250 | 231.29 | 3.920 | 0.878 | 548,092 | 3.442 |
| | 2017 | 2,954 | 59 | 658,268 | 222.84 | 3.777 | 0.898 | 591,125 | 3.392 |
| | <u>2018</u> | <u>3,135</u> | <u>59</u> | <u>650,252</u> | <u>207.42</u> | <u>3.516</u> | 0.921 | <u>598,882</u> | <u>3.238</u> |
| | Total | 13,765 | 59 | 3,117,064 | 226.45 | 3.838 | | 2,752,428 | 3.389 |
| 270 | 2014 | 83,046 | 50 | 14,207,385 | 171.08 | 3.422 | 0.848 | 12,047,862 | 2.901 |
| | 2015 | 92,417 | 50 | 15,633,332 | 169.16 | 3.383 | 0.865 | 13,522,832 | 2.926 |
| | 2016 | 98,400 | 50 | 16,452,117 | 167.20 | 3.344 | 0.878 | 14,444,959 | 2.936 |
| | 2017 | 103,961 | 50 | 17,050,992 | 164.01 | 3.280 | 0.898 | 15,311,791 | 2.946 |
| | <u>2018</u> | <u>104,907</u> | <u>50</u> | <u>16,751,390</u> | <u>159.68</u> | <u>3.194</u> | 0.921 | <u>15,428,030</u> | <u>2.941</u> |
| | Total | 482,731 | 50 | 80,095,216 | 165.92 | 3.318 | | 70,755,474 | 2.931 |
| 280 | 2014 | 11,409 | 45 | 1,905,761 | 167.04 | 3.712 | 0.848 | 1,616,085 | 3.148 |
| | 2015 | 11,886 | 45 | 1,981,216 | 166.68 | 3.704 | 0.865 | 1,713,752 | 3.204 |
| | 2016 | 11,812 | 45 | 1,999,028 | 169.24 | 3.761 | 0.878 | 1,755,147 | 3.302 |
| | 2017 | 12,233 | 45 | 2,043,691 | 167.06 | 3.713 | 0.898 | 1,835,235 | 3.334 |
| | <u>2018</u> | <u>12,578</u> | <u>45</u> | <u>2,036,191</u> | <u>161.89</u> | <u>3.597</u> | 0.921 | <u>1,875,332</u> | <u>3.313</u> |
| | Total | 59,918 | 45 | 9,965,887 | 166.33 | 3.696 | | 8,795,551 | 3.262 |
| 290 | 2014 | 3,049 | 51 | 671,295 | 220.17 | 4.317 | 0.848 | 569,258 | 3.661 |
| | 2015 | 3,290 | 51 | 703,998 | 213.98 | 4.196 | 0.865 | 608,958 | 3.629 |
| | 2016 | 3,710 | 51 | 773,113 | 208.39 | 4.086 | 0.878 | 678,793 | 3.588 |
| | 2017 | 3,934 | 51 | 801,171 | 203.65 | 3.993 | 0.898 | 719,452 | 3.586 |
| | <u>2018</u> | <u>4,204</u> | <u>51</u> | <u>813,180</u> | <u>193.43</u> | <u>3.793</u> | 0.921 | <u>748,939</u> | <u>3.493</u> |
| | Total | 18,187 | 51 | 3,762,757 | 206.89 | 4.057 | | 3,325,400 | 3.585 |
| 300 | 2014 | 886 | 53 | 201,492 | 227.42 | 4.291 | 0.848 | 170,865 | 3.639 |
| | 2015 | 933 | 53 | 211,453 | 226.64 | 4.276 | 0.865 | 182,907 | 3.699 |
| | 2016 | 1,027 | 53 | 228,192 | 222.19 | 4.192 | 0.878 | 200,353 | 3.681 |
| | 2017 | 1,090 | 53 | 240,497 | 220.64 | 4.163 | 0.898 | 215,966 | 3.738 |
| | <u>2018</u> | <u>1,121</u> | <u>53</u> | <u>229,246</u> | <u>204.50</u> | <u>3.859</u> | 0.921 | <u>211,136</u> | <u>3.554</u> |
| | Total | 5,057 | 53 | 1,110,880 | 219.67 | 4.145 | | 981,227 | 3.661 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - TENANTS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|--|--|--|--|---|---|--|
| | | | Aggregate Calculated Earned Premium at Current Level | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Earned Premium at Current Level</u> | <u>Average Rate (3) / (1)</u> | <u>Average Rating Factor (4) / (2)</u> | <u>Premium Trend Factor</u> | <u>Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)</u> | <u>Trended Average Rating Factor (7) / [(1)x(2)]</u> |
| 310 | 2014 | 50,811 | 54 | 9,787,589 | 192.63 | 3.567 | 0.848 | 8,299,875 | 3.025 |
| | 2015 | 53,843 | 54 | 10,213,842 | 189.70 | 3.513 | 0.865 | 8,834,973 | 3.039 |
| | 2016 | 56,405 | 54 | 10,605,890 | 188.03 | 3.482 | 0.878 | 9,311,971 | 3.057 |
| | 2017 | 58,807 | 54 | 10,817,451 | 183.95 | 3.406 | 0.898 | 9,714,071 | 3.059 |
| | <u>2018</u> | <u>60,835</u> | <u>54</u> | <u>10,679,766</u> | <u>175.55</u> | <u>3.251</u> | <u>0.921</u> | <u>9,836,064</u> | <u>2.994</u> |
| | Total | 280,701 | 54 | 52,104,538 | 185.62 | 3.437 | | 45,996,954 | 3.035 |
| 320 | 2014 | 15,839 | 51 | 3,137,946 | 198.12 | 3.885 | 0.848 | 2,660,978 | 3.294 |
| | 2015 | 16,543 | 51 | 3,224,690 | 194.93 | 3.822 | 0.865 | 2,789,357 | 3.306 |
| | 2016 | 16,136 | 51 | 3,123,038 | 193.54 | 3.795 | 0.878 | 2,742,027 | 3.332 |
| | 2017 | 16,666 | 51 | 3,158,857 | 189.54 | 3.716 | 0.898 | 2,836,654 | 3.337 |
| | <u>2018</u> | <u>17,347</u> | <u>51</u> | <u>3,143,438</u> | <u>181.21</u> | <u>3.553</u> | <u>0.921</u> | <u>2,895,106</u> | <u>3.272</u> |
| | Total | 82,531 | 51 | 15,787,969 | 191.30 | 3.751 | | 13,924,122 | 3.308 |
| 330 | 2014 | 471 | 48 | 102,010 | 216.58 | 4.512 | 0.848 | 86,504 | 3.826 |
| | 2015 | 478 | 48 | 103,322 | 216.15 | 4.503 | 0.865 | 89,374 | 3.895 |
| | 2016 | 490 | 48 | 103,756 | 211.75 | 4.411 | 0.878 | 91,098 | 3.873 |
| | 2017 | 519 | 48 | 107,802 | 207.71 | 4.327 | 0.898 | 96,806 | 3.886 |
| | <u>2018</u> | <u>522</u> | <u>48</u> | <u>102,515</u> | <u>196.39</u> | <u>4.091</u> | <u>0.921</u> | <u>94,416</u> | <u>3.768</u> |
| | Total | 2,480 | 48 | 519,405 | 209.44 | 4.363 | | 458,198 | 3.849 |
| 340 | 2014 | 76,049 | 57 | 15,527,526 | 204.18 | 3.582 | 0.848 | 13,167,342 | 3.038 |
| | 2015 | 84,506 | 57 | 16,963,663 | 200.74 | 3.522 | 0.865 | 14,673,568 | 3.046 |
| | 2016 | 90,177 | 57 | 17,657,391 | 195.81 | 3.435 | 0.878 | 15,503,189 | 3.016 |
| | 2017 | 95,484 | 57 | 18,205,096 | 190.66 | 3.345 | 0.898 | 16,348,176 | 3.004 |
| | <u>2018</u> | <u>96,481</u> | <u>57</u> | <u>17,766,623</u> | <u>184.15</u> | <u>3.231</u> | <u>0.921</u> | <u>16,363,060</u> | <u>2.975</u> |
| | Total | 442,697 | 57 | 86,120,299 | 194.54 | 3.413 | | 76,055,335 | 3.014 |
| 350 | 2014 | 8,870 | 50 | 1,792,713 | 202.11 | 4.042 | 0.848 | 1,520,221 | 3.428 |
| | 2015 | 9,879 | 50 | 1,936,344 | 196.01 | 3.920 | 0.865 | 1,674,938 | 3.391 |
| | 2016 | 10,355 | 50 | 1,985,748 | 191.77 | 3.835 | 0.878 | 1,743,487 | 3.367 |
| | 2017 | 10,998 | 50 | 2,060,229 | 187.33 | 3.747 | 0.898 | 1,850,086 | 3.364 |
| | <u>2018</u> | <u>11,234</u> | <u>50</u> | <u>2,009,699</u> | <u>178.89</u> | <u>3.578</u> | <u>0.921</u> | <u>1,850,933</u> | <u>3.295</u> |
| | Total | 51,336 | 50 | 9,784,733 | 190.60 | 3.812 | | 8,639,665 | 3.366 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - TENANTS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|--|--|--|--|---|---|--|
| | | | Aggregate Calculated Earned Premium at Current Level | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Earned Premium at Current Level</u> | <u>Average Rate (3) / (1)</u> | <u>Average Rating Factor (4) / (2)</u> | <u>Premium Trend Factor</u> | <u>Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)</u> | <u>Trended Average Rating Factor (7) / [(1)x(2)]</u> |
| 360 | 2014 | 23,022 | 39 | 3,862,192 | 167.76 | 4.302 | 0.848 | 3,275,139 | 3.648 |
| | 2015 | 24,728 | 39 | 4,067,098 | 164.47 | 4.217 | 0.865 | 3,518,040 | 3.648 |
| | 2016 | 26,657 | 39 | 4,334,963 | 162.62 | 4.170 | 0.878 | 3,806,098 | 3.661 |
| | 2017 | 27,788 | 39 | 4,482,831 | 161.32 | 4.136 | 0.898 | 4,025,582 | 3.715 |
| | <u>2018</u> | <u>27,867</u> | <u>39</u> | <u>4,364,773</u> | <u>156.63</u> | <u>4.016</u> | <u>0.921</u> | <u>4,019,956</u> | <u>3.699</u> |
| | Total | 130,062 | 39 | 21,111,857 | 162.32 | 4.162 | | 18,644,815 | 3.676 |
| 370 | 2014 | 431 | 45 | 91,450 | 212.18 | 4.715 | 0.848 | 77,550 | 3.998 |
| | 2015 | 461 | 45 | 100,625 | 218.28 | 4.851 | 0.865 | 87,041 | 4.196 |
| | 2016 | 494 | 45 | 111,774 | 226.26 | 5.028 | 0.878 | 98,138 | 4.415 |
| | 2017 | 535 | 45 | 118,804 | 222.06 | 4.935 | 0.898 | 106,686 | 4.431 |
| | <u>2018</u> | <u>543</u> | <u>45</u> | <u>114,517</u> | <u>210.90</u> | <u>4.687</u> | <u>0.921</u> | <u>105,470</u> | <u>4.316</u> |
| | Total | 2,464 | 45 | 537,170 | 218.01 | 4.845 | | 474,885 | 4.283 |
| 380 | 2014 | 2,251 | 45 | 481,887 | 214.08 | 4.757 | 0.848 | 408,640 | 4.034 |
| | 2015 | 2,437 | 45 | 519,350 | 213.11 | 4.736 | 0.865 | 449,238 | 4.096 |
| | 2016 | 2,588 | 45 | 546,431 | 211.14 | 4.692 | 0.878 | 479,766 | 4.120 |
| | 2017 | 2,665 | 45 | 546,539 | 205.08 | 4.557 | 0.898 | 490,792 | 4.092 |
| | <u>2018</u> | <u>2,657</u> | <u>45</u> | <u>529,283</u> | <u>199.20</u> | <u>4.427</u> | <u>0.921</u> | <u>487,470</u> | <u>4.077</u> |
| | Total | 12,598 | 45 | 2,623,490 | 208.25 | 4.628 | | 2,315,906 | 4.085 |
| 390 | 2014 | 1,680 | 46 | 368,590 | 219.40 | 4.770 | 0.848 | 312,564 | 4.045 |
| | 2015 | 1,875 | 46 | 413,831 | 220.71 | 4.798 | 0.865 | 357,964 | 4.150 |
| | 2016 | 2,188 | 46 | 456,583 | 208.68 | 4.536 | 0.878 | 400,880 | 3.983 |
| | 2017 | 2,610 | 46 | 496,402 | 190.19 | 4.135 | 0.898 | 445,769 | 3.713 |
| | <u>2018</u> | <u>2,779</u> | <u>46</u> | <u>493,136</u> | <u>177.45</u> | <u>3.858</u> | <u>0.921</u> | <u>454,178</u> | <u>3.553</u> |
| | Total | 11,132 | 46 | 2,228,542 | 200.19 | 4.352 | | 1,971,355 | 3.850 |
| Statewide | 2014 | 330,926 | 54.88 | 66,122,991 | 199.81 | 3.641 | 0.848 | 56,072,294 | 3.087 |
| | 2015 | 361,457 | 54.96 | 71,170,686 | 196.90 | 3.583 | 0.865 | 61,562,644 | 3.099 |
| | 2016 | 384,777 | 55.08 | 74,753,542 | 194.28 | 3.527 | 0.878 | 65,633,612 | 3.097 |
| | 2017 | 407,297 | 55.31 | 77,580,602 | 190.48 | 3.444 | 0.898 | 69,667,382 | 3.093 |
| | <u>2018</u> | <u>416,816</u> | <u>55.42</u> | <u>76,318,464</u> | <u>183.10</u> | <u>3.304</u> | <u>0.921</u> | <u>70,289,304</u> | <u>3.043</u> |
| | Total | 1,901,273 | 55.15 | 365,946,285 | 192.47 | 3.490 | | 323,225,236 | 3.083 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|---|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Current Level</u> | | | | | |
| 110 | 2014 | 256 | 102 | 151,580 | 592.11 | 5.805 | 0.973 | 147,487 | 5.648 |
| | 2015 | 241 | 102 | 136,963 | 568.31 | 5.572 | 0.986 | 135,046 | 5.494 |
| | 2016 | 252 | 102 | 144,563 | 573.66 | 5.624 | 1.007 | 145,575 | 5.664 |
| | 2017 | 268 | 102 | 163,196 | 608.94 | 5.970 | 1.011 | 164,991 | 6.036 |
| | <u>2018</u> | <u>279</u> | <u>102</u> | <u>183,607</u> | <u>658.09</u> | <u>6.452</u> | 1.000 | <u>183,607</u> | <u>6.452</u> |
| | Total | 1,296 | 102 | 779,909 | 601.78 | 5.900 | | 776,706 | 5.876 |
| 120 | 2014 | 1,759 | 125 | 1,274,895 | 724.78 | 5.798 | 0.973 | 1,240,473 | 5.642 |
| | 2015 | 1,752 | 125 | 1,243,708 | 709.88 | 5.679 | 0.986 | 1,226,296 | 5.600 |
| | 2016 | 1,831 | 125 | 1,319,426 | 720.60 | 5.765 | 1.007 | 1,328,662 | 5.805 |
| | 2017 | 1,964 | 125 | 1,457,339 | 742.03 | 5.936 | 1.011 | 1,473,370 | 6.002 |
| | <u>2018</u> | <u>1,997</u> | <u>125</u> | <u>1,569,079</u> | <u>785.72</u> | <u>6.286</u> | 1.000 | <u>1,569,079</u> | <u>6.286</u> |
| | Total | 9,303 | 125 | 6,864,447 | 737.87 | 5.903 | | 6,837,880 | 5.880 |
| 130 | 2014 | 178 | 79 | 94,963 | 533.50 | 6.753 | 0.973 | 92,399 | 6.571 |
| | 2015 | 190 | 79 | 100,904 | 531.07 | 6.722 | 0.986 | 99,491 | 6.628 |
| | 2016 | 203 | 79 | 112,067 | 552.05 | 6.988 | 1.007 | 112,851 | 7.037 |
| | 2017 | 208 | 79 | 122,008 | 586.58 | 7.425 | 1.011 | 123,350 | 7.507 |
| | <u>2018</u> | <u>215</u> | <u>79</u> | <u>128,998</u> | <u>599.99</u> | <u>7.595</u> | 1.000 | <u>128,998</u> | <u>7.595</u> |
| | Total | 994 | 79 | 558,940 | 562.31 | 7.118 | | 557,089 | 7.094 |
| 140 | 2014 | 5,553 | 86 | 2,742,451 | 493.87 | 5.743 | 0.973 | 2,668,405 | 5.588 |
| | 2015 | 5,708 | 86 | 2,829,448 | 495.70 | 5.764 | 0.986 | 2,789,836 | 5.683 |
| | 2016 | 5,991 | 86 | 3,010,118 | 502.44 | 5.842 | 1.007 | 3,031,189 | 5.883 |
| | 2017 | 6,462 | 86 | 3,421,417 | 529.47 | 6.157 | 1.011 | 3,459,053 | 6.224 |
| | <u>2018</u> | <u>6,664</u> | <u>86</u> | <u>3,647,990</u> | <u>547.42</u> | <u>6.365</u> | 1.000 | <u>3,647,990</u> | <u>6.365</u> |
| | Total | 30,378 | 86 | 15,651,424 | 515.22 | 5.991 | | 15,596,473 | 5.970 |
| 150 | 2014 | 563 | 59 | 241,785 | 429.46 | 7.279 | 0.973 | 235,257 | 7.082 |
| | 2015 | 570 | 59 | 248,244 | 435.52 | 7.382 | 0.986 | 244,769 | 7.278 |
| | 2016 | 578 | 59 | 257,965 | 446.31 | 7.565 | 1.007 | 259,771 | 7.617 |
| | 2017 | 599 | 59 | 281,950 | 470.70 | 7.978 | 1.011 | 285,051 | 8.066 |
| | <u>2018</u> | <u>607</u> | <u>59</u> | <u>299,726</u> | <u>493.78</u> | <u>8.369</u> | 1.000 | <u>299,726</u> | <u>8.369</u> |
| | Total | 2,917 | 59 | 1,329,670 | 455.83 | 7.726 | | 1,324,574 | 7.696 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|---|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Current Level</u> | | | | | |
| 160 | 2014 | 1,162 | 64 | 453,626 | 390.38 | 6.100 | 0.973 | 441,378 | 5.935 |
| | 2015 | 1,339 | 64 | 550,243 | 410.94 | 6.421 | 0.986 | 542,540 | 6.331 |
| | 2016 | 1,515 | 64 | 654,101 | 431.75 | 6.746 | 1.007 | 658,680 | 6.793 |
| | 2017 | 1,378 | 64 | 581,095 | 421.69 | 6.589 | 1.011 | 587,487 | 6.661 |
| | <u>2018</u> | <u>1,471</u> | <u>64</u> | <u>643,484</u> | <u>437.45</u> | <u>6.835</u> | 1.000 | <u>643,484</u> | <u>6.835</u> |
| | Total | 6,865 | 64 | 2,882,549 | 419.89 | 6.561 | | 2,873,569 | 6.540 |
| 170 | 2014 | 3 | 52 | 738 | 246.00 | 4.731 | 0.973 | 718 | 4.603 |
| | 2015 | 1 | 52 | 395 | 395.00 | 7.596 | 0.986 | 389 | 7.481 |
| | 2016 | 0 | 52 | 91 | 0.00 | 0.000 | 1.007 | 92 | 0.000 |
| | 2017 | 0 | 52 | 0 | 0.00 | 0.000 | 1.011 | 0 | 0.000 |
| | <u>2018</u> | <u>0</u> | <u>52</u> | <u>0</u> | <u>0.00</u> | <u>0.000</u> | 1.000 | <u>0</u> | <u>0.000</u> |
| | Total | 4 | 52 | 1,224 | 306.00 | 5.885 | | 1,199 | 5.764 |
| 180 | 2014 | 893 | 55 | 296,662 | 332.21 | 6.040 | 0.973 | 288,652 | 5.877 |
| | 2015 | 870 | 55 | 289,527 | 332.79 | 6.051 | 0.986 | 285,474 | 5.966 |
| | 2016 | 884 | 55 | 295,344 | 334.10 | 6.075 | 1.007 | 297,411 | 6.117 |
| | 2017 | 863 | 55 | 296,318 | 343.36 | 6.243 | 1.011 | 299,577 | 6.312 |
| | <u>2018</u> | <u>840</u> | <u>55</u> | <u>298,883</u> | <u>355.81</u> | <u>6.469</u> | 1.000 | <u>298,883</u> | <u>6.469</u> |
| | Total | 4,350 | 55 | 1,476,734 | 339.48 | 6.172 | | 1,469,997 | 6.144 |
| 190 | 2014 | 19 | 58 | 8,556 | 450.32 | 7.764 | 0.973 | 8,325 | 7.554 |
| | 2015 | 16 | 58 | 8,480 | 530.00 | 9.138 | 0.986 | 8,361 | 9.010 |
| | 2016 | 15 | 58 | 8,183 | 545.53 | 9.406 | 1.007 | 8,240 | 9.471 |
| | 2017 | 15 | 58 | 8,904 | 593.60 | 10.234 | 1.011 | 9,002 | 10.347 |
| | <u>2018</u> | <u>16</u> | <u>58</u> | <u>8,847</u> | <u>552.94</u> | <u>9.533</u> | 1.000 | <u>8,847</u> | <u>9.533</u> |
| | Total | 81 | 58 | 42,970 | 530.49 | 9.146 | | 42,775 | 9.105 |
| 200 | 2014 | 1 | 64 | 537 | 537.00 | 8.391 | 0.973 | 523 | 8.172 |
| | 2015 | 1 | 64 | 258 | 258.00 | 4.031 | 0.986 | 254 | 3.969 |
| | 2016 | 1 | 64 | 235 | 235.00 | 3.672 | 1.007 | 237 | 3.703 |
| | 2017 | 2 | 64 | 367 | 183.50 | 2.867 | 1.011 | 371 | 2.898 |
| | <u>2018</u> | <u>3</u> | <u>64</u> | <u>474</u> | <u>158.00</u> | <u>2.469</u> | 1.000 | <u>474</u> | <u>2.469</u> |
| | Total | 8 | 64 | 1,871 | 233.88 | 3.654 | | 1,859 | 3.631 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|---|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Current Level</u> | | | | | |
| 210 | 2014 | 70 | 53 | 32,649 | 466.41 | 8.800 | 0.973 | 31,767 | 8.563 |
| | 2015 | 64 | 53 | 29,486 | 460.72 | 8.693 | 0.986 | 29,073 | 8.571 |
| | 2016 | 59 | 53 | 24,713 | 418.86 | 7.903 | 1.007 | 24,886 | 7.958 |
| | 2017 | 61 | 53 | 25,592 | 419.54 | 7.916 | 1.011 | 25,874 | 8.003 |
| | <u>2018</u> | <u>57</u> | <u>53</u> | <u>24,914</u> | <u>437.09</u> | <u>8.247</u> | 1.000 | <u>24,914</u> | <u>8.247</u> |
| | Total | 311 | 53 | 137,354 | 441.65 | 8.333 | | 136,514 | 8.282 |
| 220 | 2014 | 1,223 | 54 | 476,110 | 389.30 | 7.209 | 0.973 | 463,255 | 7.015 |
| | 2015 | 1,205 | 54 | 469,261 | 389.43 | 7.212 | 0.986 | 462,691 | 7.111 |
| | 2016 | 1,215 | 54 | 462,305 | 380.50 | 7.046 | 1.007 | 465,541 | 7.096 |
| | 2017 | 1,194 | 54 | 470,405 | 393.97 | 7.296 | 1.011 | 475,579 | 7.376 |
| | <u>2018</u> | <u>1,164</u> | <u>54</u> | <u>464,665</u> | <u>399.20</u> | <u>7.393</u> | 1.000 | <u>464,665</u> | <u>7.393</u> |
| | Total | 6,001 | 54 | 2,342,746 | 390.39 | 7.229 | | 2,331,731 | 7.196 |
| 230 | 2014 | 66 | 57 | 19,640 | 297.58 | 5.221 | 0.973 | 19,110 | 5.080 |
| | 2015 | 65 | 57 | 18,933 | 291.28 | 5.110 | 0.986 | 18,668 | 5.039 |
| | 2016 | 69 | 57 | 20,441 | 296.25 | 5.197 | 1.007 | 20,584 | 5.234 |
| | 2017 | 70 | 57 | 20,394 | 291.34 | 5.111 | 1.011 | 20,618 | 5.167 |
| | <u>2018</u> | <u>67</u> | <u>57</u> | <u>20,477</u> | <u>305.63</u> | <u>5.362</u> | 1.000 | <u>20,477</u> | <u>5.362</u> |
| | Total | 337 | 57 | 99,885 | 296.39 | 5.200 | | 99,457 | 5.178 |
| 240 | 2014 | 282 | 50 | 118,226 | 419.24 | 8.385 | 0.973 | 115,034 | 8.158 |
| | 2015 | 270 | 50 | 111,265 | 412.09 | 8.242 | 0.986 | 109,707 | 8.126 |
| | 2016 | 260 | 50 | 107,658 | 414.07 | 8.281 | 1.007 | 108,412 | 8.339 |
| | 2017 | 261 | 50 | 113,208 | 433.75 | 8.675 | 1.011 | 114,453 | 8.770 |
| | <u>2018</u> | <u>263</u> | <u>50</u> | <u>115,732</u> | <u>440.05</u> | <u>8.801</u> | 1.000 | <u>115,732</u> | <u>8.801</u> |
| | Total | 1,336 | 50 | 566,089 | 423.72 | 8.474 | | 563,338 | 8.433 |
| 250 | 2014 | 109 | 49 | 45,491 | 417.35 | 8.517 | 0.973 | 44,263 | 8.287 |
| | 2015 | 97 | 49 | 39,273 | 404.88 | 8.263 | 0.986 | 38,723 | 8.147 |
| | 2016 | 79 | 49 | 31,044 | 392.96 | 8.020 | 1.007 | 31,261 | 8.076 |
| | 2017 | 77 | 49 | 32,153 | 417.57 | 8.522 | 1.011 | 32,507 | 8.616 |
| | <u>2018</u> | <u>78</u> | <u>49</u> | <u>32,904</u> | <u>421.85</u> | <u>8.609</u> | 1.000 | <u>32,904</u> | <u>8.609</u> |
| | Total | 440 | 49 | 180,865 | 411.06 | 8.389 | | 179,658 | 8.333 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|--|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at Current Level | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | | | | | | |
| 260 | 2014 | 22 | 49 | 7,092 | 322.36 | 6.579 | 0.973 | 6,901 | 6.402 |
| | 2015 | 21 | 49 | 7,933 | 377.76 | 7.709 | 0.986 | 7,822 | 7.602 |
| | 2016 | 25 | 49 | 10,842 | 433.68 | 8.851 | 1.007 | 10,918 | 8.913 |
| | 2017 | 17 | 49 | 6,313 | 371.35 | 7.579 | 1.011 | 6,382 | 7.661 |
| | <u>2018</u> | <u>16</u> | <u>49</u> | <u>5,818</u> | <u>363.63</u> | <u>7.421</u> | 1.000 | <u>5,818</u> | <u>7.421</u> |
| | Total | 101 | 49 | 37,998 | 376.22 | 7.678 | | 37,841 | 7.646 |
| 270 | 2014 | 10,696 | 55 | 4,530,897 | 423.61 | 7.702 | 0.973 | 4,408,563 | 7.494 |
| | 2015 | 10,778 | 55 | 4,529,406 | 420.25 | 7.641 | 0.986 | 4,465,994 | 7.534 |
| | 2016 | 11,387 | 55 | 4,673,834 | 410.45 | 7.463 | 1.007 | 4,706,551 | 7.515 |
| | 2017 | 11,661 | 55 | 4,878,726 | 418.38 | 7.607 | 1.011 | 4,932,392 | 7.691 |
| | <u>2018</u> | <u>11,523</u> | <u>55</u> | <u>4,976,914</u> | <u>431.91</u> | <u>7.853</u> | 1.000 | <u>4,976,914</u> | <u>7.853</u> |
| | Total | 56,045 | 55 | 23,589,777 | 420.91 | 7.653 | | 23,490,414 | 7.621 |
| 280 | 2014 | 2,709 | 41 | 870,086 | 321.18 | 7.834 | 0.973 | 846,594 | 7.622 |
| | 2015 | 2,656 | 41 | 863,868 | 325.25 | 7.933 | 0.986 | 851,774 | 7.822 |
| | 2016 | 2,546 | 41 | 818,125 | 321.34 | 7.837 | 1.007 | 823,852 | 7.892 |
| | 2017 | 2,539 | 41 | 832,472 | 327.87 | 7.997 | 1.011 | 841,629 | 8.085 |
| | <u>2018</u> | <u>2,546</u> | <u>41</u> | <u>866,411</u> | <u>340.30</u> | <u>8.300</u> | 1.000 | <u>866,411</u> | <u>8.300</u> |
| | Total | 12,996 | 41 | 4,250,962 | 327.10 | 7.978 | | 4,230,260 | 7.939 |
| 290 | 2014 | 963 | 50 | 328,509 | 341.13 | 6.823 | 0.973 | 319,639 | 6.638 |
| | 2015 | 996 | 50 | 348,962 | 350.36 | 7.007 | 0.986 | 344,077 | 6.909 |
| | 2016 | 1,048 | 50 | 375,249 | 358.06 | 7.161 | 1.007 | 377,876 | 7.211 |
| | 2017 | 1,050 | 50 | 386,441 | 368.04 | 7.361 | 1.011 | 390,692 | 7.442 |
| | <u>2018</u> | <u>1,024</u> | <u>50</u> | <u>386,140</u> | <u>377.09</u> | <u>7.542</u> | 1.000 | <u>386,140</u> | <u>7.542</u> |
| | Total | 5,081 | 50 | 1,825,301 | 359.24 | 7.185 | | 1,818,424 | 7.158 |
| 300 | 2014 | 20 | 49 | 6,973 | 348.65 | 7.115 | 0.973 | 6,785 | 6.923 |
| | 2015 | 20 | 49 | 6,946 | 347.30 | 7.088 | 0.986 | 6,849 | 6.989 |
| | 2016 | 21 | 49 | 6,869 | 327.10 | 6.675 | 1.007 | 6,917 | 6.722 |
| | 2017 | 23 | 49 | 7,731 | 336.13 | 6.860 | 1.011 | 7,816 | 6.935 |
| | <u>2018</u> | <u>23</u> | <u>49</u> | <u>8,417</u> | <u>365.96</u> | <u>7.469</u> | 1.000 | <u>8,417</u> | <u>7.469</u> |
| | Total | 107 | 49 | 36,936 | 345.20 | 7.045 | | 36,784 | 7.016 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|---|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Current Level</u> | | | | | |
| 310 | 2014 | 9,096 | 43 | 2,802,999 | 308.16 | 7.166 | 0.973 | 2,727,318 | 6.973 |
| | 2015 | 9,083 | 43 | 2,802,413 | 308.53 | 7.175 | 0.986 | 2,763,179 | 7.075 |
| | 2016 | 9,309 | 43 | 2,864,400 | 307.70 | 7.156 | 1.007 | 2,884,451 | 7.206 |
| | 2017 | 9,318 | 43 | 2,931,237 | 314.58 | 7.316 | 1.011 | 2,963,481 | 7.396 |
| | <u>2018</u> | <u>9,163</u> | <u>43</u> | <u>2,991,345</u> | <u>326.46</u> | <u>7.592</u> | 1.000 | <u>2,991,345</u> | <u>7.592</u> |
| | Total | 45,969 | 43 | 14,392,394 | 313.09 | 7.281 | | 14,329,774 | 7.249 |
| 320 | 2014 | 2,545 | 44 | 804,787 | 316.22 | 7.187 | 0.973 | 783,058 | 6.993 |
| | 2015 | 2,393 | 44 | 756,396 | 316.09 | 7.184 | 0.986 | 745,806 | 7.083 |
| | 2016 | 1,983 | 44 | 612,461 | 308.86 | 7.019 | 1.007 | 616,748 | 7.069 |
| | 2017 | 1,988 | 44 | 618,836 | 311.29 | 7.075 | 1.011 | 625,643 | 7.152 |
| | <u>2018</u> | <u>2,005</u> | <u>44</u> | <u>637,024</u> | <u>317.72</u> | <u>7.221</u> | 1.000 | <u>637,024</u> | <u>7.221</u> |
| | Total | 10,914 | 44 | 3,429,504 | 314.23 | 7.142 | | 3,408,279 | 7.097 |
| 330 | 2014 | 29 | 48 | 9,901 | 341.41 | 7.113 | 0.973 | 9,634 | 6.921 |
| | 2015 | 27 | 48 | 10,013 | 370.85 | 7.726 | 0.986 | 9,873 | 7.618 |
| | 2016 | 26 | 48 | 10,787 | 414.88 | 8.643 | 1.007 | 10,863 | 8.704 |
| | 2017 | 27 | 48 | 11,040 | 408.89 | 8.519 | 1.011 | 11,161 | 8.612 |
| | <u>2018</u> | <u>24</u> | <u>48</u> | <u>10,238</u> | <u>426.58</u> | <u>8.887</u> | 1.000 | <u>10,238</u> | <u>8.887</u> |
| | Total | 133 | 48 | 51,979 | 390.82 | 8.142 | | 51,769 | 8.109 |
| 340 | 2014 | 25,753 | 47 | 8,946,979 | 347.42 | 7.392 | 0.973 | 8,705,411 | 7.192 |
| | 2015 | 25,588 | 47 | 8,853,047 | 345.98 | 7.361 | 0.986 | 8,729,104 | 7.258 |
| | 2016 | 26,699 | 47 | 9,102,105 | 340.92 | 7.254 | 1.007 | 9,165,820 | 7.304 |
| | 2017 | 28,158 | 47 | 9,809,029 | 348.36 | 7.412 | 1.011 | 9,916,928 | 7.493 |
| | <u>2018</u> | <u>27,449</u> | <u>47</u> | <u>9,931,585</u> | <u>361.82</u> | <u>7.698</u> | 1.000 | <u>9,931,585</u> | <u>7.698</u> |
| | Total | 133,647 | 47 | 46,642,745 | 349.00 | 7.426 | | 46,448,848 | 7.395 |
| 350 | 2014 | 1,533 | 46 | 503,698 | 328.57 | 7.143 | 0.973 | 490,098 | 6.950 |
| | 2015 | 1,521 | 46 | 494,461 | 325.09 | 7.067 | 0.986 | 487,539 | 6.968 |
| | 2016 | 1,517 | 46 | 491,018 | 323.68 | 7.036 | 1.007 | 494,455 | 7.086 |
| | 2017 | 1,587 | 46 | 527,636 | 332.47 | 7.228 | 1.011 | 533,440 | 7.307 |
| | <u>2018</u> | <u>1,618</u> | <u>46</u> | <u>559,323</u> | <u>345.69</u> | <u>7.515</u> | 1.000 | <u>559,323</u> | <u>7.515</u> |
| | Total | 7,776 | 46 | 2,576,136 | 331.29 | 7.202 | | 2,564,855 | 7.170 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|------------------|-------------|-----------------------------------|---|------------------------------|--|----------------------------|---|---|--------------|
| | | | Aggregate Calculated Earned Premium at | Average Rate (3) / (1) | Average Rating Factor (4) / (2) | Premium Trend Factor | Trended Aggregate Calculated Earned Premium at Current Level (3) x (6) | Trended Average Rating Factor (7) / [(1)x(2)] | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Current Base Rate</u> | <u>Current Level</u> | | | | | |
| 360 | 2014 | 7,816 | 37 | 2,276,496 | 291.26 | 7.872 | 0.973 | 2,215,031 | 7.659 |
| | 2015 | 8,023 | 37 | 2,408,332 | 300.18 | 8.113 | 0.986 | 2,374,615 | 7.999 |
| | 2016 | 8,484 | 37 | 2,606,594 | 307.24 | 8.304 | 1.007 | 2,624,840 | 8.362 |
| | 2017 | 7,982 | 37 | 2,409,245 | 301.83 | 8.158 | 1.011 | 2,435,747 | 8.247 |
| | <u>2018</u> | <u>7,771</u> | <u>37</u> | <u>2,425,356</u> | <u>312.10</u> | <u>8.435</u> | 1.000 | <u>2,425,356</u> | <u>8.435</u> |
| | Total | 40,076 | 37 | 12,126,023 | 302.58 | 8.178 | | 12,075,589 | 8.144 |
| 370 | 2014 | 630 | 48 | 209,468 | 332.49 | 6.927 | 0.973 | 203,812 | 6.740 |
| | 2015 | 940 | 48 | 284,821 | 303.00 | 6.313 | 0.986 | 280,834 | 6.224 |
| | 2016 | 1,413 | 48 | 416,110 | 294.49 | 6.135 | 1.007 | 419,023 | 6.178 |
| | 2017 | 1,468 | 48 | 435,346 | 296.56 | 6.178 | 1.011 | 440,135 | 6.246 |
| | <u>2018</u> | <u>1,477</u> | <u>48</u> | <u>456,526</u> | <u>309.09</u> | <u>6.439</u> | 1.000 | <u>456,526</u> | <u>6.439</u> |
| | Total | 5,928 | 48 | 1,802,271 | 304.03 | 6.334 | | 1,800,330 | 6.327 |
| 380 | 2014 | 742 | 46 | 247,930 | 334.14 | 7.264 | 0.973 | 241,236 | 7.068 |
| | 2015 | 777 | 46 | 256,993 | 330.75 | 7.190 | 0.986 | 253,395 | 7.090 |
| | 2016 | 835 | 46 | 278,313 | 333.31 | 7.246 | 1.007 | 280,261 | 7.297 |
| | 2017 | 820 | 46 | 281,228 | 342.96 | 7.456 | 1.011 | 284,322 | 7.538 |
| | <u>2018</u> | <u>797</u> | <u>46</u> | <u>281,515</u> | <u>353.22</u> | <u>7.679</u> | 1.000 | <u>281,515</u> | <u>7.679</u> |
| | Total | 3,971 | 46 | 1,345,979 | 338.95 | 7.369 | | 1,340,729 | 7.340 |
| 390 | 2014 | 585 | 47 | 239,315 | 409.09 | 8.704 | 0.973 | 232,853 | 8.469 |
| | 2015 | 586 | 47 | 248,451 | 423.98 | 9.021 | 0.986 | 244,973 | 8.895 |
| | 2016 | 617 | 47 | 261,865 | 424.42 | 9.030 | 1.007 | 263,698 | 9.093 |
| | 2017 | 624 | 47 | 268,651 | 430.53 | 9.160 | 1.011 | 271,606 | 9.261 |
| | <u>2018</u> | <u>597</u> | <u>47</u> | <u>275,006</u> | <u>460.65</u> | <u>9.801</u> | 1.000 | <u>275,006</u> | <u>9.801</u> |
| | Total | 3,009 | 47 | 1,293,288 | 429.81 | 9.145 | | 1,288,136 | 9.108 |
| Statewide | 2014 | 75,276 | 51.87 | 27,743,039 | 368.55 | 7.105 | 0.973 | 26,993,979 | 6.913 |
| | 2015 | 75,798 | 51.94 | 27,948,430 | 368.72 | 7.099 | 0.986 | 27,557,152 | 7.000 |
| | 2016 | 78,862 | 52.04 | 28,976,826 | 367.44 | 7.061 | 1.007 | 29,179,665 | 7.110 |
| | 2017 | 80,684 | 52.35 | 30,398,277 | 376.76 | 7.197 | 1.011 | 30,732,657 | 7.276 |
| | <u>2018</u> | <u>79,754</u> | <u>52.59</u> | <u>31,251,398</u> | <u>391.85</u> | <u>7.451</u> | 1.000 | <u>31,251,398</u> | <u>7.451</u> |
| | Total | 390,374 | 52.16 | 146,317,970 | 374.81 | 7.186 | | 145,714,851 | 7.156 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----------|-------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|---|-------------------------------------|-------------------|--|--|--|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Non-Hurricane Wind Adjusted Incurred Losses | Excess Non-Hurricane Wind Provision | Loss Trend Factor | Trended Non-Hurricane Losses with Wind Provision [(5)-(6)+(7)]x(8) | Trended Non-Hurricane Base Class Loss Cost (9)/[(1)x(2)] | Non-Hurricane Base Class Loss Cost with LAE (10) x 1.118 |
| 110 | 2014 | 8,107 | 1.504 | 4,743,045 | 1,589,003 | 3,154,042 | 207,998 | 1,167,181 | 1.484 | 6,104,025 | | |
| | 2015 | 11,958 | 1.591 | 14,368,679 | 136,024 | 14,232,655 | 436,528 | 1,205,043 | 1.427 | 21,406,669 | | |
| | 2016 | 14,761 | 1.659 | 12,031,994 | 6,799,194 | 5,232,800 | 609,442 | 1,409,310 | 1.372 | 8,276,820 | | |
| | 2017 | 14,294 | 1.612 | 3,461,852 | 8,032 | 3,453,820 | 153,622 | 1,341,428 | 1.319 | 6,122,305 | | |
| | 2018 | 13,913 | 1.537 | 7,619,442 | 765,964 | 6,853,478 | 830,948 | 1,651,477 | 1.269 | 9,738,315 | | |
| | Total | 63,033 | 1.589 | 42,225,012 | 9,298,217 | 32,926,795 | 2,238,538 | 6,774,438 | | 51,648,134 | 515.66 | 576.51 |
| 120 | 2014 | 11,936 | 1.453 | 4,109,753 | 231,183 | 3,878,570 | 372,075 | 1,718,449 | 1.484 | 7,753,817 | | |
| | 2015 | 14,190 | 1.410 | 4,731,221 | 454,189 | 4,277,032 | 658,425 | 1,429,968 | 1.427 | 7,204,317 | | |
| | 2016 | 14,670 | 1.436 | 6,846,253 | 2,768,556 | 4,077,697 | 433,675 | 1,400,622 | 1.372 | 6,921,251 | | |
| | 2017 | 16,411 | 1.413 | 5,269,344 | 60,468 | 5,208,876 | 847,110 | 1,540,099 | 1.319 | 7,784,560 | | |
| | 2018 | 16,246 | 1.377 | 158,173,202 | 149,873,770 | 8,299,432 | 1,322,694 | 1,928,404 | 1.269 | 11,300,626 | | |
| | Total | 73,453 | 1.416 | 179,129,773 | 153,388,166 | 25,741,607 | 3,633,979 | 8,017,543 | | 40,964,571 | 393.85 | 440.32 |
| 130 | 2014 | 15,725 | 1.584 | 6,142,939 | 151,834 | 5,991,105 | 130,514 | 1,013,969 | 1.484 | 10,201,847 | | |
| | 2015 | 13,715 | 1.581 | 5,273,281 | 58,416 | 5,214,865 | 197,430 | 829,557 | 1.427 | 8,343,657 | | |
| | 2016 | 10,827 | 1.511 | 10,394,036 | 5,992,780 | 4,401,256 | 319,951 | 712,072 | 1.372 | 6,576,514 | | |
| | 2017 | 10,973 | 1.492 | 4,671,876 | 17,825 | 4,654,051 | 257,786 | 758,484 | 1.319 | 6,799,113 | | |
| | 2018 | 11,264 | 1.549 | 16,672,070 | 12,787,630 | 3,884,440 | 761,080 | 962,855 | 1.269 | 5,185,407 | | |
| | Total | 62,504 | 1.548 | 43,154,202 | 19,008,485 | 24,145,717 | 1,666,761 | 4,276,937 | | 37,106,538 | 383.51 | 428.76 |
| 140 | 2014 | 80,684 | 1.382 | 32,610,904 | 2,145,757 | 30,465,147 | 2,226,629 | 5,202,611 | 1.484 | 49,626,635 | | |
| | 2015 | 80,872 | 1.368 | 33,841,753 | 2,264,707 | 31,577,046 | 10,042,753 | 4,891,572 | 1.427 | 37,709,709 | | |
| | 2016 | 78,696 | 1.357 | 47,943,401 | 17,610,777 | 30,332,624 | 6,060,829 | 5,175,695 | 1.372 | 40,401,957 | | |
| | 2017 | 76,421 | 1.345 | 28,344,301 | 145,926 | 28,198,375 | 7,129,508 | 5,282,427 | 1.319 | 34,757,356 | | |
| | 2018 | 76,114 | 1.340 | 572,492,940 | 534,172,391 | 38,320,549 | 5,821,135 | 6,506,283 | 1.269 | 49,498,229 | | |
| | Total | 392,787 | 1.359 | 715,233,299 | 556,339,558 | 158,893,741 | 31,280,854 | 27,058,588 | | 211,993,886 | 397.14 | 444.00 |
| 150 | 2014 | 47,846 | 1.342 | 23,682,806 | 212,521 | 23,470,285 | 14,822,834 | 3,085,173 | 1.484 | 17,411,214 | | |
| | 2015 | 43,922 | 1.297 | 12,674,295 | 295,703 | 12,378,592 | 954,179 | 2,656,638 | 1.427 | 20,093,660 | | |
| | 2016 | 43,919 | 1.299 | 18,719,262 | 7,956,732 | 10,762,530 | 1,531,164 | 2,888,474 | 1.372 | 16,628,421 | | |
| | 2017 | 44,601 | 1.296 | 13,450,000 | 80,741 | 13,369,259 | 1,638,991 | 3,082,942 | 1.319 | 19,538,624 | | |
| | 2018 | 45,198 | 1.284 | 110,916,315 | 90,065,398 | 20,850,917 | 2,648,135 | 3,863,560 | 1.269 | 28,002,187 | | |
| | Total | 225,486 | 1.304 | 179,442,678 | 98,611,095 | 80,831,583 | 21,595,303 | 15,576,787 | | 101,674,106 | 345.79 | 386.59 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----------|-------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|---|-------------------------------------|-------------------|--|--|--|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Non-Hurricane Wind Adjusted Incurred Losses | Excess Non-Hurricane Wind Provision | Loss Trend Factor | Trended Non-Hurricane Losses with Wind Provision [(5)-(6)+(7)]x(8) | Trended Non-Hurricane Base Class Loss Cost (9)/[(1)x(2)] | Non-Hurricane Base Class Loss Cost with LAE (10) x 1.118 |
| 160 | 2014 | 36,151 | 1.188 | 9,514,702 | 125,152 | 9,389,550 | 872,769 | 2,331,064 | 1.484 | 16,098,202 | | |
| | 2015 | 37,112 | 1.191 | 11,209,613 | 640,192 | 10,569,421 | 911,867 | 2,244,733 | 1.427 | 16,984,563 | | |
| | 2016 | 38,794 | 1.204 | 19,228,067 | 8,844,376 | 10,383,691 | 1,444,814 | 2,551,412 | 1.372 | 15,764,677 | | |
| | 2017 | 36,058 | 1.169 | 12,878,096 | 18,946 | 12,859,150 | 1,958,169 | 2,492,427 | 1.319 | 17,665,905 | | |
| | 2018 | <u>36,252</u> | <u>1.164</u> | <u>252,998,302</u> | <u>238,136,092</u> | <u>14,862,210</u> | <u>3,198,561</u> | <u>3,098,849</u> | 1.269 | <u>18,733,610</u> | | |
| | Total | 184,367 | 1.183 | 305,828,780 | 247,764,758 | 58,064,022 | 8,386,180 | 12,718,484 | | 85,246,957 | 390.85 | 436.97 |
| 170 | 2014 | 4,215 | 1.300 | 1,102,334 | 8,256 | 1,094,078 | 246,085 | 595,862 | 1.484 | 2,142,681 | | |
| | 2015 | 4,073 | 1.299 | 1,130,609 | 74,339 | 1,056,270 | 206,221 | 526,639 | 1.427 | 1,964,534 | | |
| | 2016 | 4,070 | 1.308 | 1,697,152 | 510,406 | 1,186,746 | 339,162 | 553,631 | 1.372 | 1,922,467 | | |
| | 2017 | 4,083 | 1.309 | 2,398,947 | 31,431 | 2,367,516 | 433,574 | 561,078 | 1.319 | 3,290,932 | | |
| | 2018 | <u>4,029</u> | <u>1.302</u> | <u>1,552,740</u> | <u>92,087</u> | <u>1,460,653</u> | <u>696,204</u> | <u>694,891</u> | 1.269 | <u>1,851,903</u> | | |
| | Total | 20,470 | 1.303 | 7,881,782 | 716,519 | 7,165,263 | 1,921,246 | 2,932,101 | | 11,172,517 | 418.88 | 468.31 |
| 180 | 2014 | 49,252 | 1.263 | 20,450,416 | 195,372 | 20,255,044 | 7,530,043 | 6,962,610 | 1.484 | 29,216,414 | | |
| | 2015 | 48,979 | 1.255 | 15,392,826 | 465,411 | 14,927,415 | 1,599,487 | 6,332,984 | 1.427 | 28,056,121 | | |
| | 2016 | 49,378 | 1.253 | 33,631,832 | 18,568,938 | 15,062,894 | 3,019,621 | 6,716,754 | 1.372 | 25,738,758 | | |
| | 2017 | 49,703 | 1.243 | 14,105,748 | 31,712 | 14,074,036 | 2,082,058 | 6,830,093 | 1.319 | 24,826,312 | | |
| | 2018 | <u>50,152</u> | <u>1.236</u> | <u>36,100,904</u> | <u>19,245,081</u> | <u>16,855,823</u> | <u>3,036,748</u> | <u>8,649,836</u> | 1.269 | <u>28,513,048</u> | | |
| | Total | 247,464 | 1.250 | 119,681,726 | 38,506,514 | 81,175,212 | 17,267,957 | 35,492,277 | | 136,350,653 | 440.79 | 492.80 |
| 190 | 2014 | 13,575 | 1.215 | 3,482,232 | 48,999 | 3,433,233 | 505,219 | 1,919,058 | 1.484 | 7,193,054 | | |
| | 2015 | 13,244 | 1.209 | 4,711,331 | 85,944 | 4,625,387 | 594,362 | 1,712,449 | 1.427 | 8,195,937 | | |
| | 2016 | 12,870 | 1.204 | 15,220,103 | 8,863,627 | 6,356,476 | 1,267,830 | 1,750,671 | 1.372 | 9,383,543 | | |
| | 2017 | 12,741 | 1.197 | 3,623,936 | 4,981 | 3,618,955 | 817,397 | 1,750,844 | 1.319 | 6,004,619 | | |
| | 2018 | <u>12,481</u> | <u>1.168</u> | <u>33,393,503</u> | <u>26,346,590</u> | <u>7,046,913</u> | <u>731,295</u> | <u>2,152,628</u> | 1.269 | <u>10,746,204</u> | | |
| | Total | 64,911 | 1.199 | 60,431,105 | 35,350,141 | 25,080,964 | 3,916,103 | 9,285,650 | | 41,523,357 | 533.53 | 596.49 |
| 200 | 2014 | 6,156 | 1.369 | 4,347,652 | 12,764 | 4,334,888 | 419,889 | 870,256 | 1.484 | 7,101,318 | | |
| | 2015 | 5,958 | 1.378 | 2,894,841 | 205,055 | 2,689,786 | 525,390 | 770,369 | 1.427 | 4,187,910 | | |
| | 2016 | 5,774 | 1.376 | 13,421,354 | 9,186,859 | 4,234,495 | 666,145 | 785,421 | 1.372 | 5,973,374 | | |
| | 2017 | 5,687 | 1.367 | 3,034,899 | 8,265 | 3,026,634 | 330,152 | 781,497 | 1.319 | 4,587,454 | | |
| | 2018 | <u>5,619</u> | <u>1.329</u> | <u>23,042,477</u> | <u>19,627,307</u> | <u>3,415,170</u> | <u>314,266</u> | <u>969,122</u> | 1.269 | <u>5,164,864</u> | | |
| | Total | 29,194 | 1.364 | 46,741,223 | 29,040,250 | 17,700,973 | 2,255,842 | 4,176,666 | | 27,014,920 | 678.42 | 758.47 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----------|-------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|---|-------------------------------------|-------------------|--|--|--|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Non-Hurricane Wind Adjusted Incurred Losses | Excess Non-Hurricane Wind Provision | Loss Trend Factor | Trended Non-Hurricane Losses with Wind Provision [(5)-(6)+(7)]x(8) | Trended Non-Hurricane Base Class Loss Cost (9)/[(1)x(2)] | Non-Hurricane Base Class Loss Cost with LAE (10) x 1.118 |
| 210 | 2014 | 19,765 | 1.204 | 6,100,539 | 51,312 | 6,049,227 | 1,774,588 | 2,794,120 | 1.484 | 10,490,038 | | |
| | 2015 | 19,768 | 1.201 | 6,847,441 | 180,269 | 6,667,172 | 876,474 | 2,556,002 | 1.427 | 11,910,741 | | |
| | 2016 | 20,093 | 1.201 | 9,999,780 | 4,182,961 | 5,816,819 | 1,402,491 | 2,733,196 | 1.372 | 9,806,403 | | |
| | 2017 | 20,249 | 1.194 | 7,172,373 | 2,464 | 7,169,909 | 1,316,686 | 2,782,580 | 1.319 | 11,390,624 | | |
| | 2018 | 20,058 | 1.181 | 9,762,507 | 2,811,118 | 6,951,389 | 1,258,744 | 3,459,451 | 1.269 | 11,614,010 | | |
| | Total | 99,933 | 1.196 | 39,882,640 | 7,228,124 | 32,654,516 | 6,628,983 | 14,325,349 | | 55,211,816 | 461.95 | 516.46 |
| 220 | 2014 | 54,825 | 1.196 | 30,087,641 | 129,054 | 29,958,587 | 12,609,401 | 7,750,448 | 1.484 | 37,247,857 | | |
| | 2015 | 54,038 | 1.201 | 21,953,794 | 769,909 | 21,183,885 | 5,655,058 | 6,987,113 | 1.427 | 32,130,246 | | |
| | 2016 | 54,036 | 1.207 | 65,132,984 | 37,304,207 | 27,828,777 | 11,383,346 | 7,350,369 | 1.372 | 32,647,838 | | |
| | 2017 | 53,788 | 1.215 | 23,887,557 | 41,457 | 23,846,100 | 5,406,872 | 7,391,446 | 1.319 | 34,070,659 | | |
| | 2018 | 53,645 | 1.221 | 106,019,121 | 79,056,159 | 26,962,962 | 4,865,572 | 9,252,282 | 1.269 | 39,782,734 | | |
| | Total | 270,332 | 1.208 | 247,081,097 | 117,300,786 | 129,780,311 | 39,920,249 | 38,731,658 | | 175,879,334 | 538.58 | 602.13 |
| 230 | 2014 | 13,467 | 1.178 | 4,933,281 | 10,965 | 4,922,316 | 757,621 | 1,903,790 | 1.484 | 9,005,632 | | |
| | 2015 | 13,170 | 1.172 | 3,908,501 | 132,122 | 3,776,379 | 442,994 | 1,702,881 | 1.427 | 7,186,751 | | |
| | 2016 | 13,345 | 1.170 | 22,501,532 | 16,391,178 | 6,110,354 | 1,324,999 | 1,815,284 | 1.372 | 9,056,077 | | |
| | 2017 | 13,326 | 1.164 | 5,979,543 | 3,206 | 5,976,337 | 411,156 | 1,831,234 | 1.319 | 9,755,871 | | |
| | 2018 | 13,362 | 1.159 | 32,114,759 | 27,193,512 | 4,921,247 | 684,817 | 2,304,576 | 1.269 | 8,300,537 | | |
| | Total | 66,670 | 1.168 | 69,437,616 | 43,730,983 | 25,706,633 | 3,621,587 | 9,557,765 | | 43,304,868 | 556.11 | 621.73 |
| 240 | 2014 | 73,542 | 1.300 | 20,155,305 | 269,118 | 19,886,187 | 4,061,969 | 10,396,415 | 1.484 | 38,911,419 | | |
| | 2015 | 73,518 | 1.291 | 50,504,701 | 429,400 | 50,075,301 | 33,163,492 | 9,505,876 | 1.427 | 37,698,037 | | |
| | 2016 | 74,192 | 1.287 | 44,675,981 | 14,654,915 | 30,021,066 | 9,565,745 | 10,092,135 | 1.372 | 41,911,110 | | |
| | 2017 | 77,933 | 1.292 | 28,929,220 | 68,449 | 28,860,771 | 10,626,954 | 10,709,407 | 1.319 | 38,176,112 | | |
| | 2018 | 78,520 | 1.287 | 52,299,600 | 18,184,893 | 34,114,707 | 10,491,486 | 13,542,533 | 1.269 | 47,163,342 | | |
| | Total | 377,705 | 1.291 | 196,564,807 | 33,606,775 | 162,958,032 | 67,909,646 | 54,246,366 | | 203,860,020 | 418.07 | 467.40 |
| 250 | 2014 | 31,122 | 1.268 | 11,699,505 | 63,628 | 11,635,877 | 2,157,475 | 4,399,625 | 1.484 | 20,594,992 | | |
| | 2015 | 31,145 | 1.267 | 9,460,427 | 351,419 | 9,109,008 | 1,959,195 | 4,027,048 | 1.427 | 15,949,381 | | |
| | 2016 | 31,686 | 1.273 | 28,530,926 | 13,099,220 | 15,431,706 | 4,557,928 | 4,310,160 | 1.372 | 20,832,363 | | |
| | 2017 | 32,144 | 1.277 | 21,873,710 | 19,858 | 21,853,852 | 9,525,080 | 4,417,168 | 1.319 | 22,087,895 | | |
| | 2018 | 32,130 | 1.279 | 54,549,297 | 39,658,183 | 14,891,114 | 4,144,942 | 5,541,538 | 1.269 | 20,669,104 | | |
| | Total | 158,227 | 1.273 | 126,113,865 | 53,192,308 | 72,921,557 | 22,344,620 | 22,695,540 | | 100,133,735 | 497.13 | 555.79 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----------|-------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|---|-------------------------------------|-------------------|--|--|--|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Non-Hurricane Wind Adjusted Incurred Losses | Excess Non-Hurricane Wind Provision | Loss Trend Factor | Trended Non-Hurricane Losses with Wind Provision [(5)-(6)+(7)]x(8) | Trended Non-Hurricane Base Class Loss Cost (9)/[(1)x(2)] | Non-Hurricane Base Class Loss Cost with LAE (10) x 1.118 |
| 260 | 2014 | 26,309 | 1.586 | 9,625,231 | 17,916 | 9,607,315 | 2,275,900 | 3,719,225 | 1.484 | 16,399,150 | | |
| | 2015 | 26,922 | 1.584 | 14,363,957 | 134,481 | 14,229,476 | 3,860,255 | 3,481,014 | 1.427 | 19,764,286 | | |
| | 2016 | 28,274 | 1.591 | 16,403,459 | 805,340 | 15,598,119 | 11,463,666 | 3,846,035 | 1.372 | 10,949,229 | | |
| | 2017 | 26,815 | 1.589 | 9,097,736 | 15,849 | 9,081,887 | 2,081,230 | 3,684,867 | 1.319 | 14,094,206 | | |
| | 2018 | 26,874 | 1.590 | 18,743,233 | 4,827,717 | 13,915,516 | 2,668,452 | 4,635,023 | 1.269 | 20,154,369 | | |
| | Total | 135,194 | 1.588 | 68,233,616 | 5,801,303 | 62,432,313 | 22,349,503 | 19,366,165 | | 81,361,240 | 378.97 | 423.69 |
| 270 | 2014 | 274,915 | 1.579 | 108,715,210 | 868,795 | 107,846,415 | 25,542,829 | 38,863,920 | 1.484 | 179,812,579 | | |
| | 2015 | 276,747 | 1.572 | 109,157,215 | 2,409,408 | 106,747,807 | 20,003,049 | 35,783,383 | 1.427 | 174,847,657 | | |
| | 2016 | 278,601 | 1.568 | 239,047,105 | 42,745,400 | 196,301,705 | 114,015,879 | 37,897,333 | 1.372 | 164,891,294 | | |
| | 2017 | 284,079 | 1.565 | 234,243,717 | 554,248 | 233,689,469 | 142,617,946 | 39,037,604 | 1.319 | 171,613,939 | | |
| | 2018 | 282,014 | 1.571 | 190,840,060 | 38,165,227 | 152,674,833 | 45,593,267 | 48,639,633 | 1.269 | 197,610,201 | | |
| | Total | 1,396,356 | 1.571 | 882,003,307 | 84,743,078 | 797,260,229 | 347,772,970 | 200,221,873 | | 888,775,670 | 405.15 | 452.96 |
| 280 | 2014 | 39,719 | 1.847 | 13,329,874 | 14,426 | 13,315,448 | 1,686,090 | 5,614,958 | 1.484 | 25,590,564 | | |
| | 2015 | 40,404 | 1.822 | 15,864,866 | 394,040 | 15,470,826 | 2,290,366 | 5,224,237 | 1.427 | 26,263,502 | | |
| | 2016 | 41,825 | 1.825 | 21,495,939 | 1,571,620 | 19,924,319 | 9,667,348 | 5,689,340 | 1.372 | 21,878,339 | | |
| | 2017 | 42,852 | 1.824 | 15,974,450 | 52,052 | 15,922,398 | 3,678,614 | 5,888,642 | 1.319 | 23,916,669 | | |
| | 2018 | 42,984 | 1.821 | 31,031,489 | 10,057,069 | 20,974,420 | 6,075,302 | 7,413,554 | 1.269 | 28,314,781 | | |
| | Total | 207,784 | 1.828 | 97,696,618 | 12,089,207 | 85,607,411 | 23,397,720 | 29,830,730 | | 125,963,855 | 331.63 | 370.76 |
| 290 | 2014 | 31,632 | 1.514 | 11,164,875 | 50,760 | 11,114,115 | 2,756,210 | 4,471,722 | 1.484 | 19,039,167 | | |
| | 2015 | 31,954 | 1.508 | 11,858,256 | 228,099 | 11,630,157 | 1,978,957 | 4,131,652 | 1.427 | 19,668,129 | | |
| | 2016 | 32,425 | 1.514 | 18,064,598 | 6,578,612 | 11,485,986 | 2,471,392 | 4,410,684 | 1.372 | 18,419,482 | | |
| | 2017 | 33,415 | 1.516 | 11,641,028 | 71,193 | 11,569,835 | 3,444,652 | 4,591,827 | 1.319 | 16,773,736 | | |
| | 2018 | 33,845 | 1.518 | 23,402,650 | 9,679,854 | 13,722,796 | 1,786,476 | 5,837,329 | 1.269 | 22,554,760 | | |
| | Total | 163,271 | 1.514 | 76,131,407 | 16,608,518 | 59,522,889 | 12,437,687 | 23,443,213 | | 96,455,274 | 390.20 | 436.24 |
| 300 | 2014 | 13,803 | 1.257 | 4,628,144 | 46,822 | 4,581,322 | 744,886 | 1,951,289 | 1.484 | 8,588,984 | | |
| | 2015 | 13,575 | 1.254 | 4,703,452 | 107,658 | 4,595,794 | 776,269 | 1,755,247 | 1.427 | 7,955,200 | | |
| | 2016 | 13,682 | 1.257 | 6,389,545 | 1,462,515 | 4,927,030 | 1,565,783 | 1,861,125 | 1.372 | 7,165,094 | | |
| | 2017 | 13,749 | 1.255 | 6,865,235 | 33,491 | 6,831,744 | 1,362,084 | 1,889,362 | 1.319 | 9,706,550 | | |
| | 2018 | 13,391 | 1.247 | 13,002,921 | 8,004,380 | 4,998,541 | 897,824 | 2,309,578 | 1.269 | 8,134,664 | | |
| | Total | 68,200 | 1.254 | 35,589,297 | 9,654,866 | 25,934,431 | 5,346,846 | 9,766,601 | | 41,550,492 | 485.84 | 543.17 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----------|-------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|---|-------------------------------------|-------------------|--|--|--|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Non-Hurricane Wind Adjusted Incurred Losses | Excess Non-Hurricane Wind Provision | Loss Trend Factor | Trended Non-Hurricane Losses with Wind Provision [(5)-(6)+(7)]x(8) | Trended Non-Hurricane Base Class Loss Cost (9)/[(1)x(2)] | Non-Hurricane Base Class Loss Cost with LAE (10) x 1.118 |
| 310 | 2014 | 259,796 | 1.362 | 97,941,791 | 299,660 | 97,642,131 | 17,802,430 | 36,726,592 | 1.484 | 172,984,379 | | |
| | 2015 | 257,494 | 1.359 | 83,595,195 | 2,533,281 | 81,061,914 | 16,420,477 | 33,293,970 | 1.427 | 139,753,826 | | |
| | 2016 | 261,171 | 1.361 | 109,195,069 | 4,302,729 | 104,892,340 | 39,802,308 | 35,526,377 | 1.372 | 138,045,714 | | |
| | 2017 | 265,079 | 1.353 | 95,681,581 | 339,554 | 95,342,027 | 33,166,712 | 36,426,660 | 1.319 | 130,056,005 | | |
| | 2018 | 262,168 | 1.344 | 179,495,124 | 49,075,834 | 130,419,290 | 42,948,255 | 45,216,745 | 1.269 | 168,380,793 | | |
| | Total | 1,305,708 | 1.356 | 565,908,760 | 56,551,058 | 509,357,702 | 150,140,182 | 187,190,345 | | 749,220,717 | 423.16 | 473.09 |
| 320 | 2014 | 137,198 | 1.340 | 47,860,170 | 299,054 | 47,561,116 | 9,509,792 | 19,395,275 | 1.484 | 85,250,753 | | |
| | 2015 | 133,607 | 1.331 | 47,731,920 | 1,286,608 | 46,445,312 | 13,340,556 | 17,275,383 | 1.427 | 71,892,459 | | |
| | 2016 | 130,067 | 1.323 | 52,233,865 | 1,841,412 | 50,392,453 | 16,667,202 | 17,692,659 | 1.372 | 70,545,372 | | |
| | 2017 | 131,557 | 1.315 | 65,591,179 | 70,005 | 65,521,174 | 33,072,415 | 18,078,317 | 1.319 | 66,645,213 | | |
| | 2018 | 130,444 | 1.303 | 77,765,517 | 22,912,253 | 54,853,264 | 14,037,245 | 22,497,990 | 1.269 | 80,345,478 | | |
| | Total | 662,873 | 1.323 | 291,182,651 | 26,409,332 | 264,773,319 | 86,627,210 | 94,939,624 | | 374,679,275 | 427.24 | 477.65 |
| 330 | 2014 | 6,889 | 1.479 | 3,611,401 | 7,060 | 3,604,341 | 504,966 | 973,878 | 1.484 | 6,044,707 | | |
| | 2015 | 6,898 | 1.483 | 1,471,185 | 85,003 | 1,386,182 | 278,434 | 891,911 | 1.427 | 2,853,514 | | |
| | 2016 | 7,206 | 1.499 | 2,829,100 | 16,404 | 2,812,696 | 1,242,203 | 980,212 | 1.372 | 3,499,568 | | |
| | 2017 | 7,247 | 1.496 | 2,344,686 | 0 | 2,344,686 | 1,113,347 | 995,869 | 1.319 | 2,937,688 | | |
| | 2018 | 6,968 | 1.481 | 3,114,865 | 322,489 | 2,792,376 | 643,905 | 1,201,788 | 1.269 | 4,251,478 | | |
| | Total | 35,208 | 1.488 | 13,371,237 | 430,956 | 12,940,281 | 3,782,855 | 5,043,658 | | 19,586,955 | 373.87 | 417.99 |
| 340 | 2014 | 308,769 | 1.555 | 175,318,218 | 972,937 | 174,345,281 | 81,418,800 | 43,649,760 | 1.484 | 202,679,142 | | |
| | 2015 | 302,292 | 1.551 | 132,790,810 | 4,871,979 | 127,918,831 | 35,269,825 | 39,086,351 | 1.427 | 187,986,355 | | |
| | 2016 | 301,894 | 1.548 | 156,800,554 | 6,638,630 | 150,161,924 | 49,901,962 | 41,065,816 | 1.372 | 193,898,967 | | |
| | 2017 | 316,428 | 1.549 | 182,722,195 | 385,423 | 182,336,772 | 85,032,184 | 43,482,943 | 1.319 | 185,698,753 | | |
| | 2018 | 309,142 | 1.556 | 223,042,103 | 54,159,796 | 168,882,307 | 54,037,550 | 53,318,464 | 1.269 | 213,399,127 | | |
| | Total | 1,538,525 | 1.552 | 870,673,880 | 67,028,765 | 803,645,115 | 305,660,321 | 220,603,334 | | 983,662,344 | 411.95 | 460.56 |
| 350 | 2014 | 92,252 | 1.369 | 27,087,999 | 139,071 | 26,948,928 | 4,036,198 | 13,041,392 | 1.484 | 53,355,918 | | |
| | 2015 | 93,120 | 1.360 | 32,274,745 | 977,303 | 31,297,442 | 5,189,578 | 12,040,415 | 1.427 | 54,437,594 | | |
| | 2016 | 95,152 | 1.354 | 36,990,186 | 636,640 | 36,353,546 | 8,673,331 | 12,943,267 | 1.372 | 55,735,417 | | |
| | 2017 | 96,919 | 1.347 | 43,192,900 | 121,820 | 43,071,080 | 16,667,980 | 13,318,427 | 1.319 | 52,392,695 | | |
| | 2018 | 96,268 | 1.345 | 64,277,333 | 6,791,209 | 57,486,124 | 26,999,492 | 16,603,573 | 1.269 | 59,757,471 | | |
| | Total | 473,711 | 1.355 | 203,823,163 | 8,666,043 | 195,157,120 | 61,566,579 | 67,947,074 | | 275,679,095 | 429.49 | 480.17 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
|------------------|-------------|-----------------------------------|--|---|---|---|--|--|----------------------------------|---|---|--|
| | | | | | | | | | | | | Trended Non-Hurricane Base Class Loss Cost with LAE |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Trended Average Rating Factor</u> | <u>Total Adjusted Incurred Losses</u> | <u>Hurricane Adjusted Incurred Losses</u> | <u>Non-Hurricane Adjusted Incurred Losses (3) - (4)</u> | <u>Non-Hurricane Wind Adjusted Incurred Losses</u> | <u>Excess Non-Hurricane Wind Provision</u> | <u>Loss Trend Factor</u> | <u>Trended Non-Hurricane Losses with Wind Provision [(5)-(6)+(7)]x(8)</u> | <u>Trended Non-Hurricane Base Class Loss Cost (9)/[(1)x(2)]</u> | <u>Non-Hurricane Base Class Loss Cost (10) x 1.118</u> |
| 360 | 2014 | 192,929 | 1.539 | 64,661,099 | 157,571 | 64,503,528 | 11,057,265 | 27,273,802 | 1.484 | 119,788,576 | | |
| | 2015 | 196,655 | 1.543 | 67,845,073 | 1,702,643 | 66,142,430 | 11,908,000 | 25,427,489 | 1.427 | 113,677,558 | | |
| | 2016 | 206,091 | 1.553 | 61,469,563 | 1,042,307 | 60,427,256 | 15,971,607 | 28,033,995 | 1.372 | 99,455,792 | | |
| | 2017 | 199,421 | 1.525 | 90,879,726 | 228,981 | 90,650,745 | 40,351,008 | 27,404,060 | 1.319 | 102,491,309 | | |
| | <u>2018</u> | <u>195,832</u> | <u>1.523</u> | <u>87,864,380</u> | <u>5,825,524</u> | <u>82,038,856</u> | <u>18,767,618</u> | <u>33,775,616</u> | <u>1.269</u> | <u>123,152,458</u> | | |
| | Total | 990,928 | 1.537 | 372,719,841 | 8,957,026 | 363,762,815 | 98,055,498 | 141,914,962 | | 558,565,693 | 366.74 | 410.02 |
| 370 | 2014 | 9,223 | 1.651 | 4,905,614 | 8,442 | 4,897,172 | 352,340 | 1,303,828 | 1.484 | 8,679,412 | | |
| | 2015 | 9,977 | 1.671 | 4,287,686 | 44,257 | 4,243,429 | 177,650 | 1,290,026 | 1.427 | 7,642,734 | | |
| | 2016 | 10,923 | 1.706 | 5,578,738 | 20,012 | 5,558,726 | 478,952 | 1,485,826 | 1.372 | 9,008,003 | | |
| | 2017 | 10,995 | 1.688 | 5,020,956 | 43,819 | 4,977,137 | 526,204 | 1,510,912 | 1.319 | 7,863,674 | | |
| | <u>2018</u> | <u>10,987</u> | <u>1.705</u> | <u>5,191,149</u> | <u>645,251</u> | <u>4,545,898</u> | <u>299,208</u> | <u>1,894,954</u> | <u>1.269</u> | <u>7,793,747</u> | | |
| | Total | 52,105 | 1.686 | 24,984,143 | 761,781 | 24,222,362 | 1,834,354 | 7,485,547 | | 40,987,570 | 466.57 | 521.63 |
| 380 | 2014 | 32,314 | 1.685 | 12,597,097 | 44,032 | 12,553,065 | 1,228,845 | 4,568,135 | 1.484 | 23,584,254 | | |
| | 2015 | 33,522 | 1.668 | 15,859,852 | 180,164 | 15,679,688 | 1,596,422 | 4,334,394 | 1.427 | 26,282,001 | | |
| | 2016 | 35,782 | 1.669 | 14,696,405 | 112,766 | 14,583,639 | 1,663,962 | 4,867,328 | 1.372 | 24,403,770 | | |
| | 2017 | 36,248 | 1.662 | 11,385,297 | 76,189 | 11,309,108 | 2,402,886 | 4,981,132 | 1.319 | 18,317,420 | | |
| | <u>2018</u> | <u>35,754</u> | <u>1.660</u> | <u>16,913,463</u> | <u>309,870</u> | <u>16,603,593</u> | <u>1,742,807</u> | <u>6,166,578</u> | <u>1.269</u> | <u>26,683,725</u> | | |
| | Total | 173,620 | 1.669 | 71,452,114 | 723,021 | 70,729,093 | 8,634,922 | 24,917,567 | | 119,271,170 | 411.60 | 460.17 |
| 390 | 2014 | 35,842 | 1.816 | 14,791,608 | 49,707 | 14,741,901 | 1,365,410 | 5,066,878 | 1.484 | 27,369,959 | | |
| | 2015 | 37,633 | 1.840 | 19,578,213 | 219,687 | 19,358,526 | 1,429,747 | 4,865,946 | 1.427 | 32,528,073 | | |
| | 2016 | 39,689 | 1.865 | 13,998,674 | 180,139 | 13,818,535 | 1,386,599 | 5,398,786 | 1.372 | 24,463,751 | | |
| | 2017 | 40,167 | 1.843 | 20,436,927 | 0 | 20,436,927 | 5,531,592 | 5,519,674 | 1.319 | 26,940,587 | | |
| | <u>2018</u> | <u>39,949</u> | <u>1.830</u> | <u>18,479,739</u> | <u>303,662</u> | <u>18,176,077</u> | <u>3,334,619</u> | <u>6,890,100</u> | <u>1.269</u> | <u>27,577,347</u> | | |
| | Total | 193,280 | 1.839 | 87,285,161 | 753,195 | 86,531,966 | 13,047,967 | 27,741,384 | | 138,879,717 | 390.72 | 436.82 |
| Statewide | 2014 | 1,927,958 | 1.432 | 779,401,385 | 8,221,171 | 771,180,214 | 208,977,070 | 258,731,284 | 1.484 | 1,218,266,689 | | |
| | 2015 | 1,926,462 | 1.427 | 760,285,738 | 21,717,710 | 738,568,028 | 172,743,440 | 236,260,290 | 1.427 | 1,144,575,121 | | |
| | 2016 | 1,949,893 | 1.430 | 1,105,167,457 | 240,689,252 | 864,478,205 | 318,899,336 | 251,943,990 | 1.372 | 1,094,201,365 | | |
| | 2017 | 1,973,383 | 1.422 | 974,159,015 | 2,536,385 | 971,622,630 | 413,983,969 | 258,363,450 | 1.319 | 1,076,306,785 | | |
| | <u>2018</u> | <u>1,955,603</u> | <u>1.417</u> | <u>2,420,871,205</u> | <u>1,469,096,310</u> | <u>951,774,895</u> | <u>260,638,647</u> | <u>320,979,212</u> | <u>1.269</u> | <u>1,284,374,519</u> | | |
| | Total | 9,733,299 | 1.426 | 6,039,884,800 | 1,742,260,828 | 4,297,623,972 | 1,375,242,462 | 1,326,278,226 | | 5,817,724,479 | 419.15 | 468.61 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----------|-------------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|-------------------|--|--|---|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Loss Trend Factor | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.154 |
| 110 | 2014 | 245 | 3.411 | 11,245 | 0 | 11,245 | 0.980 | 11,020 | | |
| | 2015 | 258 | 3.375 | 0 | 0 | 0 | 0.990 | 0 | | |
| | 2016 | 306 | 3.439 | 29,778 | 942 | 28,836 | 1.000 | 28,836 | | |
| | 2017 | 336 | 3.488 | 1,244 | 0 | 1,244 | 1.010 | 1,256 | | |
| | <u>2018</u> | <u>354</u> | <u>3.156</u> | <u>1,870</u> | <u>0</u> | <u>1,870</u> | <u>1.021</u> | <u>1,909</u> | | |
| | Total | 1,499 | 3.368 | 44,137 | 942 | 43,195 | | 43,021 | 8.52 | 9.83 |
| 120 | 2014 | 817 | 3.041 | 30,590 | 0 | 30,590 | 0.980 | 29,978 | | |
| | 2015 | 961 | 3.074 | 41,070 | 0 | 41,070 | 0.990 | 40,659 | | |
| | 2016 | 841 | 3.209 | 42,353 | 4,466 | 37,887 | 1.000 | 37,887 | | |
| | 2017 | 1,512 | 3.057 | 182,419 | 0 | 182,419 | 1.010 | 184,243 | | |
| | <u>2018</u> | <u>1,712</u> | <u>2.981</u> | <u>641,462</u> | <u>617,960</u> | <u>23,502</u> | <u>1.021</u> | <u>23,996</u> | | |
| | Total | 5,843 | 3.057 | 937,894 | 622,426 | 315,468 | | 316,763 | 17.73 | 20.46 |
| 130 | 2014 | 371 | 3.799 | 3,735 | 0 | 3,735 | 0.980 | 3,660 | | |
| | 2015 | 416 | 3.925 | 7,110 | 0 | 7,110 | 0.990 | 7,039 | | |
| | 2016 | 435 | 3.977 | 17,820 | 1,864 | 15,956 | 1.000 | 15,956 | | |
| | 2017 | 459 | 4.077 | 5,713 | 0 | 5,713 | 1.010 | 5,770 | | |
| | <u>2018</u> | <u>475</u> | <u>3.785</u> | <u>131,487</u> | <u>9,305</u> | <u>122,182</u> | <u>1.021</u> | <u>124,748</u> | | |
| | Total | 2,156 | 3.915 | 165,865 | 11,169 | 154,696 | | 157,173 | 18.62 | 21.49 |
| 140 | 2014 | 9,813 | 2.980 | 697,843 | 0 | 697,843 | 0.980 | 683,886 | | |
| | 2015 | 10,849 | 2.980 | 667,456 | 2,528 | 664,928 | 0.990 | 658,279 | | |
| | 2016 | 12,452 | 2.976 | 267,406 | 13,722 | 253,684 | 1.000 | 253,684 | | |
| | 2017 | 13,599 | 2.949 | 626,418 | 0 | 626,418 | 1.010 | 632,682 | | |
| | <u>2018</u> | <u>13,908</u> | <u>2.853</u> | <u>4,685,291</u> | <u>3,764,886</u> | <u>920,405</u> | <u>1.021</u> | <u>939,734</u> | | |
| | Total | 60,621 | 2.943 | 6,944,414 | 3,781,136 | 3,163,278 | | 3,168,265 | 17.76 | 20.50 |
| 150 | 2014 | 3,468 | 3.346 | 149,858 | 0 | 149,858 | 0.980 | 146,861 | | |
| | 2015 | 3,828 | 3.401 | 221,750 | 1,564 | 220,186 | 0.990 | 217,984 | | |
| | 2016 | 4,203 | 3.431 | 364,335 | 17,346 | 346,989 | 1.000 | 346,989 | | |
| | 2017 | 4,512 | 3.474 | 153,614 | 0 | 153,614 | 1.010 | 155,150 | | |
| | <u>2018</u> | <u>4,743</u> | <u>3.385</u> | <u>927,179</u> | <u>692,307</u> | <u>234,872</u> | <u>1.021</u> | <u>239,804</u> | | |
| | Total | 20,754 | 3.410 | 1,816,736 | 711,217 | 1,105,519 | | 1,106,788 | 15.64 | 18.05 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----------|-------------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|-------------------|--|--|---|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Loss Trend Factor | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.154 |
| 160 | 2014 | 3,910 | 2.942 | 229,093 | 0 | 229,093 | 0.980 | 224,511 | | |
| | 2015 | 4,450 | 2.951 | 323,795 | 0 | 323,795 | 0.990 | 320,557 | | |
| | 2016 | 5,090 | 2.951 | 362,893 | 16,264 | 346,629 | 1.000 | 346,629 | | |
| | 2017 | 5,677 | 2.964 | 286,127 | 376 | 285,751 | 1.010 | 288,609 | | |
| | <u>2018</u> | <u>6,198</u> | <u>2.864</u> | <u>3,047,754</u> | <u>2,566,721</u> | <u>481,033</u> | 1.021 | <u>491,135</u> | | |
| | Total | 25,325 | 2.931 | 4,249,662 | 2,583,361 | 1,666,301 | | 1,671,441 | 22.52 | 25.99 |
| 170 | 2014 | 358 | 3.444 | 28,383 | 0 | 28,383 | 0.980 | 27,815 | | |
| | 2015 | 384 | 3.520 | 75,776 | 0 | 75,776 | 0.990 | 75,018 | | |
| | 2016 | 397 | 3.546 | 38,058 | 1,168 | 36,890 | 1.000 | 36,890 | | |
| | 2017 | 421 | 3.674 | 30,923 | 0 | 30,923 | 1.010 | 31,232 | | |
| | <u>2018</u> | <u>428</u> | <u>3.527</u> | <u>13,188</u> | <u>0</u> | <u>13,188</u> | 1.021 | <u>13,465</u> | | |
| | Total | 1,988 | 3.546 | 186,328 | 1,168 | 185,160 | | 184,420 | 26.16 | 30.19 |
| 180 | 2014 | 8,553 | 2.930 | 366,658 | 449 | 366,209 | 0.980 | 358,885 | | |
| | 2015 | 9,393 | 2.950 | 480,881 | 0 | 480,881 | 0.990 | 476,072 | | |
| | 2016 | 10,575 | 2.944 | 986,660 | 121,815 | 864,845 | 1.000 | 864,845 | | |
| | 2017 | 11,299 | 2.927 | 444,478 | 0 | 444,478 | 1.010 | 448,923 | | |
| | <u>2018</u> | <u>11,847</u> | <u>2.869</u> | <u>840,046</u> | <u>148,569</u> | <u>691,477</u> | 1.021 | <u>705,998</u> | | |
| | Total | 51,667 | 2.922 | 3,118,723 | 270,833 | 2,847,890 | | 2,854,723 | 18.91 | 21.82 |
| 190 | 2014 | 1,325 | 3.568 | 125,689 | 0 | 125,689 | 0.980 | 123,175 | | |
| | 2015 | 1,330 | 3.526 | 65,684 | 0 | 65,684 | 0.990 | 65,027 | | |
| | 2016 | 1,398 | 3.474 | 196,018 | 24,127 | 171,891 | 1.000 | 171,891 | | |
| | 2017 | 1,444 | 3.482 | 88,113 | 0 | 88,113 | 1.010 | 88,994 | | |
| | <u>2018</u> | <u>1,483</u> | <u>3.362</u> | <u>253,838</u> | <u>144,853</u> | <u>108,985</u> | 1.021 | <u>111,274</u> | | |
| | Total | 6,980 | 3.480 | 729,342 | 168,980 | 560,362 | | 560,361 | 23.07 | 26.62 |
| 200 | 2014 | 397 | 3.735 | 87,409 | 0 | 87,409 | 0.980 | 85,661 | | |
| | 2015 | 407 | 3.846 | 36,697 | 0 | 36,697 | 0.990 | 36,330 | | |
| | 2016 | 426 | 3.741 | 70,737 | 32,585 | 38,152 | 1.000 | 38,152 | | |
| | 2017 | 437 | 3.804 | 67,600 | 0 | 67,600 | 1.010 | 68,276 | | |
| | <u>2018</u> | <u>452</u> | <u>3.670</u> | <u>141,908</u> | <u>117,837</u> | <u>24,071</u> | 1.021 | <u>24,576</u> | | |
| | Total | 2,119 | 3.758 | 404,351 | 150,422 | 253,929 | | 252,995 | 31.77 | 36.66 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----------|-------------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|-------------------|--|--|---|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Loss Trend Factor | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.154 |
| 210 | 2014 | 2,596 | 3.128 | 80,676 | 126 | 80,550 | 0.980 | 78,939 | | |
| | 2015 | 2,806 | 3.115 | 147,734 | 0 | 147,734 | 0.990 | 146,257 | | |
| | 2016 | 3,089 | 3.092 | 301,701 | 72,544 | 229,157 | 1.000 | 229,157 | | |
| | 2017 | 3,229 | 3.115 | 200,388 | 0 | 200,388 | 1.010 | 202,392 | | |
| | <u>2018</u> | <u>3,356</u> | <u>2.994</u> | <u>179,544</u> | <u>19,119</u> | <u>160,425</u> | <u>1.021</u> | <u>163,794</u> | | |
| | Total | 15,076 | 3.085 | 910,043 | 91,789 | 818,254 | | 820,539 | 17.64 | 20.36 |
| 220 | 2014 | 8,092 | 2.844 | 741,112 | 0 | 741,112 | 0.980 | 726,290 | | |
| | 2015 | 9,085 | 2.843 | 1,068,898 | 1,526 | 1,067,372 | 0.990 | 1,056,698 | | |
| | 2016 | 9,778 | 2.813 | 1,155,309 | 279,376 | 875,933 | 1.000 | 875,933 | | |
| | 2017 | 10,385 | 2.765 | 1,238,597 | 0 | 1,238,597 | 1.010 | 1,250,983 | | |
| | <u>2018</u> | <u>11,035</u> | <u>2.652</u> | <u>2,143,929</u> | <u>883,282</u> | <u>1,260,647</u> | <u>1.021</u> | <u>1,287,121</u> | | |
| | Total | 48,375 | 2.777 | 6,347,845 | 1,164,184 | 5,183,661 | | 5,197,025 | 38.69 | 44.65 |
| 230 | 2014 | 1,214 | 3.333 | 227,146 | 0 | 227,146 | 0.980 | 222,603 | | |
| | 2015 | 1,295 | 3.328 | 138,675 | 0 | 138,675 | 0.990 | 137,288 | | |
| | 2016 | 1,486 | 3.280 | 343,150 | 131,928 | 211,222 | 1.000 | 211,222 | | |
| | 2017 | 1,734 | 3.129 | 320,290 | 0 | 320,290 | 1.010 | 323,493 | | |
| | <u>2018</u> | <u>1,958</u> | <u>2.896</u> | <u>574,655</u> | <u>217,052</u> | <u>357,603</u> | <u>1.021</u> | <u>365,113</u> | | |
| | Total | 7,687 | 3.165 | 1,603,916 | 348,980 | 1,254,936 | | 1,259,719 | 51.78 | 59.75 |
| 240 | 2014 | 6,744 | 3.379 | 380,692 | 0 | 380,692 | 0.980 | 373,078 | | |
| | 2015 | 7,318 | 3.370 | 366,728 | 0 | 366,728 | 0.990 | 363,061 | | |
| | 2016 | 7,941 | 3.332 | 564,988 | 42,024 | 522,964 | 1.000 | 522,964 | | |
| | 2017 | 8,443 | 3.324 | 878,083 | 0 | 878,083 | 1.010 | 886,864 | | |
| | <u>2018</u> | <u>8,794</u> | <u>3.206</u> | <u>324,190</u> | <u>59,164</u> | <u>265,026</u> | <u>1.021</u> | <u>270,592</u> | | |
| | Total | 39,240 | 3.317 | 2,514,681 | 101,188 | 2,413,493 | | 2,416,559 | 18.57 | 21.43 |
| 250 | 2014 | 2,695 | 3.354 | 191,413 | 7,311 | 184,102 | 0.980 | 180,420 | | |
| | 2015 | 2,938 | 3.322 | 307,864 | 0 | 307,864 | 0.990 | 304,785 | | |
| | 2016 | 3,222 | 3.353 | 280,921 | 94,846 | 186,075 | 1.000 | 186,075 | | |
| | 2017 | 3,566 | 3.281 | 442,078 | 0 | 442,078 | 1.010 | 446,499 | | |
| | <u>2018</u> | <u>3,863</u> | <u>3.108</u> | <u>427,583</u> | <u>172,997</u> | <u>254,586</u> | <u>1.021</u> | <u>259,932</u> | | |
| | Total | 16,284 | 3.274 | 1,649,859 | 275,154 | 1,374,705 | | 1,377,711 | 25.84 | 29.82 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----------|-------------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|-------------------|--|--|---|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Loss Trend Factor | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.154 |
| 260 | 2014 | 2,514 | 3.392 | 275,317 | 0 | 275,317 | 0.980 | 269,811 | | |
| | 2015 | 2,463 | 3.518 | 339,113 | 150 | 338,963 | 0.990 | 335,573 | | |
| | 2016 | 2,699 | 3.442 | 186,678 | 8,520 | 178,158 | 1.000 | 178,158 | | |
| | 2017 | 2,954 | 3.392 | 201,712 | 0 | 201,712 | 1.010 | 203,729 | | |
| | <u>2018</u> | <u>3,135</u> | <u>3.238</u> | <u>277,698</u> | <u>40,337</u> | <u>237,361</u> | <u>1.021</u> | <u>242,346</u> | | |
| | Total | 13,765 | 3.389 | 1,280,518 | 49,007 | 1,231,511 | | 1,229,617 | 26.36 | 30.42 |
| 270 | 2014 | 83,046 | 2.901 | 4,244,126 | 9,564 | 4,234,562 | 0.980 | 4,149,871 | | |
| | 2015 | 92,417 | 2.926 | 5,094,751 | 24,768 | 5,069,983 | 0.990 | 5,019,283 | | |
| | 2016 | 98,400 | 2.936 | 5,345,617 | 180,254 | 5,165,363 | 1.000 | 5,165,363 | | |
| | 2017 | 103,961 | 2.946 | 5,676,901 | 10,995 | 5,665,906 | 1.010 | 5,722,565 | | |
| | <u>2018</u> | <u>104,907</u> | <u>2.941</u> | <u>5,629,479</u> | <u>192,215</u> | <u>5,437,264</u> | <u>1.021</u> | <u>5,551,447</u> | | |
| | Total | 482,731 | 2.931 | 25,990,874 | 417,796 | 25,573,078 | | 25,608,529 | 18.10 | 20.89 |
| 280 | 2014 | 11,409 | 3.148 | 443,842 | 0 | 443,842 | 0.980 | 434,965 | | |
| | 2015 | 11,886 | 3.204 | 447,042 | 0 | 447,042 | 0.990 | 442,572 | | |
| | 2016 | 11,812 | 3.302 | 408,061 | 5,702 | 402,359 | 1.000 | 402,359 | | |
| | 2017 | 12,233 | 3.334 | 1,072,021 | 0 | 1,072,021 | 1.010 | 1,082,741 | | |
| | <u>2018</u> | <u>12,578</u> | <u>3.313</u> | <u>678,846</u> | <u>42,353</u> | <u>636,493</u> | <u>1.021</u> | <u>649,859</u> | | |
| | Total | 59,918 | 3.262 | 3,049,812 | 48,055 | 3,001,757 | | 3,012,496 | 15.41 | 17.78 |
| 290 | 2014 | 3,049 | 3.661 | 132,597 | 16,426 | 116,171 | 0.980 | 113,848 | | |
| | 2015 | 3,290 | 3.629 | 62,810 | 0 | 62,810 | 0.990 | 62,182 | | |
| | 2016 | 3,710 | 3.588 | 284,717 | 44,002 | 240,715 | 1.000 | 240,715 | | |
| | 2017 | 3,934 | 3.586 | 291,930 | 120 | 291,810 | 1.010 | 294,728 | | |
| | <u>2018</u> | <u>4,204</u> | <u>3.493</u> | <u>297,774</u> | <u>60,412</u> | <u>237,362</u> | <u>1.021</u> | <u>242,347</u> | | |
| | Total | 18,187 | 3.585 | 1,069,828 | 120,960 | 948,868 | | 953,820 | 14.63 | 16.88 |
| 300 | 2014 | 886 | 3.639 | 122,514 | 0 | 122,514 | 0.980 | 120,064 | | |
| | 2015 | 933 | 3.699 | 63,276 | 0 | 63,276 | 0.990 | 62,643 | | |
| | 2016 | 1,027 | 3.681 | 56,280 | 4,766 | 51,514 | 1.000 | 51,514 | | |
| | 2017 | 1,090 | 3.738 | 161,077 | 0 | 161,077 | 1.010 | 162,688 | | |
| | <u>2018</u> | <u>1,121</u> | <u>3.554</u> | <u>55,739</u> | <u>13,743</u> | <u>41,996</u> | <u>1.021</u> | <u>42,878</u> | | |
| | Total | 5,057 | 3.661 | 458,886 | 18,509 | 440,377 | | 439,787 | 23.75 | 27.41 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS

| Territory | Year | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----------|-------------|--------------------|-------------------------------|--------------------------------|------------------------------------|--|-------------------|--|--|---|
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Loss Trend Factor | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.154 |
| 310 | 2014 | 50,811 | 3.025 | 3,201,535 | 7,370 | 3,194,165 | 0.980 | 3,130,282 | | |
| | 2015 | 53,843 | 3.039 | 3,521,625 | 38,898 | 3,482,727 | 0.990 | 3,447,900 | | |
| | 2016 | 56,405 | 3.057 | 3,581,698 | 50,619 | 3,531,079 | 1.000 | 3,531,079 | | |
| | 2017 | 58,807 | 3.059 | 3,038,369 | 254 | 3,038,115 | 1.010 | 3,068,496 | | |
| | <u>2018</u> | <u>60,835</u> | <u>2.994</u> | <u>4,539,624</u> | <u>489,458</u> | <u>4,050,166</u> | <u>1.021</u> | <u>4,135,219</u> | | |
| | Total | 280,701 | 3.035 | 17,882,851 | 586,599 | 17,296,252 | | 17,312,976 | 20.32 | 23.45 |
| 320 | 2014 | 15,839 | 3.294 | 1,377,326 | 3,664 | 1,373,662 | 0.980 | 1,346,189 | | |
| | 2015 | 16,543 | 3.306 | 1,369,169 | 1,159 | 1,368,010 | 0.990 | 1,354,330 | | |
| | 2016 | 16,136 | 3.332 | 909,121 | 440 | 908,681 | 1.000 | 908,681 | | |
| | 2017 | 16,666 | 3.337 | 890,284 | 0 | 890,284 | 1.010 | 899,187 | | |
| | <u>2018</u> | <u>17,347</u> | <u>3.272</u> | <u>1,453,874</u> | <u>37,607</u> | <u>1,416,267</u> | <u>1.021</u> | <u>1,446,009</u> | | |
| | Total | 82,531 | 3.308 | 5,999,774 | 42,870 | 5,956,904 | | 5,954,396 | 21.81 | 25.17 |
| 330 | 2014 | 471 | 3.826 | 24,299 | 0 | 24,299 | 0.980 | 23,813 | | |
| | 2015 | 478 | 3.895 | 5,149 | 0 | 5,149 | 0.990 | 5,098 | | |
| | 2016 | 490 | 3.873 | 49,462 | 0 | 49,462 | 1.000 | 49,462 | | |
| | 2017 | 519 | 3.886 | 59,717 | 0 | 59,717 | 1.010 | 60,314 | | |
| | <u>2018</u> | <u>522</u> | <u>3.768</u> | <u>17,628</u> | <u>112</u> | <u>17,516</u> | <u>1.021</u> | <u>17,884</u> | | |
| | Total | 2,480 | 3.849 | 156,255 | 112 | 156,143 | | 156,571 | 16.40 | 18.93 |
| 340 | 2014 | 76,049 | 3.038 | 4,574,133 | 6,680 | 4,567,453 | 0.980 | 4,476,104 | | |
| | 2015 | 84,506 | 3.046 | 5,795,873 | 25,815 | 5,770,058 | 0.990 | 5,712,357 | | |
| | 2016 | 90,177 | 3.016 | 5,458,238 | 91,484 | 5,366,754 | 1.000 | 5,366,754 | | |
| | 2017 | 95,484 | 3.004 | 6,452,905 | 6,903 | 6,446,002 | 1.010 | 6,510,462 | | |
| | <u>2018</u> | <u>96,481</u> | <u>2.975</u> | <u>7,218,575</u> | <u>287,447</u> | <u>6,931,128</u> | <u>1.021</u> | <u>7,076,682</u> | | |
| | Total | 442,697 | 3.014 | 29,499,724 | 418,329 | 29,081,395 | | 29,142,359 | 21.84 | 25.20 |
| 350 | 2014 | 8,870 | 3.428 | 738,401 | 0 | 738,401 | 0.980 | 723,633 | | |
| | 2015 | 9,879 | 3.391 | 634,482 | 521 | 633,961 | 0.990 | 627,621 | | |
| | 2016 | 10,355 | 3.367 | 689,779 | 6,169 | 683,610 | 1.000 | 683,610 | | |
| | 2017 | 10,998 | 3.364 | 628,187 | 0 | 628,187 | 1.010 | 634,469 | | |
| | <u>2018</u> | <u>11,234</u> | <u>3.295</u> | <u>613,479</u> | <u>36,646</u> | <u>576,833</u> | <u>1.021</u> | <u>588,946</u> | | |
| | Total | 51,336 | 3.366 | 3,304,328 | 43,336 | 3,260,992 | | 3,258,279 | 18.86 | 21.76 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS

| | (1) | (2) | (3) | (4) | Non-Hurricane | | (7) | (8) | (9) |
|-----------|-------------|--------------------|-------------------------------|--------------------------------|------------------------------------|------------------------------------|--|--|---|
| | | | | | Adjusted Incurred Losses (3) - (4) | Adjusted Incurred Losses (5) - (6) | | | |
| Territory | Year | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Adjusted Incurred Losses (3) - (4) | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.154 |
| 360 | 2014 | 23,022 | 3.648 | 1,316,244 | 21,570 | 1,294,674 | 0.980 | 1,268,781 | |
| | 2015 | 24,728 | 3.648 | 1,156,044 | 31,780 | 1,124,264 | 0.990 | 1,113,021 | |
| | 2016 | 26,657 | 3.661 | 1,951,738 | 20,516 | 1,931,222 | 1.000 | 1,931,222 | |
| | 2017 | 27,788 | 3.715 | 1,404,055 | 6,152 | 1,397,903 | 1.010 | 1,411,882 | |
| | <u>2018</u> | <u>27,867</u> | <u>3.699</u> | <u>1,603,420</u> | <u>8,105</u> | <u>1,595,315</u> | <u>1.021</u> | <u>1,628,817</u> | |
| | Total | 130,062 | 3.676 | 7,431,501 | 88,123 | 7,343,378 | | 7,353,723 | 15.38 |
| 370 | 2014 | 431 | 3.998 | 10,336 | 0 | 10,336 | 0.980 | 10,129 | |
| | 2015 | 461 | 4.196 | 19,107 | 0 | 19,107 | 0.990 | 18,916 | |
| | 2016 | 494 | 4.415 | 8,026 | 0 | 8,026 | 1.000 | 8,026 | |
| | 2017 | 535 | 4.431 | 22,752 | 0 | 22,752 | 1.010 | 22,980 | |
| | <u>2018</u> | <u>543</u> | <u>4.316</u> | <u>3,205</u> | <u>1,409</u> | <u>1,796</u> | <u>1.021</u> | <u>1,834</u> | |
| | Total | 2,464 | 4.283 | 63,426 | 1,409 | 62,017 | | 61,885 | 5.86 |
| 380 | 2014 | 2,251 | 4.034 | 205,674 | 0 | 205,674 | 0.980 | 201,561 | |
| | 2015 | 2,437 | 4.096 | 242,023 | 0 | 242,023 | 0.990 | 239,603 | |
| | 2016 | 2,588 | 4.120 | 84,704 | 0 | 84,704 | 1.000 | 84,704 | |
| | 2017 | 2,665 | 4.092 | 64,953 | 0 | 64,953 | 1.010 | 65,603 | |
| | <u>2018</u> | <u>2,657</u> | <u>4.077</u> | <u>97,624</u> | <u>0</u> | <u>97,624</u> | <u>1.021</u> | <u>99,674</u> | |
| | Total | 12,598 | 4.085 | 694,978 | 0 | 694,978 | | 691,145 | 13.43 |
| 390 | 2014 | 1,680 | 4.045 | 170,229 | 0 | 170,229 | 0.980 | 166,824 | |
| | 2015 | 1,875 | 4.150 | 148,901 | 0 | 148,901 | 0.990 | 147,412 | |
| | 2016 | 2,188 | 3.983 | 111,052 | 0 | 111,052 | 1.000 | 111,052 | |
| | 2017 | 2,610 | 3.713 | 287,908 | 0 | 287,908 | 1.010 | 290,787 | |
| | <u>2018</u> | <u>2,779</u> | <u>3.553</u> | <u>275,195</u> | <u>0</u> | <u>275,195</u> | <u>1.021</u> | <u>280,974</u> | |
| | Total | 11,132 | 3.850 | 993,285 | 0 | 993,285 | | 997,049 | 23.26 |
| Statewide | 2014 | 330,926 | 3.087 | 20,188,115 | 73,160 | 20,114,955 | 0.980 | 19,712,657 | |
| | 2015 | 361,457 | 3.099 | 22,849,483 | 128,709 | 22,720,774 | 0.990 | 22,493,565 | |
| | 2016 | 384,777 | 3.097 | 24,147,298 | 1,267,489 | 22,879,809 | 1.000 | 22,879,809 | |
| | 2017 | 407,297 | 3.093 | 25,218,856 | 24,800 | 25,194,056 | 1.010 | 25,445,997 | |
| | <u>2018</u> | <u>416,816</u> | <u>3.043</u> | <u>37,096,084</u> | <u>10,623,896</u> | <u>26,472,188</u> | <u>1.021</u> | <u>27,028,107</u> | |
| | Total | 1,901,273 | 3.083 | 129,499,836 | 12,118,054 | 117,381,782 | | 117,560,135 | 20.06 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) |
|------------------|--------------|---------------------------|--------------------------------------|---------------------------------------|---|---|--------------------------|---|---|--|
| | | | | | Non-Hurricane Adjusted Incurred Losses | (3) - (4) | | | | |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Trended Average Rating Factor</u> | <u>Total Adjusted Incurred Losses</u> | <u>Hurricane Adjusted Incurred Losses</u> | <u>Non-Hurricane Adjusted Incurred Losses (3) - (4)</u> | <u>Loss Trend Factor</u> | <u>Trended Non-Hurricane Losses (5) x (6)</u> | <u>Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)]</u> | <u>Trended Non-Hurricane Base Class Loss Cost with LAE (8) x 1.121</u> |
| 110 | 2014 | 256 | 5.648 | 47,340 | 0 | 47,340 | 1.483 | 70,205 | | |
| | 2015 | 241 | 5.494 | 46,543 | 0 | 46,543 | 1.413 | 65,765 | | |
| | 2016 | 252 | 5.664 | 52,921 | 5,379 | 47,542 | 1.346 | 63,992 | | |
| | 2017 | 268 | 6.036 | 52,410 | 0 | 52,410 | 1.281 | 67,137 | | |
| | <u>2018</u> | <u>279</u> | <u>6.452</u> | <u>113,573</u> | <u>4,946</u> | <u>108,627</u> | <u>1.220</u> | <u>132,525</u> | | |
| | <u>Total</u> | <u>1,296</u> | <u>5.876</u> | <u>312,787</u> | <u>10,325</u> | <u>302,462</u> | | <u>399,624</u> | <u>52.48</u> | <u>58.83</u> |
| 120 | 2014 | 1,759 | 5.642 | 325,080 | 0 | 325,080 | 1.483 | 482,094 | | |
| | 2015 | 1,752 | 5.600 | 93,841 | 3,618 | 90,223 | 1.413 | 127,485 | | |
| | 2016 | 1,831 | 5.805 | 165,441 | 35,911 | 129,530 | 1.346 | 174,347 | | |
| | 2017 | 1,964 | 6.002 | 294,174 | 0 | 294,174 | 1.281 | 376,837 | | |
| | <u>2018</u> | <u>1,997</u> | <u>6.286</u> | <u>5,356,954</u> | <u>4,934,408</u> | <u>422,546</u> | <u>1.220</u> | <u>515,506</u> | | |
| | <u>Total</u> | <u>9,303</u> | <u>5.880</u> | <u>6,235,490</u> | <u>4,973,937</u> | <u>1,261,553</u> | | <u>1,676,269</u> | <u>30.64</u> | <u>34.35</u> |
| 130 | 2014 | 178 | 6.571 | 2,015 | 0 | 2,015 | 1.483 | 2,988 | | |
| | 2015 | 190 | 6.628 | 67,699 | 0 | 67,699 | 1.413 | 95,659 | | |
| | 2016 | 203 | 7.037 | 1,465 | 479 | 986 | 1.346 | 1,327 | | |
| | 2017 | 208 | 7.507 | 26,915 | 0 | 26,915 | 1.281 | 34,478 | | |
| | <u>2018</u> | <u>215</u> | <u>7.595</u> | <u>147,873</u> | <u>119,358</u> | <u>28,515</u> | <u>1.220</u> | <u>34,788</u> | | |
| | <u>Total</u> | <u>994</u> | <u>7.094</u> | <u>245,967</u> | <u>119,837</u> | <u>126,130</u> | | <u>169,240</u> | <u>24.00</u> | <u>26.90</u> |
| 140 | 2014 | 5,553 | 5.588 | 891,996 | 21,054 | 870,942 | 1.483 | 1,291,607 | | |
| | 2015 | 5,708 | 5.683 | 998,030 | 11,964 | 986,066 | 1.413 | 1,393,311 | | |
| | 2016 | 5,991 | 5.883 | 831,688 | 92,130 | 739,558 | 1.346 | 995,445 | | |
| | 2017 | 6,462 | 6.224 | 1,039,721 | 0 | 1,039,721 | 1.281 | 1,331,883 | | |
| | <u>2018</u> | <u>6,664</u> | <u>6.365</u> | <u>6,143,029</u> | <u>4,321,372</u> | <u>1,821,657</u> | <u>1.220</u> | <u>2,222,422</u> | | |
| | <u>Total</u> | <u>30,378</u> | <u>5.970</u> | <u>9,904,464</u> | <u>4,446,520</u> | <u>5,457,944</u> | | <u>7,234,668</u> | <u>39.89</u> | <u>44.72</u> |
| 150 | 2014 | 563 | 7.082 | 41,576 | 3,146 | 38,430 | 1.483 | 56,992 | | |
| | 2015 | 570 | 7.278 | 32,902 | 0 | 32,902 | 1.413 | 46,491 | | |
| | 2016 | 578 | 7.617 | 142,939 | 8,487 | 134,452 | 1.346 | 180,972 | | |
| | 2017 | 599 | 8.066 | 93,047 | 0 | 93,047 | 1.281 | 119,193 | | |
| | <u>2018</u> | <u>607</u> | <u>8.369</u> | <u>292,622</u> | <u>236,636</u> | <u>55,986</u> | <u>1.220</u> | <u>68,303</u> | | |
| | <u>Total</u> | <u>2,917</u> | <u>7.696</u> | <u>603,086</u> | <u>248,269</u> | <u>354,817</u> | | <u>471,951</u> | <u>21.02</u> | <u>23.56</u> |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | |
|------------------|-------------|-----------------------------------|--|---|---|---|----------------------------------|---|---|---|
| | | | | | | | | | | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] |
| <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Trended Average Rating Factor</u> | <u>Total Adjusted Incurred Losses</u> | <u>Hurricane Adjusted Incurred Losses</u> | <u>Non-Hurricane Adjusted Incurred Losses (3) - (4)</u> | <u>Loss Trend Factor</u> | <u>Trended Non-Hurricane Losses (5) x (6)</u> | <u>Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)]</u> | <u>Trended Non-Hurricane Base Class Loss Cost (8) x 1.121</u> |
| 160 | 2014 | 1,162 | 5.935 | 155,344 | 0 | 155,344 | 1.483 | 230,375 | | |
| | 2015 | 1,339 | 6.331 | 295,260 | 1,257 | 294,003 | 1.413 | 415,426 | | |
| | 2016 | 1,515 | 6.793 | 97,879 | 0 | 97,879 | 1.346 | 131,745 | | |
| | 2017 | 1,378 | 6.661 | 92,148 | 0 | 92,148 | 1.281 | 118,042 | | |
| | <u>2018</u> | <u>1,471</u> | <u>6.835</u> | <u>1,263,745</u> | <u>996,461</u> | <u>267,284</u> | <u>1.220</u> | <u>326,086</u> | | |
| | Total | 6,865 | 6.540 | 1,904,376 | 997,718 | 906,658 | | 1,221,674 | 27.21 | 30.50 |
| 170 | 2014 | 3 | 4.603 | 0 | 0 | 0 | 1.483 | 0 | | |
| | 2015 | 1 | 7.481 | 0 | 0 | 0 | 1.413 | 0 | | |
| | 2016 | 0 | 0.000 | 0 | 0 | 0 | 1.346 | 0 | | |
| | 2017 | 0 | 0.000 | 0 | 0 | 0 | 1.281 | 0 | | |
| | <u>2018</u> | <u>0</u> | <u>0.000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1.220</u> | <u>0</u> | | |
| | Total | 4 | 5.764 | 0 | 0 | 0 | | 0 | 0.00 | 0.00 |
| 180 | 2014 | 893 | 5.877 | 59,634 | 0 | 59,634 | 1.483 | 88,437 | | |
| | 2015 | 870 | 5.966 | 134,409 | 0 | 134,409 | 1.413 | 189,920 | | |
| | 2016 | 884 | 6.117 | 133,664 | 23,849 | 109,815 | 1.346 | 147,811 | | |
| | 2017 | 863 | 6.312 | 153,183 | 0 | 153,183 | 1.281 | 196,227 | | |
| | <u>2018</u> | <u>840</u> | <u>6.469</u> | <u>145,961</u> | <u>9,839</u> | <u>136,122</u> | <u>1.220</u> | <u>166,069</u> | | |
| | Total | 4,350 | 6.144 | 626,851 | 33,688 | 593,163 | | 788,464 | 29.50 | 33.07 |
| 190 | 2014 | 19 | 7.554 | 6,159 | 0 | 6,159 | 1.483 | 9,134 | | |
| | 2015 | 16 | 9.010 | 469 | 0 | 469 | 1.413 | 663 | | |
| | 2016 | 15 | 9.471 | 17,418 | 2,331 | 15,087 | 1.346 | 20,307 | | |
| | 2017 | 15 | 10.347 | 1,652 | 0 | 1,652 | 1.281 | 2,116 | | |
| | <u>2018</u> | <u>16</u> | <u>9.533</u> | <u>20,607</u> | <u>20,607</u> | <u>0</u> | <u>1.220</u> | <u>0</u> | | |
| | Total | 81 | 9.105 | 46,305 | 22,938 | 23,367 | | 32,220 | 43.69 | 48.98 |
| 200 | 2014 | 1 | 8.172 | 6,014 | 0 | 6,014 | 1.483 | 8,919 | | |
| | 2015 | 1 | 3.969 | 0 | 0 | 0 | 1.413 | 0 | | |
| | 2016 | 1 | 3.703 | 0 | 0 | 0 | 1.346 | 0 | | |
| | 2017 | 2 | 2.898 | 0 | 0 | 0 | 1.281 | 0 | | |
| | <u>2018</u> | <u>3</u> | <u>2.469</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1.220</u> | <u>0</u> | | |
| | Total | 8 | 3.631 | 6,014 | 0 | 6,014 | | 8,919 | 307.04 | 344.19 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | |
|------------------|-------------|--------------------------|--|---|---|--|-------------------------|---|--|--|
| | | | | | | | | | | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] |
| | | Earned House Years | Trended Average Rating Factor | Total Adjusted Incurred Losses | Hurricane Adjusted Incurred Losses | Non-Hurricane Adjusted Incurred Losses (3) - (4) | Loss Trend Factor | Trended Non-Hurricane Losses (5) x (6) | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost (8) x 1.121 |
| Territory | Year | | | | | | | | | |
| 210 | 2014 | 70 | 8.563 | 3,789 | 0 | 3,789 | 1.483 | 5,619 | | |
| | 2015 | 64 | 8.571 | 16,388 | 0 | 16,388 | 1.413 | 23,156 | | |
| | 2016 | 59 | 7.958 | 52,896 | 0 | 52,896 | 1.346 | 71,198 | | |
| | 2017 | 61 | 8.003 | 2,024 | 0 | 2,024 | 1.281 | 2,593 | | |
| | <u>2018</u> | <u>57</u> | <u>8.247</u> | <u>1,255</u> | <u>0</u> | <u>1,255</u> | <u>1.220</u> | <u>1,531</u> | | |
| | Total | 311 | 8.282 | 76,352 | 0 | 76,352 | | 104,097 | 40.42 | 45.31 |
| 220 | 2014 | 1,223 | 7.015 | 595,463 | 0 | 595,463 | 1.483 | 883,072 | | |
| | 2015 | 1,205 | 7.111 | 524,432 | 3,072 | 521,360 | 1.413 | 736,682 | | |
| | 2016 | 1,215 | 7.096 | 252,301 | 47,067 | 205,234 | 1.346 | 276,245 | | |
| | 2017 | 1,194 | 7.376 | 495,835 | 0 | 495,835 | 1.281 | 635,165 | | |
| | <u>2018</u> | <u>1,164</u> | <u>7.393</u> | <u>798,030</u> | <u>156,042</u> | <u>641,988</u> | <u>1.220</u> | <u>783,225</u> | | |
| | Total | 6,001 | 7.196 | 2,666,061 | 206,181 | 2,459,880 | | 3,314,389 | 76.75 | 86.04 |
| 230 | 2014 | 66 | 5.080 | 20,356 | 0 | 20,356 | 1.483 | 30,188 | | |
| | 2015 | 65 | 5.039 | 9,334 | 0 | 9,334 | 1.413 | 13,189 | | |
| | 2016 | 69 | 5.234 | 399 | 399 | 0 | 1.346 | 0 | | |
| | 2017 | 70 | 5.167 | 807 | 0 | 807 | 1.281 | 1,034 | | |
| | <u>2018</u> | <u>67</u> | <u>5.362</u> | <u>113,343</u> | <u>113,343</u> | <u>0</u> | <u>1.220</u> | <u>0</u> | | |
| | Total | 337 | 5.178 | 144,239 | 113,742 | 30,497 | | 44,411 | 25.45 | 28.53 |
| 240 | 2014 | 282 | 8.158 | 27,699 | 0 | 27,699 | 1.483 | 41,078 | | |
| | 2015 | 270 | 8.126 | 8,497 | 0 | 8,497 | 1.413 | 12,006 | | |
| | 2016 | 260 | 8.339 | 25,141 | 0 | 25,141 | 1.346 | 33,840 | | |
| | 2017 | 261 | 8.770 | 59,108 | 0 | 59,108 | 1.281 | 75,717 | | |
| | <u>2018</u> | <u>263</u> | <u>8.801</u> | <u>14,376</u> | <u>0</u> | <u>14,376</u> | <u>1.220</u> | <u>17,539</u> | | |
| | Total | 1,336 | 8.433 | 134,821 | 0 | 134,821 | | 180,180 | 15.99 | 17.92 |
| 250 | 2014 | 109 | 8.287 | 63,664 | 0 | 63,664 | 1.483 | 94,414 | | |
| | 2015 | 97 | 8.147 | 7,311 | 0 | 7,311 | 1.413 | 10,330 | | |
| | 2016 | 79 | 8.076 | 0 | 0 | 0 | 1.346 | 0 | | |
| | 2017 | 77 | 8.616 | 18,350 | 0 | 18,350 | 1.281 | 23,506 | | |
| | <u>2018</u> | <u>78</u> | <u>8.609</u> | <u>47,236</u> | <u>0</u> | <u>47,236</u> | <u>1.220</u> | <u>57,628</u> | | |
| | Total | 440 | 8.333 | 136,561 | 0 | 136,561 | | 185,878 | 50.70 | 56.83 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) |
|------------------|-------------|---------------|---------------|------------------|------------------|------------------|------------------|--------------------------|--------------------|---------------|
| | | | | | | | | | | |
| | Earned | Trended | Total | Hurricane | Adjusted | Loss | Trended | Trended | Trended | Non-Hurricane |
| | House | Average | Adjusted | Adjusted | Incurred | Trend | Non-Hurricane | Non-Hurricane | Non-Hurricane | Base Class |
| | Years | Rating | Incurred | Incurred | Losses | Factor | Losses | Loss Cost | Loss Cost | Loss Cost |
| <u>Territory</u> | <u>Year</u> | <u>Factor</u> | <u>Losses</u> | <u>Losses</u> | <u>(3) - (4)</u> | <u>(5) x (6)</u> | <u>(7) x (8)</u> | <u>(7) / [(1) x (2)]</u> | <u>(8) x 1.121</u> | |
| 260 | 2014 | 22 | 6.402 | 0 | 0 | 1.483 | 0 | | | |
| | 2015 | 21 | 7.602 | 0 | 0 | 1.413 | 0 | | | |
| | 2016 | 25 | 8.913 | 0 | 0 | 1.346 | 0 | | | |
| | 2017 | 17 | 7.661 | 2,531 | 0 | 1.281 | 3,242 | | | |
| | <u>2018</u> | <u>16</u> | <u>7.421</u> | <u>3,859</u> | <u>0</u> | <u>1.220</u> | <u>4,708</u> | | | |
| | Total | 101 | 7.646 | 6,390 | 0 | 6,390 | 7,950 | 10.29 | 11.54 | |
| 270 | 2014 | 10,696 | 7.494 | 1,904,638 | 39,210 | 1.483 | 2,766,430 | | | |
| | 2015 | 10,778 | 7.534 | 2,648,358 | 12,500 | 1.413 | 3,724,467 | | | |
| | 2016 | 11,387 | 7.515 | 2,710,621 | 241,505 | 1.346 | 3,323,430 | | | |
| | 2017 | 11,661 | 7.691 | 6,185,251 | 105,489 | 1.281 | 7,788,175 | | | |
| | <u>2018</u> | <u>11,523</u> | <u>7.853</u> | <u>2,831,906</u> | <u>168,841</u> | <u>1.220</u> | <u>3,248,939</u> | | | |
| | Total | 56,045 | 7.621 | 16,280,774 | 567,545 | 15,713,229 | 20,851,441 | 48.82 | 54.73 | |
| 280 | 2014 | 2,709 | 7.622 | 424,530 | 11,303 | 1.483 | 612,816 | | | |
| | 2015 | 2,656 | 7.822 | 515,189 | 0 | 1.413 | 727,962 | | | |
| | 2016 | 2,546 | 7.892 | 266,061 | 3,166 | 1.346 | 353,857 | | | |
| | 2017 | 2,539 | 8.085 | 453,567 | 0 | 1.281 | 581,019 | | | |
| | <u>2018</u> | <u>2,546</u> | <u>8.300</u> | <u>557,418</u> | <u>17,705</u> | <u>1.220</u> | <u>658,450</u> | | | |
| | Total | 12,996 | 7.939 | 2,216,765 | 32,174 | 2,184,591 | 2,934,104 | 28.44 | 31.88 | |
| 290 | 2014 | 963 | 6.638 | 117,237 | 0 | 1.483 | 173,862 | | | |
| | 2015 | 996 | 6.909 | 140,419 | 11,531 | 1.413 | 182,119 | | | |
| | 2016 | 1,048 | 7.211 | 216,222 | 23,772 | 1.346 | 259,038 | | | |
| | 2017 | 1,050 | 7.442 | 55,614 | 0 | 1.281 | 71,242 | | | |
| | <u>2018</u> | <u>1,024</u> | <u>7.542</u> | <u>420,784</u> | <u>15,917</u> | <u>1.220</u> | <u>493,938</u> | | | |
| | Total | 5,081 | 7.158 | 950,276 | 51,220 | 899,056 | 1,180,199 | 32.45 | 36.38 | |
| 300 | 2014 | 20 | 6.923 | 5,194 | 0 | 1.483 | 7,703 | | | |
| | 2015 | 20 | 6.989 | 0 | 0 | 1.413 | 0 | | | |
| | 2016 | 21 | 6.722 | 584 | 0 | 1.346 | 786 | | | |
| | 2017 | 23 | 6.935 | 0 | 0 | 1.281 | 0 | | | |
| | <u>2018</u> | <u>23</u> | <u>7.469</u> | <u>650</u> | <u>0</u> | <u>1.220</u> | <u>793</u> | | | |
| | Total | 107 | 7.016 | 6,428 | 0 | 6,428 | 9,282 | 12.36 | 13.86 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | | |
|-----|------------------|---------------|-----------------------------------|--|---|---|---|----------------------------------|---|---|---|
| | | | | | | | | | | Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)] | Trended Non-Hurricane Base Class Loss Cost (8) x 1.121 |
| | <u>Territory</u> | <u>Year</u> | <u>Earned House Years</u> | <u>Trended Average Rating Factor</u> | <u>Total Adjusted Incurred Losses</u> | <u>Hurricane Adjusted Incurred Losses</u> | <u>Non-Hurricane Adjusted Incurred Losses (3) - (4)</u> | <u>Loss Trend Factor</u> | <u>Trended Non-Hurricane Losses (5) x (6)</u> | <u>Trended Non-Hurricane Base Class Loss Cost (7)/[(1)x(2)]</u> | <u>Trended Non-Hurricane Base Class Loss Cost (8) x 1.121</u> |
| 310 | 2014 | 9,096 | 6.973 | 1,782,424 | 0 | 1,782,424 | 1.483 | 2,643,335 | | | |
| | 2015 | 9,083 | 7.075 | 1,952,873 | 40,457 | 1,912,416 | 1.413 | 2,702,244 | | | |
| | 2016 | 9,309 | 7.206 | 1,593,206 | 50,035 | 1,543,171 | 1.346 | 2,077,108 | | | |
| | 2017 | 9,318 | 7.396 | 1,585,452 | 8,947 | 1,576,505 | 1.281 | 2,019,503 | | | |
| | <u>2018</u> | <u>9,163</u> | <u>7.592</u> | <u>2,337,559</u> | <u>191,715</u> | <u>2,145,844</u> | <u>1.220</u> | <u>2,617,930</u> | | | |
| | Total | 45,969 | 7.249 | 9,251,514 | 291,154 | 8,960,360 | | 12,060,120 | 36.19 | 40.57 | |
| 320 | 2014 | 2,545 | 6.993 | 732,353 | 0 | 732,353 | 1.483 | 1,086,079 | | | |
| | 2015 | 2,393 | 7.083 | 518,318 | 0 | 518,318 | 1.413 | 732,383 | | | |
| | 2016 | 1,983 | 7.069 | 335,419 | 13,042 | 322,377 | 1.346 | 433,919 | | | |
| | 2017 | 1,988 | 7.152 | 325,824 | 0 | 325,824 | 1.281 | 417,381 | | | |
| | <u>2018</u> | <u>2,005</u> | <u>7.221</u> | <u>493,703</u> | <u>13,040</u> | <u>480,663</u> | <u>1.220</u> | <u>586,409</u> | | | |
| | Total | 10,914 | 7.097 | 2,405,617 | 26,082 | 2,379,535 | | 3,256,171 | 42.04 | 47.13 | |
| 330 | 2014 | 29 | 6.921 | 2,444 | 0 | 2,444 | 1.483 | 3,624 | | | |
| | 2015 | 27 | 7.618 | 1,567 | 0 | 1,567 | 1.413 | 2,214 | | | |
| | 2016 | 26 | 8.704 | 0 | 0 | 0 | 1.346 | 0 | | | |
| | 2017 | 27 | 8.612 | 0 | 0 | 0 | 1.281 | 0 | | | |
| | <u>2018</u> | <u>24</u> | <u>8.887</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1.220</u> | <u>0</u> | | | |
| | Total | 133 | 8.109 | 4,011 | 0 | 4,011 | | 5,838 | 5.41 | 6.06 | |
| 340 | 2014 | 25,753 | 7.192 | 3,989,294 | 24,783 | 3,964,511 | 1.483 | 5,879,370 | | | |
| | 2015 | 25,588 | 7.258 | 5,398,362 | 27,570 | 5,370,792 | 1.413 | 7,588,929 | | | |
| | 2016 | 26,699 | 7.304 | 5,655,749 | 257,362 | 5,398,387 | 1.346 | 7,266,229 | | | |
| | 2017 | 28,158 | 7.493 | 6,113,148 | 43,605 | 6,069,543 | 1.281 | 7,775,085 | | | |
| | <u>2018</u> | <u>27,449</u> | <u>7.698</u> | <u>7,682,786</u> | <u>476,128</u> | <u>7,206,658</u> | <u>1.220</u> | <u>8,792,123</u> | | | |
| | Total | 133,647 | 7.395 | 28,839,339 | 829,448 | 28,009,891 | | 37,301,736 | 37.74 | 42.31 | |
| 350 | 2014 | 1,533 | 6.950 | 202,664 | 0 | 202,664 | 1.483 | 300,551 | | | |
| | 2015 | 1,521 | 6.968 | 252,541 | 0 | 252,541 | 1.413 | 356,840 | | | |
| | 2016 | 1,517 | 7.086 | 121,841 | 7,241 | 114,600 | 1.346 | 154,252 | | | |
| | 2017 | 1,587 | 7.307 | 97,932 | 0 | 97,932 | 1.281 | 125,451 | | | |
| | <u>2018</u> | <u>1,618</u> | <u>7.515</u> | <u>231,866</u> | <u>10,652</u> | <u>221,214</u> | <u>1.220</u> | <u>269,881</u> | | | |
| | Total | 7,776 | 7.170 | 906,844 | 17,893 | 888,951 | | 1,206,975 | 21.65 | 24.27 | |

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS

| | (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) |
|------------------|-------------|---------------|---------------|-------------------|-------------------|-------------------|------------------|----------------------|--------------------|--------------------|
| | | | | | | | | | | |
| | Earned | Trended | Total | Hurricane | Adjusted | Loss | Trended | Trended | Trended | Trended |
| | House | Average | Adjusted | Adjusted | Incurred | Trend | Non-Hurricane | Non-Hurricane | Non-Hurricane | Non-Hurricane |
| | Years | Rating | Incurred | Incurred | Losses | Factor | Losses | Loss Cost | Loss Cost | Loss Cost |
| <u>Territory</u> | <u>Year</u> | <u>Factor</u> | <u>Losses</u> | <u>Losses</u> | <u>(3) - (4)</u> | <u>Factor</u> | <u>(5) x (6)</u> | <u>(7)/[(1)x(2)]</u> | <u>(8) x 1.121</u> | <u>(8) x 1.121</u> |
| 360 | 2014 | 7,816 | 7.659 | 1,409,278 | 0 | 1,409,278 | 1.483 | 2,089,959 | | |
| | 2015 | 8,023 | 7.999 | 828,885 | 8,542 | 820,343 | 1.413 | 1,159,145 | | |
| | 2016 | 8,484 | 8.362 | 828,279 | 26,170 | 802,109 | 1.346 | 1,079,639 | | |
| | 2017 | 7,982 | 8.247 | 1,189,152 | 0 | 1,189,152 | 1.281 | 1,523,304 | | |
| | <u>2018</u> | <u>7,771</u> | <u>8.435</u> | <u>990,154</u> | <u>20,300</u> | <u>969,854</u> | <u>1.220</u> | <u>1,183,222</u> | | |
| | Total | 40,076 | 8.144 | 5,245,748 | 55,012 | 5,190,736 | | 7,035,269 | 21.56 | 24.17 |
| 370 | 2014 | 630 | 6.740 | 112,053 | 0 | 112,053 | 1.483 | 166,175 | | |
| | 2015 | 940 | 6.224 | 199,953 | 1,954 | 197,999 | 1.413 | 279,773 | | |
| | 2016 | 1,413 | 6.178 | 176,271 | 0 | 176,271 | 1.346 | 237,261 | | |
| | 2017 | 1,468 | 6.246 | 226,233 | 0 | 226,233 | 1.281 | 289,804 | | |
| | <u>2018</u> | <u>1,477</u> | <u>6.439</u> | <u>198,165</u> | <u>0</u> | <u>198,165</u> | <u>1.220</u> | <u>241,761</u> | | |
| | Total | 5,928 | 6.327 | 912,675 | 1,954 | 910,721 | | 1,214,774 | 32.39 | 36.31 |
| 380 | 2014 | 742 | 7.068 | 147,866 | 0 | 147,866 | 1.483 | 219,285 | | |
| | 2015 | 777 | 7.090 | 81,981 | 0 | 81,981 | 1.413 | 115,839 | | |
| | 2016 | 835 | 7.297 | 50,217 | 0 | 50,217 | 1.346 | 67,592 | | |
| | 2017 | 820 | 7.538 | 21,826 | 0 | 21,826 | 1.281 | 27,959 | | |
| | <u>2018</u> | <u>797</u> | <u>7.679</u> | <u>82,060</u> | <u>3,654</u> | <u>78,406</u> | <u>1.220</u> | <u>95,655</u> | | |
| | Total | 3,971 | 7.340 | 383,950 | 3,654 | 380,296 | | 526,330 | 18.06 | 20.25 |
| 390 | 2014 | 585 | 8.469 | 164,362 | 0 | 164,362 | 1.483 | 243,749 | | |
| | 2015 | 586 | 8.895 | 328,549 | 0 | 328,549 | 1.413 | 464,240 | | |
| | 2016 | 617 | 9.093 | 118,430 | 0 | 118,430 | 1.346 | 159,407 | | |
| | 2017 | 624 | 9.261 | 202,892 | 0 | 202,892 | 1.281 | 259,905 | | |
| | <u>2018</u> | <u>597</u> | <u>9.801</u> | <u>95,298</u> | <u>0</u> | <u>95,298</u> | <u>1.220</u> | <u>116,264</u> | | |
| | Total | 3,009 | 9.108 | 909,531 | 0 | 909,531 | | 1,243,565 | 45.38 | 50.87 |
| Statewide | 2014 | 75,276 | 6.913 | 13,240,466 | 99,496 | 13,140,970 | 1.483 | 19,488,060 | | |
| | 2015 | 75,798 | 7.000 | 15,102,110 | 122,465 | 14,979,645 | 1.413 | 21,166,238 | | |
| | 2016 | 78,862 | 7.110 | 13,847,052 | 838,325 | 13,008,727 | 1.346 | 17,509,747 | | |
| | 2017 | 80,684 | 7.276 | 18,788,796 | 158,041 | 18,630,755 | 1.281 | 23,865,998 | | |
| | <u>2018</u> | <u>79,754</u> | <u>7.451</u> | <u>30,384,812</u> | <u>11,830,964</u> | <u>18,553,848</u> | <u>1.220</u> | <u>22,635,695</u> | | |
| | Total | 390,374 | 7.156 | 91,363,236 | 13,049,291 | 78,313,945 | | 104,665,738 | 37.47 | 42.00 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

**DERIVATION OF MODELED HURRICANE BASE-CLASS LOSS COST
OWNERS FORMS**

| <u>Territory</u> | (1) Modeled Hurricane Losses | (2) Latest-Year House Years | (3) Latest-Year Trended Average Rating Factor | (4) Modeled Hurricane Base Class Loss Cost |
|------------------|---------------------------------------|-----------------------------------|--|--|
| 110 | 27,196,079 | 13,913 | 1.537 | 1,271.78 |
| 120 | 32,188,382 | 16,246 | 1.377 | 1,438.86 |
| 130 | 8,960,671 | 11,264 | 1.549 | 513.57 |
| 140 | 81,161,415 | 76,114 | 1.340 | 795.76 |
| 150 | 16,852,593 | 45,198 | 1.284 | 290.39 |
| 160 | 14,434,687 | 36,252 | 1.164 | 342.08 |
| 170 | 542,991 | 4,029 | 1.302 | 103.51 |
| 180 | 12,387,511 | 50,152 | 1.236 | 199.84 |
| 190 | 4,095,261 | 12,481 | 1.168 | 280.92 |
| 200 | 2,215,507 | 5,619 | 1.329 | 296.68 |
| 210 | 3,347,839 | 20,058 | 1.181 | 141.33 |
| 220 | 9,127,570 | 53,645 | 1.221 | 139.35 |
| 230 | 3,140,233 | 13,362 | 1.159 | 202.77 |
| 240 | 9,729,584 | 78,520 | 1.287 | 96.28 |
| 250 | 4,196,687 | 32,130 | 1.279 | 102.12 |
| 260 | 1,877,910 | 26,874 | 1.590 | 43.95 |
| 270 | 31,553,620 | 282,014 | 1.571 | 71.22 |
| 280 | 4,146,065 | 42,984 | 1.821 | 52.97 |
| 290 | 3,934,743 | 33,845 | 1.518 | 76.59 |
| 300 | 1,009,642 | 13,391 | 1.247 | 60.46 |
| 310 | 11,986,283 | 262,168 | 1.344 | 34.02 |
| 320 | 6,217,179 | 130,444 | 1.303 | 36.58 |
| 330 | 215,847 | 6,968 | 1.481 | 20.92 |
| 340 | 18,103,174 | 309,142 | 1.556 | 37.63 |
| 350 | 3,246,398 | 96,268 | 1.345 | 25.07 |
| 360 | 4,170,387 | 195,832 | 1.523 | 13.98 |
| 370 | 186,708 | 10,987 | 1.705 | 9.97 |
| 380 | 515,720 | 35,754 | 1.660 | 8.69 |
| 390 | 548,861 | 39,949 | 1.830 | 7.51 |
| Statewide | 317,289,546 | 1,955,603 | 1.417 | 114.47 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF MODELED HURRICANE BASE-CLASS LOSS COST
TENANTS

| <u>Territory</u> | (1) <u>Modeled Hurricane Losses</u> | (2) <u>Latest-Year House Years</u> | (3) <u>Latest-Year Trended Average Rating Factor</u> | (4) <u>Modeled Hurricane Base Class Loss Cost</u> |
|------------------|--|---|---|--|
| 110 | 36,960 | 354 | 3.156 | 33.08 |
| 120 | 220,334 | 1,712 | 2.981 | 43.17 |
| 130 | 27,385 | 475 | 3.785 | 15.23 |
| 140 | 868,111 | 13,908 | 2.853 | 21.88 |
| 150 | 127,829 | 4,743 | 3.385 | 7.96 |
| 160 | 191,311 | 6,198 | 2.864 | 10.78 |
| 170 | 3,477 | 428 | 3.527 | 2.30 |
| 180 | 162,664 | 11,847 | 2.869 | 4.79 |
| 190 | 30,067 | 1,483 | 3.362 | 6.03 |
| 200 | 11,464 | 452 | 3.670 | 6.91 |
| 210 | 33,018 | 3,356 | 2.994 | 3.29 |
| 220 | 87,420 | 11,035 | 2.652 | 2.99 |
| 230 | 24,999 | 1,958 | 2.896 | 4.41 |
| 240 | 66,345 | 8,794 | 3.206 | 2.35 |
| 250 | 30,917 | 3,863 | 3.108 | 2.58 |
| 260 | 11,222 | 3,135 | 3.238 | 1.11 |
| 270 | 482,567 | 104,907 | 2.941 | 1.56 |
| 280 | 49,447 | 12,578 | 3.313 | 1.19 |
| 290 | 24,613 | 4,204 | 3.493 | 1.68 |
| 300 | 5,313 | 1,121 | 3.554 | 1.33 |
| 310 | 144,734 | 60,835 | 2.994 | 0.79 |
| 320 | 47,746 | 17,347 | 3.272 | 0.84 |
| 330 | 996 | 522 | 3.768 | 0.51 |
| 340 | 230,930 | 96,481 | 2.975 | 0.80 |
| 350 | 22,014 | 11,234 | 3.295 | 0.59 |
| 360 | 33,017 | 27,867 | 3.699 | 0.32 |
| 370 | 552 | 543 | 4.316 | 0.24 |
| 380 | 2,337 | 2,657 | 4.077 | 0.22 |
| 390 | 1,822 | 2,779 | 3.553 | 0.18 |
| Statewide | 2,979,615 | 416,816 | 3.043 | 2.35 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF MODELED HURRICANE BASE-CLASS LOSS COST
CONDOMINIUM UNIT OWNERS

| <u>Territory</u> | (1) Modeled Hurricane Losses | (2) Latest-Year House Years | (3) Latest-Year Trended Average Rating Factor | (4) Modeled Hurricane Base Class Loss Cost |
|------------------|---------------------------------------|-----------------------------------|--|--|
| 110 | 37,485 | 279 | 6.452 | 20.82 |
| 120 | 413,843 | 1,997 | 6.286 | 32.97 |
| 130 | 24,678 | 215 | 7.595 | 15.11 |
| 140 | 782,841 | 6,664 | 6.365 | 18.46 |
| 150 | 32,264 | 607 | 8.369 | 6.35 |
| 160 | 94,670 | 1,471 | 6.835 | 9.42 |
| 170 | 0 | 0 | 0.000 | 0.00 |
| 180 | 20,126 | 840 | 6.469 | 3.70 |
| 190 | 809 | 16 | 9.533 | 5.30 |
| 200 | 41 | 3 | 2.469 | 5.56 |
| 210 | 1,125 | 57 | 8.247 | 2.39 |
| 220 | 16,042 | 1,164 | 7.393 | 1.86 |
| 230 | 1,359 | 67 | 5.362 | 3.78 |
| 240 | 4,525 | 263 | 8.801 | 1.96 |
| 250 | 1,063 | 78 | 8.609 | 1.58 |
| 260 | 110 | 16 | 7.421 | 0.92 |
| 270 | 110,428 | 11,523 | 7.853 | 1.22 |
| 280 | 21,426 | 2,546 | 8.300 | 1.01 |
| 290 | 11,236 | 1,024 | 7.542 | 1.45 |
| 300 | 193 | 23 | 7.469 | 1.12 |
| 310 | 46,220 | 9,163 | 7.592 | 0.66 |
| 320 | 10,022 | 2,005 | 7.221 | 0.69 |
| 330 | 119 | 24 | 8.887 | 0.56 |
| 340 | 136,812 | 27,449 | 7.698 | 0.65 |
| 350 | 6,105 | 1,618 | 7.515 | 0.50 |
| 360 | 16,253 | 7,771 | 8.435 | 0.25 |
| 370 | 2,058 | 1,477 | 6.439 | 0.22 |
| 380 | 1,180 | 797 | 7.679 | 0.19 |
| 390 | 1,090 | 597 | 9.801 | 0.19 |
| Statewide | 1,794,123 | 79,754 | 7.451 | 3.02 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF NET COST OF REINSURANCE AT BASE-CLASS LEVEL
OWNERS FORMS

| | (1) | (2) | (3) | (4) | (5) | (6) |
|------------------|--------------------|--------------------|----------------------|----------------------|-------------------------------|---|
| | Net Cost of | Latest-Year | Latest-Year | Latest-Year | Variable | Net Cost of |
| <u>Territory</u> | <u>Reinsurance</u> | <u>House Years</u> | <u>Rating Factor</u> | <u>Premium Trend</u> | <u>Expense</u> ^(a) | <u>Reinsurance</u> <u>at Base</u> <u>Class Level</u> ^(b) |
| 110 | 18,748,598 | 13,913 | 1.470 | 1.046 | 0.253 | 1,173.22 |
| 120 | 38,213,536 | 16,246 | 1.317 | 1.046 | 0.253 | 2,285.77 |
| 130 | 7,990,382 | 11,264 | 1.481 | 1.046 | 0.253 | 613.01 |
| 140 | 96,914,150 | 76,114 | 1.281 | 1.046 | 0.253 | 1,272.10 |
| 150 | 18,524,529 | 45,198 | 1.228 | 1.046 | 0.253 | 427.15 |
| 160 | 19,103,802 | 36,252 | 1.113 | 1.046 | 0.253 | 605.96 |
| 170 | 571,012 | 4,029 | 1.245 | 1.046 | 0.253 | 145.69 |
| 180 | 16,360,189 | 50,152 | 1.181 | 1.046 | 0.253 | 353.51 |
| 190 | 5,577,692 | 12,481 | 1.117 | 1.046 | 0.253 | 512.04 |
| 200 | 2,981,935 | 5,619 | 1.270 | 1.046 | 0.253 | 534.79 |
| 210 | 4,690,197 | 20,058 | 1.129 | 1.046 | 0.253 | 265.07 |
| 220 | 13,802,964 | 53,645 | 1.167 | 1.046 | 0.253 | 282.18 |
| 230 | 4,454,422 | 13,362 | 1.108 | 1.046 | 0.253 | 385.06 |
| 240 | 14,462,367 | 78,520 | 1.231 | 1.046 | 0.253 | 191.49 |
| 250 | 6,468,904 | 32,130 | 1.222 | 1.046 | 0.253 | 210.86 |
| 260 | 2,970,243 | 26,874 | 1.520 | 1.046 | 0.253 | 93.06 |
| 270 | 53,485,528 | 282,014 | 1.502 | 1.046 | 0.253 | 161.60 |
| 280 | 7,490,903 | 42,984 | 1.741 | 1.046 | 0.253 | 128.11 |
| 290 | 6,463,408 | 33,845 | 1.451 | 1.046 | 0.253 | 168.44 |
| 300 | 1,615,200 | 13,391 | 1.192 | 1.046 | 0.253 | 129.50 |
| 310 | 23,103,547 | 262,168 | 1.285 | 1.046 | 0.253 | 87.77 |
| 320 | 11,721,882 | 130,444 | 1.246 | 1.046 | 0.253 | 92.30 |
| 330 | 401,786 | 6,968 | 1.416 | 1.046 | 0.253 | 52.12 |
| 340 | 35,314,387 | 309,142 | 1.488 | 1.046 | 0.253 | 98.25 |
| 350 | 5,928,689 | 96,268 | 1.286 | 1.046 | 0.253 | 61.29 |
| 360 | 8,279,450 | 195,832 | 1.456 | 1.046 | 0.253 | 37.16 |
| 370 | 387,113 | 10,987 | 1.630 | 1.046 | 0.253 | 27.66 |
| 380 | 893,738 | 35,754 | 1.587 | 1.046 | 0.253 | 20.16 |
| 390 | 919,789 | 39,949 | 1.749 | 1.046 | 0.253 | 16.85 |
| Statewide | 427,840,344 | 1,955,603 | 1.355 | 1.046 | 0.253 | 206.64 |

^(a) Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

^(b) Net Cost of Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4)] / [(1- (5))]

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF NET COST OF REINSURANCE AT BASE-CLASS LEVEL

TENANTS

| | (1) | (2) | (3) | (4) | (5) | (6) |
|------------------|-------------------------------|----------------------------|---|--|------------------------------------|---|
| | Net Cost of Reinsurance | Latest-Year House Years | Latest-Year Average Rating Factor | Latest-Year Premium Trend Factor | Variable Expense ^(a) | Net Cost of Reinsurance at Base Class Level ^(b) |
| <u>Territory</u> | <u>Reinsurance</u> | <u>House Years</u> | <u>Rating Factor</u> | <u>Factor</u> | <u>Expense^(a)</u> | <u>Class Level^(b)</u> |
| 110 | 27,471 | 354 | 3.427 | 0.921 | 0.253 | 32.91 |
| 120 | 277,156 | 1,712 | 3.236 | 0.921 | 0.253 | 72.72 |
| 130 | 26,065 | 475 | 4.110 | 0.921 | 0.253 | 19.41 |
| 140 | 1,128,623 | 13,908 | 3.098 | 0.921 | 0.253 | 38.07 |
| 150 | 145,142 | 4,743 | 3.675 | 0.921 | 0.253 | 12.10 |
| 160 | 262,974 | 6,198 | 3.110 | 0.921 | 0.253 | 19.83 |
| 170 | 3,282 | 428 | 3.829 | 0.921 | 0.253 | 2.91 |
| 180 | 207,957 | 11,847 | 3.116 | 0.921 | 0.253 | 8.19 |
| 190 | 39,884 | 1,483 | 3.650 | 0.921 | 0.253 | 10.71 |
| 200 | 15,205 | 452 | 3.985 | 0.921 | 0.253 | 12.27 |
| 210 | 43,622 | 3,356 | 3.251 | 0.921 | 0.253 | 5.81 |
| 220 | 125,937 | 11,035 | 2.880 | 0.921 | 0.253 | 5.76 |
| 230 | 33,913 | 1,958 | 3.145 | 0.921 | 0.253 | 8.00 |
| 240 | 90,369 | 8,794 | 3.481 | 0.921 | 0.253 | 4.29 |
| 250 | 44,183 | 3,863 | 3.375 | 0.921 | 0.253 | 4.93 |
| 260 | 15,772 | 3,135 | 3.516 | 0.921 | 0.253 | 2.08 |
| 270 | 751,387 | 104,907 | 3.194 | 0.921 | 0.253 | 3.26 |
| 280 | 81,904 | 12,578 | 3.597 | 0.921 | 0.253 | 2.63 |
| 290 | 36,765 | 4,204 | 3.793 | 0.921 | 0.253 | 3.35 |
| 300 | 7,637 | 1,121 | 3.859 | 0.921 | 0.253 | 2.57 |
| 310 | 265,458 | 60,835 | 3.251 | 0.921 | 0.253 | 1.95 |
| 320 | 85,870 | 17,347 | 3.553 | 0.921 | 0.253 | 2.03 |
| 330 | 1,845 | 522 | 4.091 | 0.921 | 0.253 | 1.26 |
| 340 | 458,372 | 96,481 | 3.231 | 0.921 | 0.253 | 2.14 |
| 350 | 42,061 | 11,234 | 3.578 | 0.921 | 0.253 | 1.52 |
| 360 | 71,434 | 27,867 | 4.016 | 0.921 | 0.253 | 0.93 |
| 370 | 1,083 | 543 | 4.687 | 0.921 | 0.253 | 0.62 |
| 380 | 4,681 | 2,657 | 4.427 | 0.921 | 0.253 | 0.58 |
| 390 | 3,059 | 2,779 | 3.858 | 0.921 | 0.253 | 0.41 |
| SW | 4,299,111 | 416,816 | 3.304 | 0.921 | 0.253 | 4.54 |

^(a) Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

^(b) Net Cost of Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4)] / [(1) - (5)]

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF NET COST OF REINSURANCE AT BASE-CLASS LEVEL
CONDOMINIUM UNIT OWNERS

| <u>Territory</u> | (1) Net Cost of Reinsurance | (2) Latest-Year House Years | (3) Latest-Year Average Rating Factor | (4) Latest-Year Premium Trend Factor | (5) Variable Expense ^(a) | (6) Net Cost of Reinsurance at Base Class Level ^(b) |
|------------------|--------------------------------------|-----------------------------------|--|---|---|--|
| 110 | 31,024 | 279 | 6.452 | 1.000 | 0.253 | 23.07 |
| 120 | 532,884 | 1,997 | 6.286 | 1.000 | 0.253 | 56.83 |
| 130 | 24,323 | 215 | 7.595 | 1.000 | 0.253 | 19.94 |
| 140 | 1,010,217 | 6,664 | 6.365 | 1.000 | 0.253 | 31.88 |
| 150 | 36,986 | 607 | 8.369 | 1.000 | 0.253 | 9.75 |
| 160 | 131,966 | 1,471 | 6.835 | 1.000 | 0.253 | 17.57 |
| 170 | 0 | 0 | 0.000 | 1.000 | 0.253 | 0.00 |
| 180 | 24,786 | 840 | 6.469 | 1.000 | 0.253 | 6.11 |
| 190 | 1,020 | 16 | 9.533 | 1.000 | 0.253 | 8.96 |
| 200 | 59 | 3 | 2.469 | 1.000 | 0.253 | 10.71 |
| 210 | 1,507 | 57 | 8.247 | 1.000 | 0.253 | 4.29 |
| 220 | 23,120 | 1,164 | 7.393 | 1.000 | 0.253 | 3.60 |
| 230 | 1,821 | 67 | 5.362 | 1.000 | 0.253 | 6.78 |
| 240 | 6,345 | 263 | 8.801 | 1.000 | 0.253 | 3.67 |
| 250 | 1,468 | 78 | 8.609 | 1.000 | 0.253 | 2.93 |
| 260 | 139 | 16 | 7.421 | 1.000 | 0.253 | 1.57 |
| 270 | 172,407 | 11,523 | 7.853 | 1.000 | 0.253 | 2.55 |
| 280 | 36,310 | 2,546 | 8.300 | 1.000 | 0.253 | 2.30 |
| 290 | 16,529 | 1,024 | 7.542 | 1.000 | 0.253 | 2.87 |
| 300 | 278 | 23 | 7.469 | 1.000 | 0.253 | 2.17 |
| 310 | 86,376 | 9,163 | 7.592 | 1.000 | 0.253 | 1.66 |
| 320 | 18,999 | 2,005 | 7.221 | 1.000 | 0.253 | 1.76 |
| 330 | 208 | 24 | 8.887 | 1.000 | 0.253 | 1.31 |
| 340 | 284,848 | 27,449 | 7.698 | 1.000 | 0.253 | 1.80 |
| 350 | 11,866 | 1,618 | 7.515 | 1.000 | 0.253 | 1.31 |
| 360 | 35,055 | 7,771 | 8.435 | 1.000 | 0.253 | 0.72 |
| 370 | 4,917 | 1,477 | 6.439 | 1.000 | 0.253 | 0.69 |
| 380 | 2,483 | 797 | 7.679 | 1.000 | 0.253 | 0.54 |
| 390 | 2,615 | 597 | 9.801 | 1.000 | 0.253 | 0.60 |
| SW | 2,500,555 | 79,754 | 7.451 | 1.000 | 0.253 | 5.63 |

^(a) Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

^(b) Net Cost of Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4)] / [(1- (5))]

NORTH CAROLINA
HOMEOWNERS INSURANCE
SUPPLEMENTAL MATERIAL

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NORTH CAROLINA
HOMEOWNERS INSURANCE
SUPPLEMENTAL MATERIAL

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NORTH CAROLINA

HOMEOWNERS INSURANCE

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

EARNED PREMIUMS AT ACTUAL AND CURRENT RATE LEVEL

I. Earned Premium at Collected Level

| <u>Year</u> | <u>Owners Forms</u> | <u>Tenants Form</u> | <u>Condominium Unit Owners Form</u> |
|-------------|---------------------|---------------------|---|
| 2014 | 2,014,790,738 | 52,617,475 | 26,327,774 |
| 2015 | 2,078,733,499 | 58,431,580 | 28,512,898 |
| 2016 | 2,125,387,989 | 63,549,094 | 31,314,301 |
| 2017 | 2,163,546,454 | 66,122,508 | 33,074,444 |
| 2018 | 2,193,501,138 | 66,711,705 | 34,234,712 |

II. Earned Premium at Current Level

| <u>Year</u> | <u>Owners Forms</u> | <u>Tenants Form</u> | <u>Condominium Unit Owners Form</u> |
|-------------|---------------------|---------------------|---|
| 2014 | 2,053,053,494 | 66,122,991 | 27,743,039 |
| 2015 | 2,077,135,813 | 71,170,686 | 27,948,430 |
| 2016 | 2,118,442,299 | 74,753,542 | 28,976,826 |
| 2017 | 2,146,643,547 | 77,580,602 | 30,398,277 |
| 2018 | 2,161,073,789 | 76,318,464 | 31,251,398 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

I. Paid Losses

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

II. Incurred Losses ^{(a)(b)}

| <u>Year</u> | <u>Owners Forms</u> | <u>Tenants Form</u> | <u>Condominium Unit Owners Form</u> |
|-------------|---------------------|---------------------|---|
| 2014 | 771,180,214 | 20,114,955 | 13,140,970 |
| 2015 | 738,568,028 | 22,720,774 | 14,979,645 |
| 2016 | 864,478,205 | 22,879,809 | 13,008,727 |
| 2017 | 971,622,630 | 25,194,056 | 18,630,755 |
| 2018 | 951,774,895 | 26,472,188 | 18,553,848 |

(a) Incurred losses are developed, include actual wind losses and do not include loss adjustment expenses. These expenses are reflected via a factor. For the Owners, Tenant and Condominium-Unit Owners forms these factors are 11.8%, 15.4% and 12.1%, respectively. These losses are adjusted to the \$1,000 base deductible for Owners and \$500 base deductible for Tenants and Condominium Unit Owners.

(b) Hurricane Losses have been removed.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

The anticipated loss and LAE ratio included in the 2017 filing was 0.336. The anticipated loss and LAE ratio included in the 2014 filing was 0.282. The anticipated loss and LAE ratio included in the 2012 filing was 0.288.

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

The market shares shown are based on 2018 Statutory Page 14 Homeowners premium for licensed companies and residual market Homeowners premium reported to ISO.

The historical experience used to develop the statewide rate-level indications, territory rate-level indications, premium trend factors, loss trend factors and wind exclusion credits is based on the experience of companies and residual market entities reporting to the Insurance Services Office (full statistical plan), the Independent Statistical Service, and the National Insurance Statistical Service. The historical premium and loss experience utilized in this filing, after accounting for the premium and loss experience of reporting companies whose data were not included (as described below) accounts for 94.72% of the total North Carolina Homeowners market. The experience reported to the American Association of Insurance Services and to Insurance Services Office under the Statistical Agent Plan is excluded because it is not available in sufficient detail. This experience accounts for approximately 0.14% of the total North Carolina Homeowners market.

Premium/loss and trend experience for the following insurers is not included in the filed experience: AIG Property Casualty Company, American Automobile Insurance Company, American Fire and Casualty Company, American Strategic Insurance Corporation (Tenants and Condominium Unit Owners forms), Associated Indemnity Corporation, Bankers Standard Insurance Company, Century-National Insurance Company, Cincinnati Insurance Company, Federal Insurance Company, Fireman's Fund Insurance Company, Graphic Arts Mutual Insurance Company, Integon National Insurance Company, Lighthouse Property Insurance Corporation, Lititz Mutual Insurance Company, National Surety Corporation, Ohio Casualty Insurance Company, Pacific Indemnity Company, Praetorian Insurance Company, QBE Insurance Corporation, Republic-Franklin Insurance Company, Sirius America Insurance Company, Southern Fire & Casualty Company, Southern Pilot Insurance Company, Unitrin Direct Insurance Company, Universal North America Insurance Company (Tenants and Condominium Unit Owners forms), Utica Mutual Insurance Company, Vigilant Insurance Company and West American Insurance Company. The experience for these companies was not included pending resolution of data anomalies. Based on 2018 written premium, the premium/loss data for these companies represents 5.12% of the total North Carolina Homeowners market.

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

The loss development factors used in the calculation of the rate level indications are based on ISO North Carolina experience and on the North Carolina experience of three major company-groups reporting to the ISS. Based on 2018 written premium, this combined experience represents 80.16% of the total North Carolina Homeowners market.

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

House-years by year are as follows:

| <u>Year</u> | <u>Owners Forms</u> | <u>Tenants Form</u> | <u>Condominium Unit Owners Form</u> |
|-------------|---------------------|---------------------|---|
| 2014 | 1,927,958 | 330,926 | 75,276 |
| 2015 | 1,926,462 | 361,457 | 75,798 |
| 2016 | 1,949,893 | 384,777 | 78,862 |
| 2017 | 1,973,383 | 407,297 | 80,684 |
| 2018 | 1,955,603 | 416,816 | 79,754 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

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

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

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

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

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

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

NORTH CAROLINA**HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105****EARNED PREMIUM AT PRESENT RATES CALCULATION**

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

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

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

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

| | | |
|-----|--|----------|
| (1) | Base rate | \$1,310 |
| (2) | Form factor | 1.30 |
| (3) | Coverage A factor | 1.000 |
| (4) | Protection-construction factor | 1.10 |
| (5) | Age Of Dwelling Factor | 0.94 |
| (6) | Additional Coverage C charge | \$36 |
| (7) | Earned Exposure | 0.55 |
| (8) | Earned Premium at present rates $[(1) \times (2) \times (3) \times (4) \times (5) + (6)] \times (7)$ | \$987.75 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

TOP TEN HOMEOWNERS INSURANCE WRITERS

| <u>Company Name</u> | <u>2019 Written Premium^(a)</u> | <u>2019 Written Premium Market Share</u> | <u>2019 Earned Premium^(a)</u> | <u>2019 Earned Premium Market Share</u> |
|---|---|--|--|---|
| State Farm Fire and Casualty Company | 488,636,000 | 16.92% | 485,200,000 | 17.32% |
| North Carolina Farm Bureau Mutual Insurance Company | 351,834,000 | 12.19% | 341,539,000 | 12.19% |
| Allstate Indemnity Company | 134,389,000 | 4.65% | 129,058,000 | 4.61% |
| United Services Automobile Association | 120,974,000 | 4.19% | 115,398,000 | 4.12% |
| Erie Insurance Exchange | 89,564,000 | 3.10% | 82,404,000 | 2.94% |
| Nationwide Mutual Fire Insurance Company | 89,395,000 | 3.10% | 91,370,000 | 3.26% |
| Nationwide General Insurance Company | 89,020,000 | 3.08% | 85,019,000 | 3.03% |
| Nationwide Mutual Insurance Company | 84,787,000 | 2.94% | 88,740,000 | 3.17% |
| Liberty Mutual Fire Insurance Company | 78,669,000 | 2.72% | 78,819,000 | 2.81% |
| USAA Casualty Insurance Company | 78,389,000 | 2.71% | 73,402,000 | 2.62% |
| Total | 1,605,657,000 | 55.61% | 1,570,949,000 | 56.07% |
| Grand Total | 2,887,386,000 | | 2,801,718,000 | |

^(a) 2019 Annual Statement, Statutory Page 14, Line 4.0 (Homeowners).

Notes:

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

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2018 AGGREGATE ANNUAL STATEMENT DATA
2018 TOP 50 HOMEOWNERS INSURERS**

**2018 UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED**

| Line of Business | | Net Premiums Written | Unearned Premiums Prior Year | Unearned Premiums Current Year | Net Earned Premiums |
|------------------|---|-------------------------|------------------------------------|--------------------------------------|------------------------|
| 1 | Fire | 1,262,832,000 | 624,416,000 | 646,546,000 | 1,240,706,000 |
| 2 | Allied lines | 1,333,108,000 | 642,266,000 | 683,540,000 | 1,291,836,000 |
| 3 | Farmowners multiple peril | 881,281,000 | 414,845,000 | 432,332,000 | 863,792,000 |
| 4 | Homeowners multiple peril | 40,947,588,000 | 20,530,049,000 | 21,546,204,000 | 39,931,431,000 |
| 5 | Commercial multiple peril | 7,717,814,000 | 3,700,207,000 | 3,704,199,000 | 7,713,825,000 |
| 6 | Mortgage guaranty | 0 | 0 | 0 | 0 |
| 8 | Ocean marine | 79,737,000 | 35,059,000 | 38,497,000 | 76,298,000 |
| 9 | Inland marine | 2,578,996,000 | 1,293,935,000 | 1,336,271,000 | 2,536,659,000 |
| 10 | Financial guaranty | 5,000 | (5,000) | 0 | 0 |
| 11.1 | Medical professional liability - occurrence | 46,121,000 | 23,371,000 | 22,883,000 | 46,610,000 |
| 11.2 | Medical professional liability - claims-made | 22,604,000 | 11,956,000 | 11,935,000 | 22,627,000 |
| 12 | Earthquake | 378,094,000 | 163,910,000 | 206,311,000 | 335,693,000 |
| 13 | Group accident and health | 293,590,000 | 3,869,000 | 9,438,000 | 288,018,000 |
| 14 | Credit accident and health (group and individual) | 15,172,000 | 40,000 | 36,000 | 15,177,000 |
| 15 | Other accident and health | 28,462,000 | 4,766,000 | 933,000 | 32,297,000 |
| 16 | Workers' compensation | 2,685,646,000 | 1,022,762,000 | 991,281,000 | 2,717,123,000 |
| 17.1 | Other liability - occurrence | 4,614,673,000 | 2,290,602,000 | 2,382,961,000 | 4,522,316,000 |
| 17.2 | Other liability - claims-made | 879,633,000 | 443,755,000 | 473,606,000 | 849,782,000 |
| 17.3 | Excess Workers' Compensation | 8,982,000 | 5,378,000 | 4,443,000 | 9,916,000 |
| 18.1 | Products liability - occurrence | 242,784,000 | 118,620,000 | 112,474,000 | 248,931,000 |
| 18.2 | Products liability - claims-made | 6,576,000 | 3,195,000 | 3,268,000 | 6,505,000 |
| 19.1, 19.2 | Private passenger auto liability | 31,828,587,000 | 9,340,136,000 | 9,734,727,000 | 31,433,994,000 |
| 19.3, 19.4 | Commercial auto liability | 3,671,616,000 | 1,567,453,000 | 1,647,556,000 | 3,591,511,000 |
| 21 | Auto physical damage | 24,977,337,000 | 7,486,697,000 | 7,883,330,000 | 24,580,707,000 |
| 22 | Aircraft (all perils) | 15,604,000 | 5,183,000 | 5,725,000 | 15,064,000 |
| 23 | Fidelity | 31,281,000 | 17,864,000 | 16,859,000 | 32,284,000 |
| 24 | Surety | 289,684,000 | 145,049,000 | 164,917,000 | 269,817,000 |
| 26 | Burglary and theft | 13,141,000 | 6,626,000 | 6,645,000 | 13,122,000 |
| 27 | Boiler and machinery | 49,544,000 | 20,861,000 | 21,365,000 | 49,043,000 |
| 28 | Credit | 81,173,000 | 39,538,000 | 37,060,000 | 83,652,000 |
| 29 | International | 554,000 | 76,000 | 0 | 630,000 |
| 30 | Warranty | 127,626,000 | 118,896,000 | 151,771,000 | 94,750,000 |
| 31 | Reinsurance - Nonproportional Assumed Property | 95,898,000 | 13,870,000 | 22,704,000 | 87,066,000 |
| 32 | Reinsurance - Nonproportional Assumed Liability | 65,543,000 | 12,254,000 | 23,386,000 | 54,412,000 |
| 33 | Reinsurance - Nonproportional Assumed Financial Lines | 8,798,000 | 6,050,000 | 12,593,000 | 2,255,000 |
| 34 | Aggregate write-ins for other lines of business | 12,591,000 | 5,753,000 | 5,579,000 | 12,764,000 |
| 35 | TOTALS | 125,292,676,000 | 50,119,305,000 | 52,341,373,000 | 123,070,611,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2019 AGGREGATE ANNUAL STATEMENT DATA
2019 TOP 50 HOMEOWNERS INSURERS**

**2019 UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED**

| Line of Business | | Net Premiums Written | Unearned Premiums Prior Year | Unearned Premiums Current Year | Net Earned Premiums |
|------------------|---|-------------------------|------------------------------------|--------------------------------------|------------------------|
| 1 | Fire | 1,272,691,000 | 645,670,000 | 646,030,000 | 1,272,332,000 |
| 2 | Allied lines | 1,526,254,000 | 685,475,000 | 773,707,000 | 1,438,024,000 |
| 3 | Farmowners multiple peril | 905,578,000 | 432,324,000 | 445,280,000 | 892,621,000 |
| 4 | Homeowners multiple peril | 42,946,838,000 | 21,532,619,000 | 22,650,436,000 | 41,829,018,000 |
| 5 | Commercial multiple peril | 7,900,160,000 | 3,666,788,000 | 3,811,152,000 | 7,755,798,000 |
| 6 | Mortgage guaranty | 0 | 0 | 0 | 0 |
| 8 | Ocean marine | 90,414,000 | 37,913,000 | 42,572,000 | 85,759,000 |
| 9 | Inland marine | 2,743,055,000 | 1,332,702,000 | 1,407,527,000 | 2,668,229,000 |
| 10 | Financial guaranty | 0 | 0 | 0 | 0 |
| 11.1 | Medical professional liability - occurrence | 47,708,000 | 22,883,000 | 23,165,000 | 47,423,000 |
| 11.2 | Medical professional liability - claims-made | 30,217,000 | 11,935,000 | 17,416,000 | 24,733,000 |
| 12 | Earthquake | 401,646,000 | 209,435,000 | 215,316,000 | 395,766,000 |
| 13 | Group accident and health | 309,461,000 | 9,422,000 | 8,008,000 | 310,877,000 |
| 14 | Credit accident and health (group and individual) | 14,625,000 | 36,000 | 39,000 | 14,622,000 |
| 15 | Other accident and health | 50,799,000 | 933,000 | 4,447,000 | 47,285,000 |
| 16 | Workers' compensation | 2,456,357,000 | 935,291,000 | 903,980,000 | 2,487,668,000 |
| 17.1 | Other liability - occurrence | 4,896,363,000 | 2,371,226,000 | 2,560,175,000 | 4,707,412,000 |
| 17.2 | Other liability - claims-made | 1,040,763,000 | 466,774,000 | 561,313,000 | 946,227,000 |
| 17.3 | Excess Workers' Compensation | 11,765,000 | 4,298,000 | 4,663,000 | 11,397,000 |
| 18.1 | Products liability - occurrence | 241,062,000 | 110,150,000 | 113,325,000 | 237,882,000 |
| 18.2 | Products liability - claims-made | 7,720,000 | 3,165,000 | 3,581,000 | 7,303,000 |
| 19.1, 19.2 | Private passenger auto liability | 32,226,944,000 | 9,705,943,000 | 9,794,197,000 | 32,138,691,000 |
| 19.3, 19.4 | Commercial auto liability | 4,134,426,000 | 1,638,500,000 | 1,807,475,000 | 3,965,447,000 |
| 21 | Auto physical damage | 26,149,943,000 | 7,865,843,000 | 8,186,087,000 | 25,829,695,000 |
| 22 | Aircraft (all perils) | 11,089,000 | 5,725,000 | 3,916,000 | 12,898,000 |
| 23 | Fidelity | 32,692,000 | 15,758,000 | 18,826,000 | 29,626,000 |
| 24 | Surety | 311,159,000 | 160,497,000 | 183,408,000 | 288,248,000 |
| 26 | Burglary and theft | 16,280,000 | 6,547,000 | 7,554,000 | 15,272,000 |
| 27 | Boiler and machinery | 54,016,000 | 21,343,000 | 22,617,000 | 52,742,000 |
| 28 | Credit | 95,034,000 | 37,050,000 | 39,310,000 | 92,775,000 |
| 29 | International | 299,000 | 0 | 0 | 299,000 |
| 30 | Warranty | 149,688,000 | 151,771,000 | 181,439,000 | 120,019,000 |
| 31 | Reinsurance - Nonproportional Assumed Property | 119,294,000 | 22,434,000 | 30,873,000 | 110,858,000 |
| 32 | Reinsurance - Nonproportional Assumed Liability | 72,505,000 | 23,386,000 | 30,815,000 | 65,077,000 |
| 33 | Reinsurance - Nonproportional Assumed Financial Lines | 3,946,000 | 12,593,000 | 12,981,000 | 3,557,000 |
| 34 | Aggregate write-ins for other lines of business | 12,747,000 | 5,579,000 | 5,625,000 | 12,702,000 |
| 35 | TOTALS | 130,283,541,000 | 52,152,007,000 | 54,517,261,000 | 127,918,283,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2018 AGGREGATE ANNUAL STATEMENT DATA
2018 TOP 50 HOMEOWNERS INSURERS**

**2018 UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED**

| Line of Business | Reported Losses | | | | Incurred But Not Reported | | | Net Losses Unpaid | Net Unpaid Loss Adjustment Expenses |
|--|-----------------|---------------------|---|--|---------------------------|---------------------|-------------------|-------------------|-------------------------------------|
| | Direct | Reinsurance Assumed | Deduct Reinsurance Assumed from Authorized and Unauthorized Companies | Net Losses Excl. Incurred But Not Reported | Direct | Reinsurance Assumed | Reinsurance Ceded | | |
| 1 Fire | 307,520,000 | 193,178,000 | 243,634,000 | 257,066,000 | 268,748,000 | 94,875,000 | 252,746,000 | 367,940,000 | 45,118,000 |
| 2 Allied lines | 322,288,000 | 285,891,000 | 323,605,000 | 284,571,000 | 345,591,000 | 225,598,000 | 377,368,000 | 478,397,000 | 57,074,000 |
| 3 Farmowners multiple peril | 58,144,000 | 211,697,000 | 55,762,000 | 214,080,000 | 44,054,000 | (7,718,000) | 24,650,000 | 225,762,000 | 50,591,000 |
| 4 Homeowners multiple peril | 5,660,976,000 | 2,778,224,000 | 2,890,547,000 | 5,548,657,000 | 4,852,026,000 | 1,391,320,000 | 3,144,440,000 | 8,647,560,000 | 2,389,832,000 |
| 5 Commercial multiple peril | 2,130,932,000 | 2,714,429,000 | 1,264,865,000 | 3,580,493,000 | 1,415,008,000 | 1,457,982,000 | 892,626,000 | 5,560,860,000 | 2,146,634,000 |
| 6 Mortgage guaranty | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Ocean marine | 35,187,000 | 33,160,000 | 40,403,000 | 27,944,000 | 11,993,000 | 26,711,000 | 17,732,000 | 48,920,000 | 10,030,000 |
| 9 Inland marine | 102,920,000 | 81,402,000 | 50,647,000 | 133,673,000 | 123,198,000 | 164,770,000 | 122,630,000 | 299,010,000 | 112,269,000 |
| 10 Financial guaranty | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11.1 Medical professional liability - occurrence | 51,246,000 | 11,628,000 | 385,000 | 62,489,000 | 10,196,000 | 21,589,000 | 19,000 | 94,258,000 | 32,901,000 |
| 11.2 Medical professional liability - claims-made | 5,134,000 | 40,478,000 | 8,949,000 | 36,662,000 | 466,000 | 32,537,000 | 2,387,000 | 67,279,000 | 9,690,000 |
| 12 Earthquake | 13,592,000 | 4,675,000 | 4,642,000 | 13,625,000 | 49,867,000 | 14,587,000 | 12,746,000 | 65,334,000 | 10,021,000 |
| 13 Group accident and health | 0 | 3,710,000 | 9,000 | 3,701,000 | 4,213,000 | 16,548,000 | 2,165,000 | 22,298,000 | 1,937,000 |
| 14 Credit accident and health (group and individual) | 2,942,000 | 0 | 2,665,000 | 277,000 | 11,975,000 | 0 | 10,679,000 | 1,573,000 | 386,000 |
| 15 Other accident and health | 3,979,000 | 1,821,000 | 308,000 | 5,493,000 | 283,000 | 3,446,000 | 208,000 | 9,013,000 | 533,000 |
| 16 Workers' compensation | 4,682,533,000 | 3,336,796,000 | 3,996,296,000 | 4,023,032,000 | 5,387,144,000 | 3,154,749,000 | 4,590,185,000 | 7,974,744,000 | 1,237,056,000 |
| 17.1 Other liability - occurrence | 2,219,315,000 | 2,499,885,000 | 1,720,390,000 | 2,998,811,000 | 3,578,734,000 | 3,130,038,000 | 2,263,270,000 | 7,444,314,000 | 1,476,111,000 |
| 17.2 Other liability - claims-made | 85,769,000 | 292,831,000 | 52,557,000 | 326,044,000 | 44,184,000 | 736,013,000 | 159,856,000 | 946,384,000 | 435,645,000 |
| 17.3 Excess Workers' Compensation | 145,667,000 | 67,230,000 | 141,948,000 | 70,950,000 | 171,479,000 | 95,480,000 | 174,186,000 | 163,724,000 | 18,003,000 |
| 18.1 Products liability - occurrence | 557,673,000 | 310,054,000 | 300,530,000 | 567,199,000 | 451,591,000 | 556,665,000 | 316,711,000 | 1,258,745,000 | 594,501,000 |
| 18.2 Products liability - claims-made | 58,000 | 1,315,000 | 58,000 | 1,315,000 | 2,899,000 | 11,195,000 | 2,899,000 | 12,510,000 | 4,857,000 |
| 19.1, 19.2 Private passenger auto liability | 15,228,854,000 | 13,532,665,000 | 11,592,069,000 | 17,169,451,000 | 8,119,116,000 | 6,214,207,000 | 6,688,440,000 | 24,814,338,000 | 5,168,195,000 |
| 19.3, 19.4 Commercial auto liability | 1,967,921,000 | 2,305,868,000 | 1,403,772,000 | 2,870,017,000 | 1,467,915,000 | 1,339,102,000 | 1,156,109,000 | 4,520,926,000 | 756,253,000 |
| 21 Auto physical damage | 463,150,000 | 749,877,000 | 248,116,000 | 964,910,000 | (37,324,000) | (317,072,000) | 32,950,000 | 577,559,000 | 478,360,000 |
| 22 Aircraft (all perils) | 1,538,000 | 12,461,000 | 2,426,000 | 11,573,000 | 1,011,000 | 5,002,000 | 1,325,000 | 16,261,000 | 3,651,000 |
| 23 Fidelity | 1,616,000 | 2,869,000 | 758,000 | 3,726,000 | 8,033,000 | 16,346,000 | 3,178,000 | 24,929,000 | 5,520,000 |
| 24 Surety | 12,738,000 | 3,987,000 | (5,199,000) | 21,925,000 | 33,377,000 | 46,769,000 | 24,250,000 | 77,822,000 | 28,534,000 |
| 26 Burglary and theft | 1,853,000 | 1,155,000 | 416,000 | 2,593,000 | 280,000 | 1,495,000 | 254,000 | 4,115,000 | 829,000 |
| 27 Boiler and machinery | 19,683,000 | 5,596,000 | 17,503,000 | 7,776,000 | (2,036,000) | 3,446,000 | (3,820,000) | 13,011,000 | 2,707,000 |
| 28 Credit | 3,300,000 | 164,000 | 2,644,000 | 820,000 | 11,828,000 | 12,112,000 | 9,348,000 | 15,411,000 | 881,000 |
| 29 International | 0 | 749,000 | 226,000 | 523,000 | 0 | 2,361,000 | 490,000 | 2,393,000 | 89,000 |
| 30 Warranty | 192,000 | 640,000 | 23,000 | 810,000 | 6,424,000 | 1,409,000 | 2,431,000 | 6,212,000 | 194,000 |
| 31 Reinsurance - nonproportional assumed Property | 0 | 37,294,000 | 1,566,000 | 35,728,000 | 0 | (13,878,000) | 8,343,000 | 13,506,000 | 2,084,000 |
| 32 Reinsurance - nonproportional assumed Liability | 0 | 120,480,000 | 32,338,000 | 88,141,000 | 0 | 184,339,000 | 77,996,000 | 194,485,000 | 10,890,000 |
| 33 Reinsurance - nonproportional assumed Financial Lines | 0 | 1,611,000 | 0 | 1,611,000 | 0 | 1,910,000 | 0 | 3,520,000 | 126,000 |
| 34 Aggregate write-ins for other lines of business | 35,000 | 26,000 | 1,000 | 60,000 | 262,000 | 599,000 | 81,000 | 840,000 | 113,000 |
| 35 TOTALS | 34,086,753,000 | 29,643,843,000 | 24,394,852,000 | 39,335,740,000 | 26,382,528,000 | 18,624,541,000 | 20,368,871,000 | 63,973,944,000 | 15,091,594,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2019 AGGREGATE ANNUAL STATEMENT DATA
2019 TOP 50 HOMEOWNERS INSURERS**

**2019 UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED**

| Line of Business | Reported Losses | | | | Incurred But Not Reported | | | Net Losses Unpaid | Net Unpaid Loss Adjustment Expenses |
|--|-----------------|---------------------|---|--|---------------------------|---------------------|-------------------|-------------------|-------------------------------------|
| | Direct | Reinsurance Assumed | Deduct Reinsurance Assumed from Authorized and Unauthorized Companies | Net Losses Excl. Incurred But Not Reported | Direct | Reinsurance Assumed | Reinsurance Ceded | | |
| 1 Fire | 269,875,000 | 170,491,000 | 219,784,000 | 220,585,000 | 189,754,000 | 84,600,000 | 170,962,000 | 323,977,000 | 43,033,000 |
| 2 Allied lines | 200,933,000 | 255,325,000 | 222,274,000 | 233,987,000 | 317,344,000 | 223,607,000 | 327,246,000 | 447,693,000 | 59,236,000 |
| 3 Farmowners multiple peril | 52,801,000 | 194,547,000 | 52,441,000 | 194,905,000 | 27,155,000 | (27,826,000) | (4,197,000) | 198,430,000 | 51,433,000 |
| 4 Homeowners multiple peril | 5,357,395,000 | 2,642,716,000 | 2,820,739,000 | 5,179,374,000 | 4,661,713,000 | 1,489,401,000 | 2,296,644,000 | 9,033,842,000 | 2,521,164,000 |
| 5 Commercial multiple peril | 2,154,116,000 | 2,401,645,000 | 1,202,745,000 | 3,353,019,000 | 1,503,915,000 | 1,443,379,000 | 870,708,000 | 5,429,600,000 | 2,150,794,000 |
| 6 Mortgage guaranty | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Ocean marine | 23,069,000 | 31,069,000 | 28,634,000 | 25,506,000 | 16,096,000 | 32,485,000 | 21,280,000 | 52,806,000 | 9,154,000 |
| 9 Inland marine | 111,042,000 | 72,890,000 | 52,186,000 | 131,742,000 | 116,291,000 | 142,757,000 | 104,118,000 | 286,671,000 | 85,655,000 |
| 10 Financial guaranty | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11.1 Medical professional liability - occurrence | 44,806,000 | 12,015,000 | 330,000 | 56,492,000 | 23,272,000 | 25,498,000 | 9,000 | 105,252,000 | 35,617,000 |
| 11.2 Medical professional liability - claims-made | 2,978,000 | 33,420,000 | 6,752,000 | 29,646,000 | 417,000 | 35,276,000 | 1,881,000 | 63,457,000 | 8,595,000 |
| 12 Earthquake | 5,689,000 | 2,688,000 | 2,258,000 | 6,119,000 | 12,240,000 | 4,934,000 | 5,552,000 | 17,739,000 | 881,000 |
| 13 Group accident and health | 2,000 | 12,648,000 | 9,000 | 12,641,000 | 4,945,000 | 8,572,000 | 2,424,000 | 23,735,000 | 1,762,000 |
| 14 Credit accident and health (group and individual) | 2,010,000 | 0 | 1,739,000 | 271,000 | 11,671,000 | 0 | 10,479,000 | 1,463,000 | 363,000 |
| 15 Other accident and health | 5,964,000 | 1,710,000 | 202,000 | 7,473,000 | 223,000 | 2,838,000 | 175,000 | 10,357,000 | 209,000 |
| 16 Workers' compensation | 3,916,346,000 | 3,071,847,000 | 3,185,503,000 | 3,802,694,000 | 4,321,325,000 | 2,873,423,000 | 3,597,390,000 | 7,400,045,000 | 1,182,993,000 |
| 17.1 Other liability - occurrence | 2,200,062,000 | 2,445,662,000 | 1,658,787,000 | 2,986,940,000 | 3,852,654,000 | 3,457,275,000 | 2,523,979,000 | 7,772,890,000 | 1,516,375,000 |
| 17.2 Other liability - claims-made | 100,157,000 | 322,410,000 | 64,264,000 | 358,301,000 | 45,341,000 | 826,127,000 | 181,945,000 | 1,047,828,000 | 489,413,000 |
| 17.3 Excess Workers' Compensation | 133,323,000 | 59,843,000 | 129,530,000 | 63,637,000 | 103,729,000 | 99,133,000 | 105,148,000 | 161,351,000 | 19,152,000 |
| 18.1 Products liability - occurrence | 496,601,000 | 291,246,000 | 256,256,000 | 531,588,000 | 458,605,000 | 564,510,000 | 348,525,000 | 1,206,180,000 | 607,582,000 |
| 18.2 Products liability - claims-made | 250,000 | 1,346,000 | 250,000 | 1,346,000 | 1,696,000 | 10,530,000 | 1,696,000 | 11,876,000 | 6,413,000 |
| 19.1, 19.2 Private passenger auto liability | 14,787,688,000 | 13,691,016,000 | 11,394,743,000 | 17,083,964,000 | 8,765,002,000 | 6,638,176,000 | 7,065,784,000 | 25,421,353,000 | 5,508,192,000 |
| 19.3, 19.4 Commercial auto liability | 2,165,690,000 | 2,111,684,000 | 1,368,454,000 | 2,908,923,000 | 1,696,374,000 | 1,480,349,000 | 1,147,026,000 | 4,938,616,000 | 834,924,000 |
| 21 Auto physical damage | 473,254,000 | 846,800,000 | 229,590,000 | 1,090,457,000 | 47,301,000 | (373,409,000) | 95,449,000 | 668,902,000 | 530,708,000 |
| 22 Aircraft (all perils) | 827,000 | 3,342,000 | 1,608,000 | 2,561,000 | 936,000 | 19,593,000 | 1,218,000 | 21,869,000 | 4,058,000 |
| 23 Fidelity | 4,366,000 | 4,695,000 | 784,000 | 8,276,000 | 5,396,000 | 14,254,000 | 2,666,000 | 25,257,000 | 6,008,000 |
| 24 Surety | 12,726,000 | 211,000 | (5,749,000) | 18,685,000 | 41,740,000 | 52,744,000 | 31,836,000 | 81,336,000 | 26,019,000 |
| 26 Burglary and theft | 1,113,000 | 880,000 | 185,000 | 1,809,000 | 294,000 | 1,414,000 | 273,000 | 3,247,000 | 888,000 |
| 27 Boiler and machinery | 17,618,000 | 4,986,000 | 15,183,000 | 7,421,000 | 7,015,000 | 5,789,000 | 4,980,000 | 15,245,000 | 2,383,000 |
| 28 Credit | 2,754,000 | 512,000 | 2,066,000 | 1,200,000 | 9,983,000 | 18,919,000 | 6,877,000 | 23,222,000 | 831,000 |
| 29 International | 0 | 342,000 | 221,000 | 121,000 | 0 | 1,239,000 | 537,000 | 822,000 | 53,000 |
| 30 Warranty | 395,000 | 1,531,000 | 62,000 | 1,862,000 | 6,399,000 | 1,634,000 | 2,689,000 | 7,206,000 | 144,000 |
| 31 Reinsurance - nonproportional assumed Property | 0 | 41,753,000 | 8,315,000 | 33,438,000 | 0 | 18,700,000 | 17,115,000 | 35,023,000 | 1,697,000 |
| 32 Reinsurance - nonproportional assumed Liability | 0 | 111,505,000 | 29,730,000 | 81,775,000 | 0 | 180,428,000 | 73,838,000 | 188,365,000 | 6,619,000 |
| 33 Reinsurance - nonproportional assumed Financial Lines | 0 | 1,507,000 | 0 | 1,507,000 | 0 | 3,172,000 | 0 | 4,679,000 | 136,000 |
| 34 Aggregate write-ins for other lines of business | 44,000 | 9,000 | 1,000 | 53,000 | 171,000 | 569,000 | 6,000 | 788,000 | 206,000 |
| 35 TOTALS | 32,543,888,000 | 28,844,293,000 | 22,949,866,000 | 38,438,318,000 | 26,248,999,000 | 19,360,075,000 | 19,016,272,000 | 65,031,120,000 | 15,712,688,000 |

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

STATUTORY PAGE 14

| | 2018 | 2019 |
|-------------------------------------|---------------|---------------|
| Written Premium | 2,552,523,000 | 2,715,117,000 |
| Earned Premium | 2,472,279,000 | 2,635,090,000 |
| Dividends | 11,677,000 | 17,985,000 |
| Unearned Prem Reserves | 1,330,403,000 | 1,408,651,000 |
| Losses Paid | 1,922,886,000 | 1,678,498,000 |
| Losses Incurred | 2,218,114,000 | 1,505,974,000 |
| Losses Unpaid | 670,248,000 | 489,103,000 |
| Defense & Cost Containment Paid | 21,589,000 | 19,236,000 |
| Defense & Cost Containment Incurred | 27,847,000 | 18,256,000 |
| Defense & Cost Containment Unpaid | 33,529,000 | 32,293,000 |
| Commission | 308,630,000 | 337,755,000 |
| Taxes | 68,767,000 | 74,777,000 |

HOMEOWNERS

1. **ACE American Insurance Company**

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

2. **ACE Fire Underwriters Insurance Company**

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

3. **AIG Property Casualty Company**

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-8-16 APCG-130345258

4. **AIU Insurance Company**

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

5. **AMCO Insurance Company**

- Territory Deviation, excludes wind or hail or does not exclude wind or hail.
- Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
- Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
- Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan, Forms HO 02, HO 03, HO 04, HO 05 and HO 06.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi line Deviation.
- Census Block Deviation.
- Eff 10-1-15 NWPC-130174309

6. **AMEX Assurance Company**

- Various downward deviation based on amount of insurance Form 3.
- Various downward deviation based on amount of insurance Form 4.
- Various downward deviation based on amount of insurance Form 6.
- Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 0008.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461

11. **Allstate Indemnity Company**

- Claim Rating deviation.

- Claims Free Discount.
- New/renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount Deviation.
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment payment plan.
- Eff 6-1-15 ALSE-129989968

12. **Allstate Insurance Company**

- Deductible factors.
- Personal Property Replacement Cost Deviation.
- Protective devise discount.
- New/Renovated Home discount.
- Age 55 & Retired Discount Factor.
- Home and auto discount deviation.
- The Good Hands People discount.
- Waterbed Liability Deviation HO4 and HO6.
- Installment payment plan – Allstate Easy Payment Plan.
- Three or four family dwelling.
- Zone (Territory) Deviation.
- Rental to Others Extended Theft.

Deluxe Plus

- Deductibles
- Protective Devices.
- Newly Constructed Dwellings.
- Age 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People discount.
- Zone (Territory) Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 6-1-15 ALSE-129989192

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protection Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049

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

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

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

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937

22. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.

- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. **American States Insurance Company**

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

25. **American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

26. **American Strategic Insurance Corporation**

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853

27. **AMICA Mutual Insurance Company**

- Waive the additional premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 rate deviation by policy amount.
- Additional Amounts of Insurance-1.00 All territories with exceptions.
- Personal Property-Increased Limit, \$1.60 for all forms.
- Premium Payment Option.
- Multi-Line Discount, Optional Rating Characteristics. Various discounts in all territories with exceptions.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 6-1-15 AMMA-129880475

28. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. **Amerisure Mutual Insurance Company**

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

30. **Armed Forces Insurance Exchange**

- Optional Deductible Credits.
- Year of Construction - Newer Home Discount.
- Earthquake Coverage.
- Sinkhole Collapse Coverage.
- Base Premium Computation.
- Minimum policy premium waived.

- Protective Devices-Maximum credit.
- Eff 6-1-15 ARMD-129941707

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.
- Eff. 5-15-04 PC069340

32. **Associated Indemnity Corporation**

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

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

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

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152389

36. **Auto-Owners Insurance Company**

- Key factors.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.
- Protective Device Credit – alarm systems.
- Mature Homeowner Discount.
- Townhouse or row house deviation.
- Credit card, fund transfer card, forgery and counterfeit money.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Personal Injury coverage-no charge.
- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II liability watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy discount.
- Paid in Full discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06.
- Protection Class Relativities.
- Age of Construction Discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Eff. 10-2-15 AOIC-130099363

37. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963

38. **Bankers Standard Insurance Company**

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778

39. **Camden Fire Insurance Association. The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137

40. **Central Mutual Insurance Company**

Owners Program

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

- Accompanying schedule or boat deviation.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for waiver of premium.
- Eff 6-1-15 CEMC-129924586

41. **Century National Insurance Company**

- Installment Charge.
- Eff 8-1-15 CENT-130132700

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

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152463

43. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697

44. **The Cincinnati Insurance Company**

- Year of construction-Newly Constructed Dwellings Age of Dwelling Credits.
- Base Rate Deviations by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation.
- Preferred Risk credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Eff 6-1-15 CNNB-129926943

45. **Continental Indemnity Company**

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

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

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786

47. **Economy Premier Assurance Company**

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

- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware and Pewterware.
- Firearms.
- Group Marketing Discount.
- Payroll Deduction Discount.
- Eff. 11-18-15 ELEC-130218355

49. **EMCASCO Insurance Company**

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

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324

52. **Erie Insurance Company**

- Erie Base Rate Deviations.

- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.
- Eff 10-1-15 ERPP-130101422

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416

54. **Esurance Insurance Company**

- Tier deviation.
- Eff 6-8-16 ESUR-130150903

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928

57. **Federal Insurance Company**

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.

- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961

60. **Fidelity & Guaranty Insurance Underwriters**

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

61. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

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

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

63. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Experience Rating Factors.

- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community.
- Key Factor Table HO 00 03 Discount.
- Key Factor Table HO 00 04 Discount.
- Key Factor Table HO 00 06 Discount.
- Superior Construction-All Forms.
- Eff 6-1-15 BKIC-129875960

64. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Eff 6-1-15 PARE-130035422

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406

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

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 9-15-15 USAA-130073184

66. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.

- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-00 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887

67. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 -20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Creditvaries.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

68. **Grain Dealers Mutual Insurance Company**

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

69. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. **Graphic Arts Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- W.I.S.E./Affinity program discount,
- Territory Deviations.
- Personal Lines Account Credit
- Package Deviation.
- Protection Class deviation/Suburban Rating.
- Eff. 6-1-15 UTCX-G129910958

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.

- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461

72. **Hanover Insurance Company**

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

73. **Harbor Specialty Insurance Company**

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. **Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. **Harleysville Preferred Insurance Company**

- Group Mass Marketing Discount.
- Preferred customer discount – all territories except 07, 08, 41, 48, 49, 81 and 86.
- StarPak Program Discount
- Companion Credit (homeowners and private passenger auto policy).
- Newly Purchased Home Credit Forms HO 02, HO 03, HO 05, and HE 7.
- Mature Homeowner Discount (HO 03, HO 05 and HE 7 only) 55 years of age or older.
- Life Insurance Policy Discount (life insurance/annuity policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Base Premium deviation for certain Territories.
- Personal Property Increased Limit.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 9-13-15 HRLV-130177052

76. **Hartford Accident and Indemnity Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Effective 06-01-15 HART-129889560-

77. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit for all territories.
- Retiree Credit, named insured is age 50 or older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor- Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Eff. 06-01-15 HART-129889694

78. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.

- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350

79. **Hartford Insurance Company of Midwest**

- Age of Dwelling credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit all territories.
- Retirees Credit: named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: is protected 24 hours a day.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 06-01-15 HART-129889569

80. **Hartford Underwriters Insurance Company**

- Age of Dwelling Credit.
- Account Credit for all territories.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors deviation.
- Insurance score.
- Prior Losses.
- Territory deviation.
- Eff. 06-01-15 HART-129889698-

81. **Homesite Insurance Company**

- Preferred Risk Group 1 Discount on form HO 00 03 and HO 00 06.
- Preferred Risk Group 2 Discount on form HO 00 03.
- Partner Discount-Form HO 00 04.
- Agency Capping Rule-all forms.
- Eff 7-1-15 HMSS-130072842

82. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883

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

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.

- Eff 10-1-15 HRMN-130060865

84. **IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497

85. **Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

86. **Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

87. **Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

88. **Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

89. **Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.

- Eff. 5-1-92

90. **Integon Indemnity Corporation**

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

91. **Integon National Insurance Company**

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

92. **Liberty Mutual Fire Insurance Company**

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

93. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

94. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 deviation.
- Age of Dwelling deviation.
- Book transfer discount.
- Claim free discount.
- Companion policy discount.
- Golden age discount.
- New purchase discount.
- Secured Communities discount.
- E-Policy discount.
- Maximum discount.
- Seasonal/secondary home deviation.
- Wood burning stove deviation.
- Experience rating deviation.
- Eff 6-1-15 MERL-129957112

95. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LITZ-129887592

96. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted basepremium.

- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007

97. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939

98. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

99. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.

- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 0006
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474

100. **Max America Insurance Company**

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

101. **Medmarc Casualty Insurance Company**

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

102. **The Members Insurance Company**

- Account Credit, Forms HO 00 03 and HE 00 07 By Territories, Tier.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility factors.
- Home Buyer factors.
- Territory factors.
- Unit Owner's Building Increase Limits and Special Coverage-Form HO 00 06.
- Tenure Factors.
- Age of Home.
- Age of Roof factors.
- Woodstove factors.
- Protective device/controlled access security discount.
- Eff 6-1-15 CMCG-130081795

103. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 -\$1000
- Deductible credits;Forms 4 & 6: \$500 -\$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.

- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235

104. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430

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

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

106. **Metropolitan Property & Casualty Insurance Company**
Standard Program

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

Conversion Program

- Territory Deviation.
- Deductible Deviation.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices Premium Credits for Alarm Systems: Credit applies to base premium.
- Mature Homeowners Discount.
- Multi-Policy Discount.

- Met Rewards Claim Free Discount when criteria are met.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- Tier Program.
- Eff 10-30-14 METX-G129672818

107. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789

108. **Mosaic Insurance Company**

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

109. **NGM Insurance Company**

- Combined Personal Protection Program.
- Deductible credits/charges, factor varies by ded amount.
- Protective device credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A Dwelling.
- Personal Property Replacement Cost.
- Personal Injury.
- Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money.

- Special Computer Coverage.
- Coverage C Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan Deviation.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Discount factor varies by Insurance Score.
- Territorial Base Rate Deviation.
- Eff. 10-1-15 NGMC-130179190

110. **National General Insurance Company**

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

111. **National Specialty Insurance Company**

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

112. **National Surety Corporation**

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

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

- Territorial Base Rate Deviation.

- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

114. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance – Territory Deviation.
- Deductible deviations.
- Age of Construction.
- Home renovation Deviation.
- Home Purchase Deviation.
- Age of Oldest insured deviation.
- Gated community deviation.
- Supplemental Heating deviation.
- Prior insurance deviation.
- Safe home rating plan deviation.
- Protection class deviation.
- Roof age and type deviation.
- Household composition deviation.
- Associate deviation.
- Maximum deviation.
- Number of units deviation HO 00 04 and HO 00 06.
- Installment PaymentOptions.
- Miles to coast deviation.
- Census Block Deviation.
- Eff 12-20-15 NWPC-130192752

115. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviations.
- Protective Device Deviations by territory: Credit varies.
- Safe Home Rating Plan Deviation.
- Age of Home Component.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-line deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 12-20-15 NWPC-130192749

116. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- HE-7 Deviations by certain territories.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowner Discount.

- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT) payment plan.
- **Nationwide Mutual Insurance Company**
- Nationwide Territory Definitions Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO 02, HO 03, HO 05 and HO 06.
- Age of oldest Insured.
- Personal Status Deviation.
- Age of construction deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- Nationwide Associate Deviation.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation.
- Installment Payment Plans.
- Census Block Deviation.
- Eff. 12-2015 NWPC-130192717

117. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Creditvaries.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Creditvaries
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector PackagePolicy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999

118. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.

- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

119. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

120. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882

121. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

122. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955

123. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

124. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954

125. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

126. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

127. **Owners Insurance Company**

- Key factors.
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO 00 06 Coverage A Dwelling Increased Limits and Special Coverage.
- Personal Injury coverage-no charge.

- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II, Liability-watercraft.
- Life-Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy discount.
- Paid in full discount.
- Personal Property Increased limits.
- All forms except HO00 04 and HO 00 06.
- Protection Class Relativities.
- Age of construction discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Eff 10-2-15 AOIC-130099368

128. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

129. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708

130. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895

131. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .

- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

132. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

133. **Pennsylvania National Mutual Casualty Insurance Company**

- Age New Home Discount: Forms HO 00 02, HO 00 03, HO 00 05 and HE 00 07.
- Deductibles – Optional Higher Deductibles.
- Personal Property A Increased Limits.
- Preferred Program territory & protection class.
- Account Credit Program.
- Outboard motors and watercraft Deviation.
- Protective Device Credits.
- Additional Amount of Insurance HO 00 02 & HO 00 03.
- Ordinance or Law Coverage.
- Preferred Advantage Program Deviation.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Deviation.
- Loss Assessment coverage Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Personal Property - Increased Special Limits of Liability.
- Personal Property – Refrigerated personal Property.
- Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability
- Installment Charges-Recurring Payments automatically deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Eff 06-01-15 PNPR-129871225-

134. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682

135. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.

- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152401

136. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

137. **Praetorian Insurance Company**

- Base rate deviation.
- Age of Home Deviation.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156771

138. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated
- Territory Deviation
- Coverage A Deviation
- Superior Construction Credits
- Generator Credit
- Financial Responsibility Factor
- Seasonal/Secondary Home
- Occupancy Deviation
- Multi Policy Credit (Personal Automobile)
- Multi Policy Credit (Personal Excess Liability)
- Multi Policy Credit (Jewelry & Art)

- Protective Devices
- Loss Free Credits
- Eff 6-1-15 PRIV-129924399

139. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836

140. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Creditvaries.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

141. **QBE Insurance Company**

- Territorial Deviations-Form HO 00 03.
- New Home Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156634

142. **Republic-Franklin Insurance Company**

Edge Program

- Protection Classification credit.
- Edge Program Tiered.
- Personal Property.
- Mass Merchandising Plan.
- Affinity Group-Wise Program.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.

Essentials Program

- Protection Classification credit.
- Personal Property.

- Personal Lines Account Credit.
- Homeowners Extension Package.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.
- Edge Essential Program Tiered Rating.
- Eff 11-15-12 UTCX-G128669380

143. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

144. **Safeco Insurance Company of America**

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBRM-130014262

145. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225

146. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9thyr
- Eff. 2-15-95

147. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.

- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

148. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

149. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

150. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

151. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

152. **Service Insurance Company**

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for auto smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The max allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03 PC061674

153. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.

- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953

154. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

155. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

156. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168

157. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;:- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953

158. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

159. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

160. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

161. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 11-7-15 TRVA-130152387

162. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

163. **State Automobile Mutual Insurance Company**

- Auto/Home Discount.
- Credits for Protective Devices
- Age of Dwelling Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount, Age 55 and older.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Base Premium.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Eff 6-1-15 STAT-129905964

164. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Eff. 6-1-15 STAT-129906006

165. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.

- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894

166. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

167. **Teachers Insurance Company**

- Installment Pay Plan.
- Multi-Line Discount.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060866

168. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152456

169. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152386

170. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152382

171. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

172. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152381

173. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.

- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

174. **Twin City Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Insurance Score.
- Key Factors
- Prior Losses.
- Territory Deviation.
- Eff. 06-01-15 HART-129889670-

175. **USAA CASUALTY INSURANCE COMPANY**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 9-15-15 USAA-130073273

176. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529748

177. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.

- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

178. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
 - 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

179. **United Property & Casualty**

- Book Transfer discount.
- Companion Policy discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 4-15-13 UPCI-128951923

180. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.

- Installment Payment Plan.
- Eff 9-15-15 USAA-130073175

181. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

182. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

183. **Unitrin Auto and Home Insurance Company**

- Base rate by territory.
- Protection Class.
- Amount of Insurance.
- Tier deviation.
- Loss Record deviation.
- Age of Dwelling.
- Roof Type.
- Mature Homeowners Credit.
- Optional All Other Perils deductible.
- Windstorm/Hail deductibles.
- Seasonal/secondary deviation.
- Pool Surcharge.
- Protective Devices.
- Home Buyer Discount.
- Coverage Level discount
- Personal Property (Coverage C) RC Coverage.
- Eff 06-01-15 KEMP-129888116

184. **Unitrin Safeguard Insurance Company**

- Base rate by territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss record deviation.
- Age of Home.
- Roof type.
- Mature Homeowners Credit.
- Optional All other perils deductible.
- Windstorm/hail deductible.
- Seasonal/secondary deviation.

- Pool surcharge.
- Protective devices.
- Residence Safety.
- Home buyer discount.
- Personal Property (Coverage C) RC Coverage.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Installment Payment Plans, Electronic Funds Transfer (EFT).
- Eff 10-9-14 KEMP-129542853

185. **Universal North American Insurance Company**
Homeowners Choice Program

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claim Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Claim Free Discount.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 1-1-16 AGIA-130222617

186. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575

187. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

188. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced

charge.

- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

189. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736

190. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

191. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

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

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

3. **AIG Property Casualty Company**
 - Base Premium by Territory Form HO 00 03.
 - Key Factor Deviation.
 - Protective Devices.
 - Eff 1-8-16 APCG-130345258

4. **AIU Insurance Company**
 - All Forms: 10%.
 - Eff. 2-1-86

5. **AMCO Insurance Company**
 - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
 - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
 - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
 - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
 - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
 - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
 - Flex Check Payment Option-Installment Payment Plan.
 - Personal Status Deviation.
 - Associate Discount Deviation.
 - Increased Special Limits of Liability.
 - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
 - Multi-Line Deviation.
 - Census Block Deviation.
 - Eff 10-1-16 NWPC-130645589

6. **AMEX Assurance Company**
 - Various downward deviation based on amount of insurance Form 3.
 - Various downward deviation based on amount of insurance Form 4.
 - Various downward deviation based on amount of insurance Form 6.
 - Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 0008.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461

11. **Allstate Indemnity Company**

- Claim Rating deviation.

- Claims Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Eff 6-21-16 ALSE-130448409

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwellings.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

Deluxe Plus

- Deductibles.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 10-24-16 ALSE-130681404

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049

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

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

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

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937

22. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.

- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. **American States Insurance Company**

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

25. **American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

26. **American Strategic Insurance Corporation**

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853

27. **AMICA Mutual Insurance Company**

- Waive the Additional Premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 Rate Deviation by Policy Amount.
- Additional Amounts of Insurance-1.00 All Territories with Exceptions.
- Personal Property-Increased Limit, \$1.60 for All Forms.
- Premium Payment Option.
- Multi-Line Discount.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 7-1-16 AMMA-130376653

28. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. **Amerisure Mutual Insurance Company**

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

30. **Armed Forces Insurance Exchange**

- Optional Deductible Credits.
- Year of Construction - Newer Home Discount.
- Earthquake Coverage.
- Sinkhole Collapse Coverage.
- Base Premium Computation.
- Minimum policy premium waived.

- Protective Devices-Maximum credit.
- Eff 6-1-15 ARMD-129941707

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.
- Eff. 5-15-04 PC069340

32. **Associated Indemnity Corporation**

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

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

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

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152389

36. **Auto-Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II Liability Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Eff. 10-2-16 AOIC-130633231

37. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963

38. **Bankers Standard Insurance Company**

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

- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778

39. **Camden Fire Insurance Association. The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137

40. **Central Mutual Insurance Company**

Owners Program

- Deviation by Territory and Protection Class.
- Homeowners Enhancement Program – Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment with Electronic Transfer.
- Deviation for Waiver of Premium.

Condo Program

- Deviation by Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Form HO 00 06 Coverage A.
- Residence Held in Trust – All Forms except HO 00 04.
- Package Deviation.
- Installment Payment Plan.
- Deviation for Waiver of Premium.

Tenants Program

- Base Class Territory and Protection Class.
- Amount of Insurance Deviation.

- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductibles B. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.
- Eff 4-1-16 CEMC-130-398255

41. **Century National Insurance Company**

- Installment Charge.
- Eff 8-1-15 CENT-130132700

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

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152463

43. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697

44. **The Cincinnati Insurance Company**

- Dwellings Age of Dwelling Credits.
- Base Rate Deviation by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability Deviation.
- Preferred Risk Credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discout.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.

- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protection Devices.
- Eff 8-1-16 CNNB-130401287

45. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.

- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 6-6-16 ELEC-130556205

49. **EMCASCOS Insurance Company**

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

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.

- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324

52. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.
- Eff 10-1-15 ERPP-130101422

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.

- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416

54. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928

57. **Federal Insurance Company**

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.

- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961

60. **Fidelity & Guaranty Insurance Underwriters**

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

61. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

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

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

63. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Experience Rating Factors.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community.
- Key Factor Table HO 00 03 Discount.
- Key Factor Table HO 00 04 Discount.
- Key Factor Table HO 00 06 Discount.
- Superior Construction-All Forms.
- Eff 6-1-15 BKIC-129875960

64. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Eff 6-1-15 PARE-130035422

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 0006.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406

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

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.

- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-13-16 USAA-130760267

66. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887

67. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 -20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Creditvaries.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

68. **Grain Dealers Mutual Insurance Company**

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

69. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. **Graphic Arts Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- W.I.S.E./Affinity program discount,
- Territory Deviations.
- Personal Lines Account Credit
- Package Deviation.
- Protection Class deviation/Suburban Rating.
- Eff. 6-1-15 UTCX-G129910958

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461

72. **Hanover Insurance Company**

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

- Eff. 2-1-12 HNVX-G127879210

73. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. Harlevs ville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715

76. Hartford Accident and Indemnity Company

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.

- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 7-21-16 HART-130619858

77. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-21-16 HART-130619874

78. **Hartford Fire Insurance Company**

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

79. **Hartford Insurance Company of Midwest**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 7-21-16 HART-130619882

80. **Hartford Underwriters Insurance Company**

- Age of Dwelling Credit.
- Account Credit for all territories.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors deviation.
- Insurance score.
- Prior Losses.
- Territory Deviation.
- Eff. 6-01-15 HART-129889698

81. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Key Factors above \$200,000.
- Eff 9-1-16 HPCI-130585698

82. **Homesite Insurance Company**

- Preferred Risk Group 1 Discount on form HO 00 03 and HO 00 06.
- Preferred Risk Group 2 Discount on form HO 00 03.
- Partner Discount-Form HO 00 04.
- Agency Capping Rule-all forms.
- Eff 7-1-15 HMSS-130072842

83. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883

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

- Installment Payment Plan – Waive \$3 installment Fee on Installment Pay Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff 11-15-16 HRMN-130592796

85. **IDS Property Casualty Insurance Company**

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

- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497

86. **Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

87. **Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

88. **Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

89. **Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

90. **Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

91. **Integon Indemnity Corporation**

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

92. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.

- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782

93. **Liberty Mutual Fire Insurance Company**

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

94. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

95. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.
- Eff 5-1-16 MERL-130484445

96. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592

97. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted basepremium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%: Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.

- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007

98. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939

99. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

100. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 0006
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).

- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474

101. **Max America Insurance Company**

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

102. **Medmarc Casualty Insurance Company**

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

103. **The Members Insurance Company**

- Account Credit, Forms HO 00 03 and HE 00 07 By Territories, Tier.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory factors.
- Unit Owner.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Protective Device/Controlled Access Security Discount.
- Eff 6-1-16 CMCG-130464643

104. **Merastar Insurance Company**

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

105. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430

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

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Platinum Coverage Package.
- Tier Program.
- Eff. 4-15-16 METX-G130521794

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

Standard Program

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

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 4-15-16 METX-G130521751

108. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789

109. **Mosaic Insurance Company**

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

110. **NGM Insurance Company**

- Age of Home Discount.
- Multi-Line Discount.
- Deductible Credits/Charges and Theft Deductible.
- Protective Device Credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.

- Coverage A Relativities.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Eff. 4-1-16 NGMC-130274383

111. **National General Insurance Company**

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

112. **National Specialty Insurance Company**

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

113. **National Surety Corporation**

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

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

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.

- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

115. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance – Territory Deviation.
- Deductible deviations.
- Age of Construction.
- Home renovation Deviation.
- Home Purchase Deviation.
- Age of Oldest insured deviation.
- Gated community deviation.
- Supplemental Heating deviation.
- Prior insurance deviation.
- Safe home rating plan deviation.
- Protection class deviation.
- Roof age and type deviation.
- Household composition deviation.
- Associate deviation.
- Maximum deviation.
- Number of units deviation HO 00 04 and HO 00 06.
- Installment Payment Options.
- Miles to coast deviation.
- Census Block Deviation.
- Eff 12-20-15 NWPC-130192752

116. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 12-20-16 NWPC-130625945

117. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Companion Discount (Star Pak).
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowner Discount.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.

- Electronic Funds Transfer (EFT).
- **Nationwide Mutual Insurance Company**
- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO 02, HO 03, HO 05 and HO 06.
- Age of Oldest Insured Deviation.
- Personal Status Deviation.
- Age of Construction Deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- Nationwide Associate Deviation.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation.
- Installment Payment Plans.
- Census Block Deviation.
- Eff. 12-2-16 HRLV-130691685

118. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Creditvaries.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Creditvaries
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999

119. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

120. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.

- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

121. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882

122. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

123. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955

124. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

125. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954

126. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

127. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

128. **Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II, Liability Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.

- Personal Property Increased limits.
- All Forms Except HO00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Eff 10-1-16 AOIC-130633311

129. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

130. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708

131. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895

132. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.

- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

133. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

134. **Pennsylvania National Mutual Casualty Insurance Company**

- Age Discount Applicable to HO 00 02, HO 00 03, HO 00 05 and HE 00 07.
- Deductibles – Optional Higher Deductibles.
- Personal Property A Increased Limit.
- Preferred Program Protection Class and Territory.
- Account Credit Forms.
- Outboard Motors and Watercraft.
- Protective Device Credits.
- Additional Amount of Insurance HO 00 02 and HO 00 03.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Loss Assessment Coverage.
- Personal Property.
- Refrigerated Personal Property.
- Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Eff 06-01-16 PNPR-130357959

135. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682

136. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.

- Eff 11-7-15 TRVA-130152401

137. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

138. **Praetorian Insurance Company**

- Base rate deviation.
- Age of Home Deviation.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156771

• **Tenant Homeowners**

- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311

139. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.

- Multi Policy Credit – Auto Campion.
- Multi Policy Credit (Personal Excess Liability).
- Multi Policy Credit (Jewelry & Art).
- Protective Devices.
- Loss Free Credits.
- Renewal Credit.
- Eff 9-7-16 PRIV-130463720

140. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836

141. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Creditvaries.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

142. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- New Home Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156634

143. **Republic-Franklin Insurance Company**

Edge Program

- Protection Classification Credit.
- Edge Program Tiered.
- Mass Merchandising Plan.
- Affinity Group-Wise Program.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.

Essentials Program

- Protection Classification Credit.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.
- Edge Essentials Program Tiered.
- Eff 9-16-15 UTCX-G130232812

144. Response Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

145. Safeco Insurance Company of America

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBPM-130014262

146. RLI Insurance Company

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225

147. Safeco Insurance Company of Indiana

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

148. Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher

& dead bolt locks.

- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

149. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

150. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

151. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

152. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

153. **Service Insurance Company**

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for auto smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The max allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03 PC061674

154. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953

155. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

156. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage

- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

157. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168

158. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;:- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.

- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953

159. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

160. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

161. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.

- Eff. 3-1-95

162. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 11-7-15 TRVA-130152387

163. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

164. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Credits for Protective Devices
- Age of Home.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums by Territory.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff 12-12-16 STAT-130670626

165. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff. 12-12-16 STAT-130670678

166. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894

167. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

168. **Teachers Insurance Company**

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 11-15-16 HRMN-130592798

169. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152456

170. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.

- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152386

171. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152382

172. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

173. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152381

174. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.

- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

175. **Twin City Fire Insurance Company**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-21-16 HART-130619951

176. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-13-16 USAA-130760264

177. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-19-16 USAA-130760324

178. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

179. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

180. **United Property & Casualty**

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496

181. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.

- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-13-16 USAA-130760261

182. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952
-

183. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

184. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 11-1-16 KEMP-130714725

185. **Unitrin Safeguard Insurance Company**

- Base Rate by Territory.

- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Eff 10-1-16 KEMP-130622935

186. **Universal North American Insurance Company**
Homeowners Choice Program

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Year of Construction Factors.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 11-10-16 UNAC-130733412

187. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575

188. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.

- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

189. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

190. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736

191. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

192. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

1. ACE American Insurance Company

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

2. ACE Fire Underwriters Insurance Company

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

3. AIG Property Casualty Company

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-8-16 APCG-130345258

4. AIU Insurance Company

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

5. AMCO Insurance Company

- Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
- Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
- Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
- Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi-Line Deviation.
- Census Block Deviation.
- Eff 10-5-17 NWPC-131127261

6. AMEX Assurance Company

- Various downward deviation based on amount of insurance Form 3.
- Various downward deviation based on amount of insurance Form 4.
- Various downward deviation based on amount of insurance Form 6.
- Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887

7. Affirmative Insurance Company

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217

8. AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 0008.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137

10. Alliance Mutual Insurance Company

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461

11. Allstate Indemnity Company

- Claim Rating Deviation.

- Claims Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Eff 9-26-2017 ALSE-131038986

12. Allstate Insurance Company

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwellings.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

Deluxe Plus

- Deductibles.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 10-24-16 ALSE-130681404

13. AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. American Automobile Insurance Company

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049

15. American Bankers Insurance Company of Florida

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038

16. American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. American Family Home Insurance Company

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

19. American Home Assurance Company

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265

20. American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937

22. American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.

- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. American States Insurance Company

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

25. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

26. American Strategic Insurance Corporation

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853

27. AMICA Mutual Insurance Company

- Waive the Additional Premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 Rate Deviation by Policy Amount.
- Additional Amounts of Insurance-1.00 All Territories with Exceptions.
- Personal Property-Increased Limit, \$1.60 for All Forms.
- Premium Payment Option.
- Multi-Line Discount.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 7-1-17 AMMA-130841442

28. Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. Amerisure Mutual Insurance Company

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

30. Armed Forces Insurance Exchange

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- Minimum Policy Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 1-9-17 ARMD-130691188

31. Arrowwood Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340

32. Associated Indemnity Corporation

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

33. Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. Automobile Insurance Company of Hartford, Connecticut

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833231

36. Auto-Owners Insurance Company

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II Liability Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Eff. 10-2-17 AOIC-131062080

37. Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963

38. Bankers Standard Insurance Company

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.

- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778

39. Camden Fire Insurance Association. The

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137

40. Central Mutual Insurance Company

Owners Program

- Deviation by Territory and Protection Class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Swimming Pool.
- Solid Fuel Heating Device.
- Deviation for Trampolines.
- Deviation for Underwriter Accommodations.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

Condo Program

- Deviation by Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Form HO 00 06 Coverage A.

- Residence Held in Trust – All Forms except HO 00 04.
- Package Deviation.
- Installment Payment Plan.
- Deviation for Waiver of Premium.

Tenants Program

- Base Class Territory and Protection Class.
- Amount of Insurance Deviation.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductibles B. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.
- Eff 8-1-17 CEMC-131011197

41. Century National Insurance Company

- Installment Charge.
- Eff 8-1-15 CENT-130132700

42. The Charter Oak Fire Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833204

43. Cincinnati Indemnity Company

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697

44. The Cincinnati Insurance Company

- Dwellings Age of Dwelling Credits.
- Base Rate Deviation by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability Deviation.
- Preferred Risk Credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.

- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Eff 12-1-17 CNNB-131124039

45. Continental Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500

46. Continental Insurance Company

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4

- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786

47. Economy Premier Assurance Company

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172

48. Electric Insurance Company

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276

49. EMCASCO Insurance Company

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount

- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670

50. Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669

51. Encompass Indemnity Company

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324

52. Erie Insurance Company

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.

- Eff 10-1-15 ERPP-130101422

53. Erie Insurance Exchange

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416

54. Esurance Insurance Company

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903

55. Fairmont Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. Farmers Insurance Exchange Farmers Underwriters Association

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.

- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928

57. Federal Insurance Company

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441

58. Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961

60. Fidelity & Guaranty Insurance Underwriters

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

- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953

61. Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

62. Firemen's Insurance Company of Washington D.C.

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

63. First Community Insurance Company

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Eff 12-4-17 BKIC-131215588

64. First Protective Insurance Company

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 0006.
- Deductible for all forms except HS 00 04 and HS 00 06.

- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406

65. Garrison Property and Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130978964

66. General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887

67. Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 -20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.

- Eff. 3-1-95

68. Grain Dealers Mutual Insurance Company

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

69. Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. Graphic Arts Mutual Insurance Company

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Various for HO 00 02, HO 00 03, HO 00 05, and HO 00 08.
- Various for HO 00 04 and HO 00 06.
- Eff. 8-28-17 UTCX-G13099470

71. Hanover American Insurance Company

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461

72. Hanover Insurance Company

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.

- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210

73. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. Harleysville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.

- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715

76. Hartford Accident and Indemnity Company

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611

77. Hartford Casualty Insurance Company

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-21-17 HART-131154619

78. Hartford Fire Insurance Company

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

79. Hartford Insurance Company of Midwest

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154729

80. Hartford Underwriters Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-22-17 HART-131034435

81. Heritage Property & Casualty Insurance Company

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373

82. Homesite Insurance Company

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667

83. Horace Mann Insurance Company

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883

84. Horace Mann Property & Casualty Insurance Company

- Installment Payment Plan – Waive initial \$3.00 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff 11-15-16 HRMN-130973920

85. IDS Property Casualty Insurance Company

- Protective Device Credits

- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497

86. Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

87. Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

88. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

89. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

90. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

91. Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.

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

92. Integon National Insurance Company

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

93. Liberty Insurance Corporation

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916
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94. Liberty Mutual Fire Insurance Company

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

95. Liberty Mutual Mid-Atlantic Insurance Company

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

96. Lighthouse Property Insurance Corporation

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.

- Eff 5-1-16 MERL-130484445

97. Lititz Mutual Insurance Company

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592

98. LM Property and Casualty Insurance Company

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted basepremium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007

99. Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939

100. Markel American Insurance Company

- Key Factors
- Eff. 1-21-17 MRKA-130756063

101. Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.

- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

102. Massachusetts Bay Insurance Company

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474

103. Max America Insurance Company

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

104. Medmarc Casualty Insurance Company

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

105. The Members Insurance Company

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.

- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 12-1-17 CMCG-131039815

106. Merastar Insurance Company

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

107. Meritplan Insurance Company

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430

108. Metropolitan Direct Property & Casualty Insurance Company

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571

109. Metropolitan Property & Casualty Insurance Company

Standard Program

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.

- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692

110. Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789

111. Mosaic Insurance Company

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.

- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279

112. NGM Insurance Company

- Age of Home Discount.
- Multi-Line Discount.
- Deductible Credits/Charges and Theft Deductible.
- Protective Device Credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage A Relativities.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Eff. 4-1-16 NGMC-130274383

113. National General Insurance Company

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

114. National Specialty Insurance Company

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.

- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each addedyr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

115. National Surety Corporation

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

116. National Union Fire Insurance Company of Pittsburgh

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

117. Nationwide General Insurance Company

- Territory Deviation.
- Amount of Insurance.
- Deductible Deviations - Forms HO 02, HO 03, and HO 05.
- Age of Construction - Forms HO 02, HO 03, HO 05, and HO 06.
- Home Renovation Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Gated Community Deviation - Forms HO 02, HO 03, and HO 05.
- Supplemental Heating Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Safe Home Rating Plan Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Protection Class Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Roof Rating Deviation - Forms HO 02, HO 03, and HO 05.
- Household Composition Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Associate Discount Deviation.
- Maximum Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan Deviation.
- Miles to Coast Deviation.
- Census Block Deviation.
- Eff 6-20-17 NWPC-130829487

118. Nationwide Mutual Fire Insurance Company

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.

- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 6-20-17 NWPC-130879566

119. Nationwide Mutual Insurance Company

Nationwide Mutual Insurance Company

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms Ho 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, and HO 05.
- Installment Payment Plans.
- Census Block Deviation.

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 06-20-17 NWCP – 130879545

120. Netherlands Insurance Company

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Creditvaries.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.

- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.
Standard Homeowners
- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Creditvaries
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999

121. New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

122. New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

123. North Carolina Farm Bureau Mutual Insurance Company

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 0003.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882

124. North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased

Coverage C.

- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

125. Northern Assurance Company of America

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955

126. Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

127. OneBeacon America Insurance Company

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954

128. OneBeacon Insurance Company

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

129. OneBeacon Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.

- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

130. Owners Insurance Company

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II, Liability Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- All Forms Except HO00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Backup Generator Discount.
- Eff 10-2-17 AOIC-133066467

131. Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.

- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

132. Pacific Indemnity Company

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708

133. Peerless Insurance Company

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895

134. Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

135. Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

136. Pennsylvania National Mutual Casualty Insurance Company

- Year of Construction – Newly Constructed Dwellings.
- Deductibles – Optional Higher Deductibles.
- Personal Property Increased Limit.
- Preferred Program Protection Class and Territory.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Devices Credit.
- Additional Safety Device by Territory Credit.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.

- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- Age of Home.
- Eff 11-15-17 PNPR-131110184

137. Pharmacists Mutual Insurance Company

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682

138. Phoenix Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833159

139. Platte River Insurance Company

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.

- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

140. Praetorian Insurance Company

- HO 03 Base Rate Deviation.
 - Year of Construction – Newly Constructed Dwellings Discount.
 - New Purchase Discount.
 - Renovated Home Discount.
 - Mature Citizen Discount.
 - Builder Credit.
 - Loss Free Renewal Credit.
 - Multi-Policy Credit.
 - Replacement Cost Coverage C.
 - Protective Devices.
 - Additional Amounts of Insurance.
 - Maximum Credit.
 - Age of Home – Newly Constructed Dwelling Discount.
 - Eff 5-1-17 QBEC-130888091
- **Tenant Homeowners**
 - Claim factor form HO 00 04
 - Eff 12-31-15 QBEC-130292311

141. Privilege Underwriters Reciprocal Exchange

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Renewal Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Eff 9-6-17 PRIV-130982475

142. Progressive Northern Insurance Company

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.

- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836

143. Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Creditvaries.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

144. QBE Insurance Corporation

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729

145. Republic-Franklin Insurance Company

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO4 and HO6).
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all forms except HO4 and HO6)
- New Home Buyer Credit.
- ACV Loss Settlement – Roof Surfacing.
- Distance To Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO 2 HO 3 HO 5 and HO 6 forms).
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.
- Eff 10-1-17 UTCX-G131004121

146. Response Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

147. Safeco Insurance Company of America

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBPM-130014262

148. RLI Insurance Company

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225

149. Safeco Insurance Company of Indiana

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9thyr
- Eff. 2-15-95

150. Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

151. Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

152. Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.

- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

153. Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

154. Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

155. Service Insurance Company

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 12-4-17 OCCD-131295121

156. Sirius American Insurance Company

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953

157. Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

158. Southern Insurance Company of Virginia

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.

- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

159. Southern Pilot Insurance Company

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168

160. SPARTA Insurance Holdings

- New Home Credit All Forms, except 4 & 6; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3; - \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953

161. Spinnaker Insurance Company

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.

- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106

162. St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

163. St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

164. St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.

- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

165. Standard Fire Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 5-25-17 TRVA-130833207

166. Starr Indemnity & Casualty Company

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

167. State Automobile Mutual Insurance Company

- Auto-Home Discount.
- Credits for Protective Devices
- Age of Home.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums by Territory.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff 12-12-16 STAT-130670626

168. State Auto Property & Casualty Insurance Company

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.

- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff. 12-12-16 STAT-130670678

169. State Farm Fire & Casualty

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894

170. Stillwater Property & Casualty Insurance Company

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.
- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

171. Stonington Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.

- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

172. Teachers Insurance Company

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 11-15-17 HRMN-130973924horace

173. Travelers Casualty & Surety Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833223

174. Travelers Indemnity Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833225

175. Travelers Indemnity Company of America

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833143

176. Travelers Indemnity Company of Connecticut

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

177. Travelers Personal Security Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 5-25-17 TRVA-130833110

178. Travelers Property Casualty Company of America

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

179. Twin City Fire Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-21-17 HART-131154815

180. USAA Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979001

181. USAA General Indemnity Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979049

182. Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

183. Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

184. United Property & Casualty

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496

185. United Services Automobile Association

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979007

186. United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.

- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952
-

187. United States Fire Insurance Company

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

188. Unitrin Auto and Home Insurance Company

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 12-1-17 KEMP-131209961

189. Unitrin Safeguard Insurance Company

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Eff 12-1-17 KEMP-131209878

190. Universal Insurance Company

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 7-5-17 CMCG-131039953

**191. Universal North American Insurance Company
Homeowners Choice Program**

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Year of Construction Factors.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.

Eff 5-1-17 AGIA-130882806

192. Utica Mutual Insurance Company

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575

193. Valiant Insurance Company

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.

- Protective Device Credit.
- Eff 7-1-98

194. Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

195. Vigilant Insurance Company.

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736

196. Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 -.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

197. XL Insurance America, Inc.

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 -.75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 -.63.
- Eff. 4-1-95

HOMEOWNERS

1. ACE American Insurance Company

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

2. ACE Fire Underwriters Insurance Company

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

3. AIG Property Casualty Company

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-8-16 APCG-130345258

4. AIU Insurance Company

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

5. AMCO Insurance Company

- Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
- Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
- Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
- Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi-Line Deviation.
- Census Block Deviation.
- Eff 4-1-18 NWPC-131252758

6. AMEX Assurance Company

- Various downward deviation based on amount of insurance Form 3.
- Various downward deviation based on amount of insurance Form 4.
- Various downward deviation based on amount of insurance Form 6.
- Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887

7. Affirmative Insurance Company

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217

8. AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 0008.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137

10. Alliance Mutual Insurance Company

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461

11. Allstate Indemnity Company

- Claim Rating Deviation.

- Claim Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Home Buyer Discount.
- Early Signing Discount.
- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 7-16-18 ALSE-131442096

12. Allstate Insurance Company

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

Deluxe Plus

- Rule 406 Deductibles.
- Rule 404 Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 7-16-18 ALSE-131442235

13. AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. American Automobile Insurance Company

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049

15. American Bankers Insurance Company of Florida

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.

- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 3-1-18 ASPX-G131106166

16. American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. American Family Home Insurance Company

- EFT Installment Charge-Recurring CreditCard.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Key Factors.
- Eff. 4-1-18 AMMH-131341926

19. American Home Assurance Company

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265

20. American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937

22. American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.

- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. American States Insurance Company

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

25. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.

- Eff. 10-30-97

26. American Strategic Insurance Corporation

- Zone Deviation
- Protection Class Construction Factors HO 00 03 and HO 00 05.
- Protection Class Construction Factors HO 00 04.
- Key Factors – Forms HO 00 03 and HO 00 05.
- Key Factors – Forms HO 00 04.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – Forms HO 00 03 and HO 00 05.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in Full Discount Form HO 00 04.
- Bundled Coverage Credit Form HO 00 04.
- Secured Community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- HO 00 05 Deviated Form Factor Deviation.
- Windstorm or Hail Exclusion Credits.
- Eff 3-1-18 AMSI-131243397

27. AMICA Mutual Insurance Company

- Personal Property, Additional Premium for 75% of Coverage A waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.
- Additional Amounts of Insurance-25% at 1.00w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- Multi-Line Discount.
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Eff. 4-1-18 AMMA-131249838

28. Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. Amerisure Mutual Insurance Company

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

- Eff. 10-1-94

30. Armed Forces Insurance Exchange

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 4-1-18 ARMD-131191395

31. Arrowwood Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340

32. Associated Indemnity Corporation

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

33. Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. Automobile Insurance Company of Hartford, Connecticut

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 11-28-18 TRVD-131684361

36. Auto-Owners Insurance Company

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- All Forms Except HO 00 04 and HO 00 06 Coverage A Deviation.
- Eff. 4-1-18 AOIC-131251967

37. Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.

- Eff. 5-1-09 BALB-126027963

38. Bankers Standard Insurance Company

- Windstorm or Hail Exclusions.
- Windstorm Mitigation Program.
- Base Premium Computation HO 00 04 & HO 00 06; HO2, HO3, HO5 & HE7 Territory Exceptions.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protection Construction Factors, HO4 & HO6.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Names Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Eff. 4-1-18 ACEH-131192901

39. Camden Fire Insurance Association. The

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137

40. Central Mutual Insurance Company

Owners Program

- Deviation by Territory and Protection Class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Swimming Pool.
- Solid Fuel Heating Device.
- Deviation for Trampolines.

- Deviation for Underwriter Accommodations.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

Tenants Program

- Base Class Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

Condo Program

- Base Class Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Form HO 00 06 Coverage A.
- Residence Held in Trust – all forms except HO 00 04.
- Package Deviation.
- Installment Payment Plan.
- Deviation for Waiver of Premium.
- Eff 4-1-18 CEMC-131278612

41. The Charter Oak Fire Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 11-28-18 TRVD-1316843624

42. Cincinnati Indemnity Company

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697

43. The Cincinnati Insurance Company

- Year of Construction & Age of Home.
- Base Rate Deviation by Territory.

- Installment Payment Plan Y Payment Option for EFT.
- Homeowners Enhancement.
- Watercraft Liability.
- Preferred Risk Credit, All Forms.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit – All Forms.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity Credit.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Protection Class Factor.
- Base Premium Computation.
- Deductibles – All Perils.
- Deductibles – Theft.
- Deductibles – Windstorm or Hail Percentage.
- Deductibles – Windstorm or Hail Flat.
- Deductibles – Named Storm Percentage.
- Windstorm or Hail Exclusion Credits.
- Eff 12-1-18 CNNB-131383262

44. City National Insurance Company

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.

- 10-1-18 STNA-131486088

45. Continental Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500

46. Continental Insurance Company

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786

47. Economy Premier Assurance Company

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.

- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172

48. Electric Insurance Company

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276

49. EMCASCOS Insurance Company

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

50. Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669

51. Encompass Indemnity Company

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.

- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324

52. Erie Insurance Company

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit Deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting Tier Deviation.
- Claims Tier Deviation.
- Occupancy Deviation.
- Home Age/Policy Age Deviation.
- Townhouse and Row House Deviation.
- Business Pursuits.
- Waterbed Liability Deviation.
- Refrigerated Personal Property Coverage.
- Rented Personal Property Deviation.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage Deviation.
- Windstorm Mitigation Credits.
- Eff 4-1-18 ERPP-131291754

53. Erie Insurance Exchange

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors Deviation.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House Charge Eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Seasonal Dwelling Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage (HO 0498).
- Personal Property Increased Limits; HE 7.
- Premium Payment Plan Service Charge – Installment Payments.

- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 4-1-18 ERPP-131293863

54. Esurance Insurance Company

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903

55. Fairmont Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. Farmers Insurance Exchange Farmers Underwriters Association

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928

57. Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

58. Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.

- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961

59. Fidelity & Guaranty Insurance Underwriters

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

60. Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

61. Firemen's Insurance Company of Washington D.C.

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

62. First Community Insurance Company

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.

- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653

63. First Protective Insurance Company

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 0006.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406

64. Garrison Property and Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496762

65. General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.

- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887

66. Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 -20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Creditvaries.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

67. Grain Dealers Mutual Insurance Company

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

68. Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

69. Graphic Arts Mutual Insurance Company

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 4-1-18 UTCX-G131185770

70. Hanover American Insurance Company

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.

- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost.
- Eff. 12-1-18 HNVR-131708562

71. Hanover Insurance Company

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C.
- Personal Property Replacement Cost on Coverage C.
- Account Credit.
- Personal Property Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts of 35%
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Eff. 12-1-18 HNVR-131708563

72. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

73. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.

- Eff. 5-1-92

74. Harleysville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715

75. Hartford Accident and Indemnity Company

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611

76. Hartford Casualty Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131583914

77. Hartford Fire Insurance Company

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

78. Hartford Insurance Company of Midwest

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-20-18 HART-131583924

79. Hartford Underwriters Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-22-17 HART-131034435

80. Heritage Property & Casualty Insurance Company

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373

81. Homesite Insurance Company

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667

82. Horace Mann Insurance Company

- Installment Payment Plan Waive initial \$3 installment fee.
- Installment Payments - EFT.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Form 3.
- Eff. 4-1-18 HRMN-130864887

83. Horace Mann Property & Casualty Insurance Company

- Installment Payment Plan – Waive initial \$3.00 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation.
- Eff 4-1-18 HRMN-131224364

84. IDS Property Casualty Insurance Company

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 1-1-18 PRCA-131110328

85. Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

86. Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

87. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

88. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.

- Eff. 6-15-88

89. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41 - \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

90. Integon Indemnity Corporation

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

91. Integon National Insurance Company

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

92. Kemper Independence Insurance Company

- Additional Coverage – Jewelry and Furs Deviation.
- Unit Owners Coverage A Special HO 00 06 Deviation.
- Electronic Funds Transfer Deviation.
- Territory Deviation.
- Distance to Coast Deviation.
- Protection Construction Deviation.
- Age of Home Deviation.
- Age of Roof Deviation.
- Age of Primary Named Insured Deviation.
- Billing Fee Deviation.
- Coverage Limit Deviation.
- Deductible Deviation.
- Coverage A Per Square Footage Deviation.
- Foundation Deviation.
- Loss History Deviation (1-3 years).
- Loss History Deviation (4-5 years).
- Number of Baths Deviation.
- Number of Stories Deviation.
- Occupancy Type Deviation.
- Pool Deviation.
- Punctual Payment Deviation.
- Roof Type Deviation.
- Square Footage Deviation.
- Theft Protection Deviation.
- Tier Deviation.
- Trampoline Deviation.
- Wood Burning Stove Deviation.
- Advanced Quote Deviation.
- Affinity Group Deviation.
- Home Buyer Deviation.

- Home Safety Deviation.
- Multipolicy Deviation.
- Paperless Deviation.
- Eff 12-1-18 KEMP-131504897

93. Liberty Insurance Corporation

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916

94. Liberty Mutual Fire Insurance Company

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

95. Liberty Mutual Mid-Atlantic Insurance Company

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

96. Lighthouse Property Insurance Corporation

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.
- Eff 2-1-18 MERL-131277284

97. Lititz Mutual Insurance Company

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592

98. LM Property and Casualty Insurance Company

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted basepremium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007

99. Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939

100. Markel American Insurance Company

- Key Factors
- Eff. 4-1-18 MRKA-131338370

101. Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when

criteria is met.

- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

102. Massachusetts Bay Insurance Company

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Caps on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property (Coverage C) Replacement Cost.
- Personal Property (Coverage C) Replacement Cost.
- Eff 12-1-15 HNVR-131708530

103. Max America Insurance Company

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

104. Medmarc Casualty Insurance Company

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

105. The Members Insurance Company

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 12-1-17 CMCG-131039815

106. Merastar Insurance Company

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.

- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 -\$1000
- Deductible credits;Forms 4 & 6: \$500 -\$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235

107. Meritplan Insurance Company

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430

108. Metropolitan Direct Property & Casualty Insurance Company

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571

109. Metropolitan Property & Casualty Insurance Company

Standard Program

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

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.

- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692

110. Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789

111. Mosaic Insurance Company

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

112. NGM Insurance Company

- Year of Construction.
- Age of Home Discount.
- Multi-Line Discount.
- Protective Device Credits (All Forms).

- Replacement Cost on Contents HO-2, HO3, HO4, HO5 and HO6.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Increased Limits of Coverage D.
- Installment Payment Plan.
- Ordinance or Law – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.
- Deductible Credits/Charges.
- Eff. 10-28-18 NGMC-131635863

113. National General Insurance Company

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

114. National Specialty Insurance Company

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

- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

115. National Surety Corporation

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

116. National Union Fire Insurance Company of Pittsburgh

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

117. Nationwide General Insurance Company

- Territory Deviation.
- Amount of Insurance.
- Deductible Deviations - Forms HO 02, HO 03, and HO 05.
- Age of Construction - Forms HO 02, HO 03, HO 05, and HO 06.
- Home Renovation Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Gated Community Deviation - Forms HO 02, HO 03, and HO 05.
- Supplemental Heating Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Safe Home Rating Plan Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Protection Class - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Roof Rating Deviation - Forms HO 02, HO 03, and HO 05.
- Household Composition Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Associate Discount Deviation.
- Maximum Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan Deviation.
- Miles to Coast Deviation.
- Census Block Deviation.
- Eff 5-26-18 NWPC-131345714

118. Nationwide Mutual Fire Insurance Company

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.

- Eff. 6-20-18 NWPC-131345731

119. Nationwide Mutual Insurance Company

Nationwide Mutual Insurance Company

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms HO 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plans.
- Census Block Deviation.

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 6-20-18 NWCP – 131345734

120. Netherlands Insurance Company

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Creditvaries.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Creditvaries
- Base Rate Deviation HO 6 by territory: Deviation varies.

- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they are written as part of the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999

121. New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

122. New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

123. North Carolina Farm Bureau Mutual Insurance Company

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Value-Plus Deviation.
- Carolina Partner Plus Discount – Form HO 00 03.
- Eff. 4-1-18 NCFB-131245241

124. North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

125. Northern Assurance Company of America

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.

- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955

126. Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

127. Occidental Fire & Casualty Company of North Carolina

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

Form HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 10-1-18 OCCD-131605587

128. OneBeacon America Insurance Company

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.

- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954

129. OneBeacon Insurance Company

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

130. OneBeacon Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

131. Owners Insurance Company

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.

- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Backup Generator Discount.
- Company Deviation.
- All Forms Except HO 00 04 and HO 00 06 Coverage A Deviation.
- Eff 4-1-18 AOIC-131252140

132. Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

133. Pacific Indemnity Company

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183

134. Peerless Insurance Company

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895

135. Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.

- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

136. Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

137. Pennsylvania National Mutual Casualty Insurance Company

- Year of Construction – Newly Constructed Dwellings.
- Windstorm or Hail Exclusion Credit.
- Personal Property Increased Limit.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Device Credit.
- Additional Protective Device Credits.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- New Home Discount.
- Eff 10-1-18 PNPR-131667785

138. Pharmacists Mutual Insurance Company

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682

139. Phoenix Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 11-28-18 TRVD-131684338

140. Platte River Insurance Company

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

141. Praetorian Insurance Company

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091

- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311

142. Privilege Underwriters Reciprocal Exchange

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.

- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Mortgage Free Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Cost Per Square Foot Factor.
- Eff 4-1-18 PRIV-131270755

143. Progressive Northern Insurance Company

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836

144. Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Creditvaries.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

145. QBE Insurance Corporation

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729

146. Republic-Franklin Insurance Company

Personal Edge Homeowners

- Base Rate Deviations.
- Coverage A Key Factor Curve

- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.
Personal Edge Homeowners Essential
- Base Rate Deviations.
- Coverage A Key Factor Curve.
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Eff 6-25-18 UTCX-131471368

147. Response Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

148. RLI Insurance Company

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324

149. Safeco Insurance Company of America

- Deductible Factors.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Medical Payments/Other Exposures/Higher Limits Deviation.
- Other Insured Locations.
- Special Personal Property Coverage – HO 54 and HO 6.
- Tier Relativities – Credit Scoring.
- Employee Discount Plan.
- Territory Relativities.

- Renewal Credit.
- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class Relativity.
- Coverage A per Square Footage.
- Advance Quote Discount.
- Coverage C Amount.
- New Buyer Credit.
- Eff. 4-1-18 LBPM-131139287

150. Safeco Insurance Company of Indiana

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

151. Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

152. Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

153. Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

154. Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.

- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

155. Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

156. Service Insurance Company

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 10-1-18 OCCD-131605605

157. Sirius American Insurance Company

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953

158. Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.

- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

159. Southern Insurance Company of Virginia

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.

- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

160. Southern Pilot Insurance Company

- Base Class Premium Forms HO 00 03, HO 00 05, HE-7.
- Base Class Premium Form HO 00 04.
- Base Class Premium Form HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- Year of Construction Credits Primary and Secondary.
- Optional Deductible Credits.
- Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Outboard Motor and Watercraft Liability.
- Multi-Policy Credit.
- Enhancement Factor Deviation.
- Age of Home.
- Protective Device Credit.
- Eff. 12-1-18 QBEC-131654641

161. SPARTA Insurance Holdings

- New Home Credit All Forms, except 4 & 6;; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953

162. Spinnaker Insurance Company

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.
- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106

163. St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

164. St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

165. St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

166. Standard Fire Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff. 11-28-18 TRVD-131684374

167. Starr Indemnity & Casualty Company

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

168. State Automobile Mutual Insurance Company

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Year of Construction.
- Age of Home Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan, E-Pay.
- Employee Group Discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Eff 4-16-18 STAT-131387601

169. State Auto Property & Casualty Insurance Company

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.
- Employee Group Discount Plan.
- Base Premiums - Form HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Eff. 4-16-18 STAT-131387603

170. State Farm Fire & Casualty

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installments Payment Plan.
- Refrigerated Personal Property.
- Home and Auto Discount.
- Deductibles-Named Storm Percentage Deductibles HO 00 03, HO 00 04 and HO 00 06.
- All Perils Deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection Class.
- Construction and Protection Class – Form 3
- Construction and Protection Class Forms 4 and 6.
- Rule 301 Amount Form 3.
- Eff. 4-1-18 SFMA-131277631

171. Stillwater Property & Casualty Insurance Company

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.
- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

172. Stonington Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

173. Teachers Insurance Company

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 4-1-18 HRMN-131224488

174. Travelers Casualty & Surety Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 11-28-18 TRVD-131684377

175. Travelers Indemnity Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 11-28-18 TRVD-131684363

176. Travelers Indemnity Company of America

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 11-28-18 TRVD-131684378

177. Travelers Indemnity Company of Connecticut

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit

factors.

- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

178. Travelers Personal Security Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-28-18 TRVD-131684373

179. Travelers Property Casualty Company of America

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

180. Twin City Fire Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131584002

181. USAA Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496766

182. USAA General Indemnity Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131214663

183. Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

184. Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.

- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

185. United Property & Casualty

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496

186. United Services Automobile Association

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496781

187. United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.

- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

188. United States Fire Insurance Company

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

189. Unitrin Auto and Home Insurance Company

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property (C) Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 10-1-18 KEMP-131506749

190. Unitrin Safeguard Insurance Company

- Base Premium Computation.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Deviation.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Deductible.
- Occupancy.

- Multi-Policy Discount.
- Electric Funds Transfer.
- Unit Owners Coverage A.
- Additional Coverage – Jewelry and Furs
- Eff 8-1-19 KEMP-131667677

191. Universal Insurance Company

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 4-1-18 CMCG-131333746

**192. Universal North American Insurance Company
Homeowners Choice Program**

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 12-1-18 AGIA-131556912

193. Utica Mutual Insurance Company

- Personal Lines Account Credit.
- W.I.S.E./Affinity Group Program.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 4-1-18 UTCX-G131185768

194. Valiant Insurance Company

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.

- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

195. Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

196. Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

197. XL Insurance America, Inc.

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

1. ACE American Insurance Company

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

2. ACE Fire Underwriters Insurance Company

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

3. AIG Property Casualty Company

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-8-16 APCG-130345258

4. AIU Insurance Company

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

5. AMCO Insurance Company

- Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
- Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
- Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
- Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi-Line Deviation.
- Census Block Deviation.
- Eff 6-20-19 NWPC-131788303

6. AMEX Assurance Company

- Various downward deviation based on amount of insurance Form 3.
- Various downward deviation based on amount of insurance Form 4.
- Various downward deviation based on amount of insurance Form 6.
- Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887

7. Affirmative Insurance Company

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217

8. AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 0008.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137

10. Alliance Mutual Insurance Company

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461

11. Allstate Indemnity Company

- Claim Rating Deviation.

- Claim Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Home Buyer Discount.
- Early Signing Discount.
- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 7-16-18 ALSE-131442096

12. Allstate Insurance Company

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

Deluxe Plus

- Rule 406 Deductibles.
- Rule 404 Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 7-16-18 ALSE-131442235

13. Allstate Vehicle and Property Insurance Program

- Base Premium Computation.
- Payment Options – EFT and Payroll Deduction.
- Amount of Insurance.
- House Attributes Tier Deviation.
- Policy Class Tier Deviation.
- Atlas Class Tier Deviation.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Claim Rating Deviation.
- Claim Free Discount.
- Responsible Payment Discount.
- Multiple Policy Discount.
- Home Buyer Discount.
- Protective Device Discount.
- Storm Shutter Discount.
- Hail Resistant Roof Discount.
- Early Signing Discount.
- Easy Payment Plan Discount.

- The Good Hands People Discount.
- Loyalty Discount.
- Welcome Discount.
- Blended Table Rating.

Eff 1-30-20 ALSE-132029786

14. AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

15. American Automobile Insurance Company

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049

16. American Bankers Insurance Company of Florida

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 3-1-18 ASPX-G131106166

17. American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

18. American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

19. American Family Home Insurance Company

- EFT Installment Charge-Recurring CreditCard.

- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Key Factors.
- Eff. 4-1-18 AMMH-131341926

20. American Home Assurance Company

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265

21. American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

22. American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937

23. American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

24. American Motorists Insurance Company

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

25. American States Insurance Company

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

26. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

27. American Strategic Insurance Corporation

- Zone Deviation.
- Protection Class Construction Factors HO 00 03 and HO 00 05.
- Protection Class Construction Factors HO 00 04.
- Key Factors – Forms HO 00 03 and HO 00 05.
- Key Factors – Forms HO 00 04.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- "E Policy" – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – Forms HO 00 03 and HO 00 05.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in Full Discount Form HO 00 04.
- Bundled Coverage Credit Form HO 00 04.
- Secured Community Discount Form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- HO 00 05 Deviated Form Factor Deviation.
- Windstorm or Hail Exclusion Credits.
- Eff 12-10-18 AMSI-131564119

28. AMICA Mutual Insurance Company

- Personal Property, Additional Premium for 75% of Coverage A waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.

- Additional Amounts of Insurance-25% at 1.00w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- All Electronic Delivery
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Eff. 10-1-19 AMMA-131911815

29. Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. -.99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

30. Amerisure Mutual Insurance Company

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

31. Armed Forces Insurance Exchange

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 4-1-18 ARMD-131191395

32. Arrowwood Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.
- Eff. 5-15-04 PC069340

33. Associated Indemnity Corporation

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

- Eff. 6-1-93

34. Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

35. Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

36. Automobile Insurance Company of Hartford, Connecticut

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 1-2-20 TRVD-132010160

37. Auto-Owners Insurance Company

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- Protection Construction Factors.
- Year of Construction Discount.

- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations/Minimum Premium.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Unique Building.
- Eff. 10-2-19 AOIC-132009501

38. Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963

39. Bankers Standard Insurance Company

- Windstorm or Hail Exclusions.
- Windstorm Mitigation Program.
- Base Premium Computation HO 00 04 & HO 00 06; HO2, HO3, HO5 & HE7 Territory Exceptions.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protection Construction Factors, HO4 & HO6.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Names Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Eff. 4-1-18 ACEH-131192901

40. Camden Fire Insurance Association. The

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137

41. Central Mutual Insurance Company

- Base Premium Computation by Territory.
- Base Premium Computation by County.
- Roof Type.
- Number of Stories.
- Year of Construction.
- Age of Dwelling.
- Protection Class.
- Amount of Insurance (Owners Forms).
- Amount of Insurance (Tenant and Condo).
- Deductibles (Owners).
- Deductibles (Tenant and Condo).
- Insurance Score Deviation.
- Age of Oldest Named Insured.
- Number of Mortgages.
- Usage.
- Payment Timeliness Deviation.
- Swimming Pool.
- Solid Fuel Heating Device.
- Loss History Deviation.
- Gated Community.
- Coverages Purchased – Accompanying Schedule.
- Customer Loyalty.
- Package Deviation.
- Affinity Group.
- Paid in Full.
- Underwriter Accommodations.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits.
- Payment Options – Electronic Funds Transfer.
- Waiver of Premium.
- Eff 11-1-19 CEMC-132022676

42. The Charter Oak Fire Insurance Company

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 1-20-20 TRVD-132016831

43. Cincinnati Indemnity Company

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697

44. The Cincinnati Insurance Company

- Year of Construction & Age of Home.
- Base Rate Deviation by Territory.
- Installment Payment Plan Y Payment Option for EFT.
- Homeowners Enhancement.

- Watercraft Liability.
- Preferred Risk Credit, All Forms.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit – All Forms.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity Credit.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Protection Class Factor.
- Base Premium Computation.
- Deductibles – All Perils.
- Deductibles – Theft.
- Deductibles – Windstorm or Hail Percentage.
- Deductibles – Windstorm or Hail Flat.
- Deductibles – Named Storm Percentage.
- Windstorm or Hail Exclusion Credits.
- Eff 12-1-18 CNNB-131383262

45. City National Insurance Company

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.
- 10-1-18 STNA-131486088

46. Continental Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500

47. Continental Insurance Company

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786

48. Economy Premier Assurance Company

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.

- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172

49. Electric Insurance Company

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276

50. EMCASC0 Insurance Company

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

51. Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669

52. Encompass Indemnity Company

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.

- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324

53. Erie Insurance Company

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit Deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting Tier Deviation.
- Claims Tier Deviation.
- Occupancy Deviation.
- Home Age/Policy Age Deviation.
- Townhouse and Row House Deviation.
- Business Pursuits.
- Waterbed Liability Deviation.
- Refrigerated Personal Property Coverage.
- Rented Personal Property Deviation.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage Deviation.
- Windstorm Mitigation Credits.
- Eff 4-1-18 ERPP-131291754

54. Erie Insurance Exchange

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors Deviation.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House Charge Eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Seasonal Dwelling Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage (HO 0498).
- Personal Property Increased Limits; HE 7.
- Premium Payment Plan Service Charge – Installment Payments.
- Tiered Rating
- Other Members of a Named Insured's Household.

- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 4-1-18 ERPP-131293863

55. Esurance Insurance Company

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903

56. Fairmont Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

57. Farmers Insurance Exchange Farmers Underwriters Association

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928

58. Federal Insurance Company

- Protection Construction Factors.
- Protective Devices.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Mass Merchandising Discount.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Electric Backup Discount.
- Eff 5-1-20 ACEH - 132184989

59. Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.

- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

60. Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961

61. Fidelity & Guaranty Insurance Underwriters

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

62. Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

63. Firemen's Insurance Company of Washington D.C.

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

64. First Community Insurance Company

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653

65. First Protective Insurance Company

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 0006.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406

66. Garrison Property and Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Eff 7-1-19 USAA-131872822

67. General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887

68. Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 -20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Creditvaries.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

69. Grain Dealers Mutual Insurance Company

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

70. Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

71. Graphic Arts Mutual Insurance Company

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.

- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 10-1-19 UTCX-131983518

72. Hanover American Insurance Company

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost.
- Eff. 12-1-18 HNVR-131708562

73. Hanover Insurance Company

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C.
- Personal Property Replacement Cost on Coverage C.
- Account Credit.
- Personal Property Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts of 35%
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Eff. 12-1-18 HNVR-131708563

74. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.

- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

75. Harco National Insurance Company

- Base Premium Computation.
- Amount of Insurance.
- Protection Construction.
- Masonry Construction.
- Deductible.
- Companion Auto.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Wind Exclusion Credit.
- Easy Pay Installment Plan.
- Maximum Discount.
- Eff. 12-1-19 OCCD – 132150860

76. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

77. Harleysville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715

78. Hartford Accident and Indemnity Company

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.

- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611

79. Hartford Casualty Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131583914

80. Hartford Fire Insurance Company

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

81. Hartford Insurance Company of Midwest

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-20-18 HART-131583924

82. Hartford Underwriters Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 4-13-19 HART-131802885

83. Heritage Property & Casualty Insurance Company

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373

84. Homesite Insurance Company

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667

85. Horace Mann Insurance Company

- Installment Payment Plan Waive Initial \$3 Installment Fee.
- Installment Payments - EFT.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff. 7-1-19 HRMN-131837699

86. Horace Mann Property & Casualty Insurance Company

- Installment Payment Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff 7-1-19 HRMN-131837733

87. IDS Property Casualty Insurance Company

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.

- Eff 1-1-18 PRCA-131110328

88. Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

89. Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

90. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

91. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

92. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41 - \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

93. Integon Indemnity Corporation

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

94. Integon National Insurance Company

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

95. Kemper Independence Insurance Company

- Additional Coverage – Jewelry and Furs Deviation.
- Unit Owners Coverage A Special HO 00 06 Deviation.
- Electronic Funds Transfer Deviation.
- Territory Deviation.
- Distance to Coast Deviation.
- Protection Construction Deviation.
- Year of Construction (All Forms Except HO-4 and HO-6).
- Age of Home (All Forms Except HO-4 and HO-6 6 Years+).
- Age of Home (Form HO-6).
- Age of Roof Deviation.
- Age of Primary Named Insured Deviation.
- Billing Fee Deviation.
- Coverage Limit Deviation.
- Deductible Deviation.
- Coverage A Per Square Footage Deviation.
- Foundation Deviation.
- Loss History Deviation (1-3 years).
- Loss History Deviation (4-5 years).
- Number of Baths Deviation.
- Number of Stories Deviation.
- Occupancy Type Deviation.
- Pool Deviation.
- Punctual Payment Deviation.
- Roof Type Deviation.
- Square Footage Deviation.
- Theft Protection Deviation.
- Tier Deviation.
- Trampoline Deviation.
- Wood Burning Stove Deviation.
- Advanced Quote Deviation.
- Affinity Group Deviation.
- Home Buyer Deviation.
- Home Safety Deviation.
- Multipolicy Deviation.
- Paperless Deviation.
- Eff 10-31-19 KEMP-132029893

96. Lemonade Insurance Company

- Base Premium Computation.
- Personal Property Replacement Cost Loss Settlement.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Tier Rating Factors.
- Loyalty Credits.
- Renovation Credits.
- Swimming Pool Factors.
- Gated Community Credit Factors.
- Wind Protection Device Credit Factors
- Management Company Credit Factors.
- EFF. 07-15-2019 PERR-131941574

97. Liberty Insurance Corporation

- Liberty Mutual Advantage.
- Multi Policy Discount.

- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916

98. **Liberty Mutual Fire Insurance Company**

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

99. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

100. **Lighthouse Property Insurance Corporation**

- Base Premium Computation – HO 00 03 Deviation.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Golden Age Discount.
- New Purchase Discount.
- Secured Communities Discount.
- E-Policy Discount.
- Maximum Discount.
- Seasonal/Secondary Home.
- Wood Burning Stove.
- Experience Rating.
- Affinity Discount.
- Windstorm Mitigation Program.
- Partial Hip Credit.
- Eff 3-15-19 MERL-131795562

101. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592

102. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.

- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007

103. Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939

104. Markel American Insurance Company

- Windstorm or Hail.
- Year of Construction Credit-Newly Constructed Dwelling.
- Mature Retiree Credit.
- Age of Dwelling.
- New Roof Credit.
- Loss Free Renewal Credit.
- Eff. 7-1-19 MRKA-131971997

105. Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when

criteria is met.

- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

106. Massachusetts Bay Insurance Company

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Caps on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property (Coverage C) Replacement Cost.
- Personal Property (Coverage C) Replacement Cost.
- Eff 12-1-15 HNVR-131708530

107. Max America Insurance Company

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

108. Medmarc Casualty Insurance Company

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

109. The Members Insurance Company

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- Underwriting Company Factor.
- Gated/Limited Access Community.
- Eff 4-1-19 CMCG-131794135

110. Merastar Insurance Company

- New Home Credit.
- Safe and Sound Discount.

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

111. Meritplan Insurance Company

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430

112. Metropolitan Direct Property & Casualty Insurance Company

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571

113. Metropolitan Property & Casualty Insurance Company

Standard Program

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

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692

114. Milbank Insurance Company

- Base Class Premium Computation.
- Form Factors.
- Protection Construction Factors.
- Key Factor Table.
- Year of Construction – Newly Constructed Dwellings.
- Townhouse or Row House Factor.
- Protective Devices.
- Deductibles – All Perils.
- Deductibles – Windstorm or Hail Deductible.
- ACV Roof Loss Settlement. .
- Age of Home.
- Distance to Coast.
- Insurance Score.
- Coverage A per Square Footage.
- Stories and Square Footage.
- Number of Bathrooms.
- Tier Factor.
- Loss Experience.
- Home Purchase Discount.
- Advance Quote Discount.
- Prior Carrier Discount.
- Maximum New Business Discount.
- Age of Roof.
- Age of Roof Tenure.
- Roof Shape.
- Multi Policy Discount.
- Smart Home Protective Device Factor.
- Dwelling Use.
- Employee Discount.
- Eff. 3-23-19 STAT-131808639

115. Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.

- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789

116. Mosaic Insurance Company

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

117. NGM Insurance Company

- Year of Construction.
- Age of Home Discount.
- Multi-Line Discount.
- Protective Device Credits (All Forms).
- Replacement Cost on Contents HO-2, HO3, HO4, HO5 and HO6.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Increased Limits of Coverage D.
- Installment Payment Plan.
- Ordinance or Law – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.
- Deductible Credits/Charges.
- Eff. 10-28-18 NGMC-131635863

118. National General Insurance Company

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

119. National Specialty Insurance Company

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

120. National Surety Corporation

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

121. National Union Fire Insurance Company of Pittsburgh

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

122. Nationwide General Insurance Company

- Territory Deviation with and without Wind or Hail, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Amount of Insurance, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Deductibles - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Age of Home - Forms HO 00 002, HO 00 03, HO 00 05, and HO 00 06.
- Home Renovation - Forms HO 00 02, HO 00 03, and HO 00 05.
- Home Purchase - Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Age of Oldest Insured- Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Gated Community - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Supplemental Heating - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Prior Insurance - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Safe Home Rating Plan - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Protection Class - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Roof Age and Type - Forms HO 00 02, HO 00 03, and HO 00 05.
- Associate Discount - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Intra-Agency – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Personal Status – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Intra-Agency – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Home and car – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Multi-Line – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Occupant Count – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Miles to Coast Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Census Block Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Distribution Deviation – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Eff 1-5-20 NWPP-132121320

123. Nationwide Mutual Fire Insurance Company

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home and Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff 6-20-19 NWPC-131778080

124. Nationwide Mutual Insurance Company

Nationwide Mutual Insurance Company

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms HO 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.

- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plans.
- Census Block Deviation.

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 1-30-20 NWCP-131904077

125. Netherlands Insurance Company

Preferred Homeowners

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999

126. New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

127. New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.

- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

128. North Carolina Farm Bureau Mutual Insurance Company

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Value-Plus Deviation.
- Carolina Partner Plus Discount – Form HO 00 03.
- Eff. 4-1-18 NCFB-131245241

129. North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

130. Northern Assurance Company of America

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955

131. Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

132. Occidental Fire & Casualty Company of North Carolina

- Territory Relativities.
- Coverage A Amount of Insurance.
- Protection Construction Class.
- Masonry Construction.
- Deductible.
- Companion Auto Discount.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories..
- Wind Exclusion.
- Easy Plan Installment Plan.
- Maximum.

Form HS 03 Deviations

- Territory.
- Coverage A Amount of Insurance.
- Protection Construction Class.
- Deductible.
- Year of Construction.
- Age of Home.
- Roof Age.
- Tier.
- Wind Mitigation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 1-16-20 OCCD-132146612

133. OneBeacon America Insurance Company

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954

134. OneBeacon Insurance Company

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.

- Eff 4-15-96

135. OneBeacon Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

136. Owners Insurance Company

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Unique Building.
- Company Deviation.
- Eff 10-2-19 AOIC-132009745

137. Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.

- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

138. Pacific Indemnity Company

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183

139. Palomar Specialty Insurance Company

- Base Premium Computation.
- Underwriting Tier.
- Mature Homeowner Discount.
- Year of Construction.
- Age of Home.
- Personal Property (Coverage C) Replacement Cost.
- Secured Community.
- New Purchase Discount.
- Companion Policy Discount.
- Partial Hip Roof Discount.
- Distance to Coast.
- Age of Roof.
- Maximum Discount.
- Eff 4-5-19 CCGI-131856284

140. Peerless Insurance Company

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895

141. Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.

- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

142. Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

143. Pennsylvania National Mutual Casualty Insurance Company

- Year of Construction – Newly Constructed Dwellings.
- Windstorm or Hail Exclusion Credit.
- Personal Property Increased Limit.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Device Credit.
- Additional Protective Device Credits.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- New Home Discount.
- Eff 10-1-18 PNPR-131667785

144. Pharmacists Mutual Insurance Company

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682

145. Phoenix Insurance Company

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752350

146. Platte River Insurance Company

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

147. Praetorian Insurance Company

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091

• Tenant Homeowners

- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311

148. Privilege Underwriters Reciprocal Exchange

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.

- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Mortgage Free Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Cost Per Square Foot Factor.
- Renewal Discount Deviation.
- Eff 10-1-19 PRIV-131903299

149. Progressive Northern Insurance Company

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836

150. Progressive Southeastern Insurance Company

- Zone Deviation.
- Protection Class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote Discount.
- Loss History.
- Paid in Full Discount.
- Bundled Coverage Credit.
- Secured Community Discount.
- Household Structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Windstorm or Hail Exclusion Credits.
- Eff 12-10-18 ASIT-131365142

151. Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Creditvaries.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

152. QBE Insurance Corporation

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729

153. Republic-Franklin Insurance Company

Personal Edge Homeowners

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (All Policy Forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.

Essential Homeowners

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms Except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (all policy forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Eff 8-24-19 UTCX-132021698

154. Response Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.

- Eff. 1-15-95

155. RLI Insurance Company

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324

156. Safeco Insurance Company of America

- Deductible Factors.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Other Insured Locations.
- Special Personal Property Coverage – HO 4 and HO 6.
- Tier Relativities – Credit Scoring.
- Employee Discount Plan.
- Territory Relativities.
- Renewal Credit.
- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class Relativity.
- Coverage A Per Square Footage.
- Advance Quote Discount.
- Coverage C Amount.
- Year of Construction.
- Newer Home Credit.
- Eff. 08-01-19 LBPM-131943495

157. Safeco Insurance Company of Indiana

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9thyr
- Eff. 2-15-95

158. Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

159. Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

160. Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

161. Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

162. Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

163. Service Insurance Company

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- **HS 03 Deviations**
- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.

- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 4-15-19 OCCD-131858538

164. Sirius American Insurance Company

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953

165. Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

166. Southern Insurance Company of Virginia

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage

- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

167. Southern Pilot Insurance Company

- Base Class Premium Forms HO 00 03, HO 00 05, HE-7.
- Base Class Premium Form HO 00 04.
- Base Class Premium Form HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- Year of Construction Credits Primary and Secondary.
- Optional Deductible Credits.
- Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Outboard Motor and Watercraft Liability.
- Multi-Policy Credit.
- Enhancement Factor Deviation.
- Age of Home.
- Protective Device Credit.
- Eff. 12-1-18 QBEC-131654641

168. SPARTA Insurance Holdings

- New Home Credit All Forms, except 4 & 6; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.

- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953

169. Spinnaker Insurance Company

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.
- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106

170. St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

171. St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

172. St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

173. Standard Fire Insurance Company

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff. 1-20-20 TRVD-132016830

174. Starr Indemnity & Casualty Company

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

175. State Automobile Mutual Insurance Company

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Year of Construction.
- Age of Home Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan, E-Pay.
- Employee Group Discount Plan.

- Home Purchase Discount.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Eff 4-16-18 STAT-131387601

176. State Auto Property & Casualty Insurance Company

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.
- Employee Group Discount Plan.
- Base Premiums - Form HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Eff. 4-16-18 STAT-131387603

177. State Farm Fire & Casualty

- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 04.
- Base Premium Computation HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Plan Payment Plan.
- Refrigerated Personal Property.
- Home and Auto Discount.
- Named Storm Percentage Deductible HO 0003.
- Named Storm Percentage Deductible HO 0004.
- Named Storm Percentage Deductible HO 0006.
- All Perils Deductibles HO 00 03.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection Class – HO 00 03.
- Wind Exclusion Credits by Protection Class – HO 00 06.
- Location Rating Factors.
- Protection Class – Form 3
- Protection Class Forms 4 and 6.
- Amount of Insurance - Form 3.
- Eff. 12-1-19 SFMA-132060312

178. Stillwater Property & Casualty Insurance Company

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.

- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

179. Stonington Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

180. Teachers Insurance Company

- Installment Pay Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Forms 3, 4 and 6.
- Home Buyer Discount Deviation.
- Eff. 7-1-19 HRMN-131837705

181. Travelers Casualty & Surety Company

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 2-02-20 TRVD-132016814

182. Travelers Indemnity Company

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.

- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 1-02-20 TRVD-132016815

183. Travelers Indemnity Company of America

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 1-02-20 TRVD-132016854

184. Travelers Indemnity Company of Connecticut

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

185. Travelers Personal Security Insurance Company

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 1-02-20 TRVD-132016829

186. Travelers Property Casualty Company of America

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.

- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

187. Twin City Fire Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131584002

188. USAA Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Eff 07-1-19 USAA-131872937

189. USAA General Indemnity Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.

- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3.
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stores Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount
- Eff 12-30-19 USAA-131989678

190. Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

191. Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

192. United Property & Casualty Insurance Company

Tier 2 UPC 1.0

- Program Tier.
- Base Premium Computation.
- Occupancy.
- Protective Devices.
- Secured Community.
- Inflation Guard.
- Payment Plan.
- Windstorm or Hail Exclusion.
- Maximum Discount.
- Year of Construction.

- Age of Home.
- Age of Insured.
- Companion Policy.
- Windstorm Mitigation.
- Construction Permit.
- Age of Roof.
- Echelon Development & Rating.
- Distance to Coast.
- Coastal Adjustments by Territory.
- Coastal Adjustment by Territory and Mitigation Feature.

Tier 1 UPC Legacy Deviations

- Program Tier.
- Base Premium Computation.
- Secured Community.
- Maximum Discount.
- Age of Home.
- Companion Policy.
- Claim Free Discount.
- Claims Rating Discount.
- Book Transfer.
- Prior Insurance.
- Mature Homeowner.
- New Purchase.
- Water Loss Prevention.
- Hip Roof Discount.
- Eff 5-15-19 UPCI-131885656

193. United Services Automobile Association

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount – Form 3.
- Marital Status Discount – Form 6.
- Number of Bathrooms Discount.
- Number of Stores Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Eff 12-30-19 USAA-131989672

194. United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.

- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952
-

195. United States Fire Insurance Company

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

196. Unitrin Auto and Home Insurance Company

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property (C) Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 10-1-18 KEMP-131506749

197. Unitrin Safeguard Insurance Company

- Base Premium Computation.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Deviation.

- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Deductible.
- Occupancy.
- Multi-Policy Discount.
- Electric Funds Transfer.
- Unit Owners Coverage A.
- Additional Coverage – Jewelry and Furs
- Eff 8-1-19 KEMP-131667677

198. Universal Insurance Company

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- Underwriting Company Factor.
- Gated/Limited Access Community.
- Eff 4-1-19 CMCG-131794172

199. Universal North American Insurance Company

Homeowners Choice Program

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 12-1-18 AGIA-131556912

200. Utica Mutual Insurance Company

- Personal Lines Account Credit.
- W.I.S.E./Affinity Group Program.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 10-1-19 UTCX-131983542

201. Valiant Insurance Company

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

202. Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

203. Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

204. XL Insurance America, Inc.

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

DEVIATIONS^(a)

| <u>Year</u> | <u>Written Premium Of Companies W/Deviations^(b)</u> | <u>Percentage Of Written Premiums Of Companies With Deviations To Total Written Premiums^(c)</u> | <u>Amount Of Deviations</u> | <u>Average Percentage Deviation For Deviating Companies^(d)</u> | <u>Average Percentage Deviation For All Companies^(e)</u> |
|-------------|--|--|---------------------------------|---|---|
| 2015 | 1,419,354,496 | 60.7% | 194,840,528 | 13.7% | 8.3% |
| 2016 | 1,406,484,537 | 58.0% | 199,861,915 | 14.2% | 8.2% |
| 2017 | 1,426,807,244 | 56.5% | 196,427,596 | 13.8% | 7.8% |
| 2018 | 1,559,812,880 | 58.0% | 225,664,715 | 14.5% | 8.4% |
| 2019 | 1,661,592,887 | 57.4% | 259,683,232 | 15.6% | 9.0% |

Notes:

- (a) The Beach and Fair plans do not report the NCRB Special Call for Homeowners and are therefore are not included in this report.
- (b) Estimated premium written at deviated rates is not available. This column reflects the premium written at manual or deviated rates of those companies reporting some premium at deviated rates.
- (c) The estimated percentage of statewide premium written at deviated rates is not available. This column reflects item (ii) as a percentage of the total reported statewide written premium (excluding the Beach and Fair plans).
- (d) This column reflects the amount of deviations as a percentage of premium written at deviated or manual rates of those companies reporting some premium at deviated rates.
- (e) This column reflects the amount of deviations as a percentage of total reported statewide written premium (excluding the Beach and Fair plans).

Companies Paying Homeowners Insurance Dividends

2015

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2016

Affiliated FM Insurance Company
Amica Mutual Insurance Company
United Services Automobile Association

2017

Affiliated FM Insurance Company
Amica Mutual Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2018

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2019

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

DIVIDENDS

| <u>Year</u> | <u>Written Premium Of Companies W/Dividends</u> | <u>Percentage Of Written Premiums Of Companies W/Dividends To Total Written Premiums^(a)</u> | <u>Dividends</u> | <u>Percentage Dividends of Companies w/Dividends</u> | <u>Overall Percentage of Dividends</u> |
|-------------|---|--|------------------|--|--|
| 2015 | 132,247,663 | 5.66% | 10,331,019 | 7.81% | 0.44% |
| 2016 | 127,336,223 | 5.26% | 9,333,581 | 7.33% | 0.39% |
| 2017 | 176,306,948 | 6.99% | 10,203,208 | 5.79% | 0.40% |
| 2018 | 149,075,370 | 5.60% | 11,677,883 | 7.83% | 0.44% |
| 2019 | 161,561,656 | 5.71% | 17,986,477 | 11.13% | 0.64% |

Source: Annual Statements, Statutory Page 14

^(a) The total reported statewide written premium excludes the Beach and Fair plans.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

The data required by 11 NCAC 10.1105(1)(i)(ii) were not being collected or reported in the experience period. The response to 11 NCAC 10.1105(1), page E-4, provides incurred loss and loss adjustment expense information for property and liability losses. The response to 11 NCAC 10.1105(1)(l) provides non-hurricane incurred loss data by cause-of-loss. Additional information concerning loss development is provided in the response to 11 NCAC 10.1105(3). Additional information concerning loss adjustment expenses is provided in the response to 11 NCAC 10.1105(7). Additional information concerning loss trend is provided in Section D and in the pre-filed testimony of P. Anderson, M. Berry and P. Ericksen.

(iii) to (vi)

| Applied Loss Development Factor | | | |
|---------------------------------|---------------|----------------|------------------------------------|
| <u>Year</u> | <u>Owners</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
| 2014 | 1.000 | 1.000 | 1.000 |
| 2015 | 0.999 | 1.000 | 1.001 |
| 2016 | 0.998 | 1.002 | 0.997 |
| 2017 | 1.001 | 1.007 | 0.999 |
| 2018 | 1.031 | 1.020 | 1.001 |

| Loss Adjustment Expense Factor | | | |
|--------------------------------|---------------|----------------|------------------------------------|
| | <u>Owners</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
| Non-Hurricane | 1.118 | 1.154 | 1.121 |
| Hurricane | 1.060 | 1.060 | 1.060 |

| Applied Loss Trend Factor | | | |
|---------------------------|---------------|----------------|------------------------------------|
| <u>Year</u> | <u>Owners</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
| 2014 | 1.484 | 0.980 | 1.483 |
| 2015 | 1.427 | 0.990 | 1.413 |
| 2016 | 1.372 | 1.000 | 1.346 |
| 2017 | 1.319 | 1.010 | 1.281 |
| 2018 | 1.269 | 1.021 | 1.220 |

| Trended Incurred Losses and LAE | | | |
|---------------------------------|-----------------|----------------|------------------------------------|
| <u>Year</u> | <u>Owners</u> | <u>Tenants</u> | <u>Condominium Unit Owners</u> |
| 2014 | \$1,671,209,713 | \$25,498,353 | \$23,679,039 |
| 2015 | 1,581,280,169 | 28,894,746 | 25,550,912 |
| 2016 | 1,522,173,134 | 29,474,747 | 21,566,095 |
| 2017 | 1,498,357,906 | 32,536,955 | 28,731,324 |
| 2018 | 1,716,811,928 | 34,348,824 | 27,276,384 |

(vii) This information is given in the response to 11 NCAC 10.1105(1), page E-5.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

See prefiled testimony of P. Anderson, M. Berry, P. Ericksen, S. Fiete and M. Mao.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

CAUSE OF LOSS DATA

Non-hurricane loss experience by cause of loss is provided on the attached Exhibit (1)(1).

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|------------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 110 | Fire, Lightning and Removal | 2014 | 1,265,436 | 40 | 31,803 | 0.49 | 156.09 |
| | | | 2015 | 10,401,103 | 59 | 176,950 | 0.49 | 869.80 |
| | | | 2016 | 1,882,291 | 39 | 48,764 | 0.26 | 127.52 |
| | | | 2017 | 898,087 | 35 | 26,009 | 0.24 | 62.83 |
| | | | 2018 | 1,383,884 | 26 | 52,719 | 0.19 | 99.47 |
| | | Wind and Hail | 2014 | 207,997 | 39 | 5,341 | 0.48 | 25.66 |
| | | | 2015 | 436,529 | 65 | 6,766 | 0.54 | 36.51 |
| | | | 2016 | 609,442 | 92 | 6,658 | 0.62 | 41.29 |
| | | | 2017 | 153,622 | 22 | 6,945 | 0.15 | 10.75 |
| | | | 2018 | 830,949 | 106 | 7,858 | 0.76 | 59.72 |
| | | Water Damage and Freezing | 2014 | 1,574,883 | 80 | 19,765 | 0.98 | 194.26 |
| | | | 2015 | 3,217,809 | 200 | 16,096 | 1.67 | 269.09 |
| | | | 2016 | 2,436,435 | 124 | 19,576 | 0.84 | 165.06 |
| | | | 2017 | 1,847,348 | 135 | 13,665 | 0.95 | 129.24 |
| | | | 2018 | 4,082,537 | 182 | 22,392 | 1.31 | 293.43 |
| | | Theft | 2014 | 2,216 | 3 | 724 | 0.04 | 0.27 |
| | | | 2015 | 45,499 | 15 | 3,011 | 0.13 | 3.80 |
| | | | 2016 | 68,916 | 17 | 3,945 | 0.12 | 4.67 |
| | | | 2017 | 37,604 | 10 | 3,798 | 0.07 | 2.63 |
| | | | 2018 | 18,010 | 5 | 3,915 | 0.03 | 1.29 |
| | | Other Physical Damage | 2014 | 43,032 | 6 | 7,471 | 0.07 | 5.31 |
| | | | 2015 | 116,599 | 22 | 5,288 | 0.18 | 9.75 |
| | | | 2016 | 165,263 | 20 | 8,173 | 0.14 | 11.20 |
| | | | 2017 | 316,411 | 30 | 10,547 | 0.21 | 22.14 |
| | | | 2018 | 254,874 | 23 | 10,976 | 0.17 | 18.32 |
| | | Liability | 2014 | 59,629 | 12 | 4,884 | 0.15 | 7.36 |
| | | | 2015 | 11,185 | 9 | 1,191 | 0.08 | 0.94 |
| | | | 2016 | 64,829 | 9 | 6,904 | 0.06 | 4.39 |
| | | | 2017 | 198,869 | 10 | 19,252 | 0.07 | 13.91 |
| | | | 2018 | 269,550 | 8 | 35,892 | 0.05 | 19.37 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2016 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| 2017 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| 2018 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| Medical Payments | 2014 | 845 | 2 | 450 | 0.02 | 0.10 | | |
| | 2015 | 3,931 | 2 | 2,091 | 0.02 | 0.33 | | |
| | 2016 | 5,623 | 2 | 2,991 | 0.01 | 0.38 | | |
| | 2017 | 1,880 | 1 | 2,000 | 0.01 | 0.13 | | |
| | 2018 | 13,675 | 6 | 2,429 | 0.04 | 0.98 | | |
| Total | 2014 | 3,154,039 | 181 | 17,396 | 2.24 | 389.05 | | |
| | 2015 | 14,232,655 | 372 | 38,297 | 3.11 | 1,190.22 | | |
| | 2016 | 5,232,799 | 304 | 17,238 | 2.06 | 354.50 | | |
| | 2017 | 3,453,821 | 243 | 14,213 | 1.70 | 241.63 | | |
| | 2018 | 6,853,478 | 355 | 19,290 | 2.55 | 492.60 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|------------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 120 | Fire, Lightning and Removal | 2014 | 1,935,561 | 37 | 52,525 | 0.31 | 162.16 |
| | | | 2015 | 1,461,254 | 43 | 33,615 | 0.31 | 102.98 |
| | | | 2016 | 1,599,005 | 59 | 26,915 | 0.40 | 109.00 |
| | | | 2017 | 1,982,596 | 35 | 55,942 | 0.22 | 120.81 |
| | | | 2018 | 1,884,285 | 30 | 63,274 | 0.18 | 115.98 |
| | | Wind and Hail | 2014 | 372,075 | 78 | 4,774 | 0.65 | 31.17 |
| | | | 2015 | 658,425 | 108 | 6,071 | 0.76 | 46.40 |
| | | | 2016 | 433,675 | 70 | 6,171 | 0.48 | 29.56 |
| | | | 2017 | 847,109 | 114 | 7,462 | 0.69 | 51.62 |
| | | | 2018 | 1,322,696 | 111 | 11,926 | 0.68 | 81.42 |
| | | Water Damage and Freezing | 2014 | 1,081,685 | 91 | 11,881 | 0.76 | 90.62 |
| | | | 2015 | 1,686,330 | 119 | 14,219 | 0.84 | 118.84 |
| | | | 2016 | 1,616,142 | 140 | 11,511 | 0.96 | 110.17 |
| | | | 2017 | 1,989,851 | 167 | 11,932 | 1.02 | 121.25 |
| | | | 2018 | 4,687,551 | 193 | 24,233 | 1.19 | 288.54 |
| | | Theft | 2014 | 89,234 | 18 | 4,831 | 0.15 | 7.48 |
| | | | 2015 | 122,333 | 25 | 4,951 | 0.17 | 8.62 |
| | | | 2016 | 102,213 | 20 | 5,165 | 0.13 | 6.97 |
| | | | 2017 | 77,963 | 16 | 4,839 | 0.10 | 4.75 |
| | | | 2018 | 18,576 | 3 | 5,447 | 0.02 | 1.14 |
| | | Other Physical Damage | 2014 | 136,823 | 25 | 5,399 | 0.21 | 11.46 |
| | | | 2015 | 173,903 | 29 | 5,937 | 0.21 | 12.26 |
| | | | 2016 | 268,475 | 23 | 11,622 | 0.16 | 18.30 |
| | | | 2017 | 261,273 | 20 | 12,839 | 0.12 | 15.92 |
| | | | 2018 | 322,190 | 46 | 6,965 | 0.28 | 19.83 |
| | | Liability | 2014 | 260,374 | 11 | 23,103 | 0.09 | 21.81 |
| | | | 2015 | 159,029 | 15 | 10,588 | 0.11 | 11.21 |
| | | | 2016 | 53,814 | 14 | 3,819 | 0.10 | 3.67 |
| | | | 2017 | 44,036 | 10 | 4,263 | 0.06 | 2.68 |
| | | | 2018 | 50,232 | 7 | 7,646 | 0.04 | 3.09 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2017 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| 2018 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| Medical Payments | 2014 | 2,817 | 3 | 999 | 0.02 | 0.24 | | |
| | 2015 | 15,759 | 5 | 3,353 | 0.03 | 1.11 | | |
| | 2016 | 4,374 | 3 | 1,551 | 0.02 | 0.30 | | |
| | 2017 | 6,047 | 2 | 3,216 | 0.01 | 0.37 | | |
| | 2018 | 13,905 | 4 | 3,698 | 0.02 | 0.86 | | |
| Total | 2014 | 3,878,569 | 264 | 14,707 | 2.21 | 324.95 | | |
| | 2015 | 4,277,033 | 344 | 12,425 | 2.43 | 301.41 | | |
| | 2016 | 4,077,697 | 330 | 12,361 | 2.25 | 277.96 | | |
| | 2017 | 5,208,875 | 364 | 14,294 | 2.22 | 317.40 | | |
| | 2018 | 8,299,434 | 394 | 21,057 | 2.43 | 510.86 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 130 | Fire, Lightning and Removal | 2014 | 2,798,771 | 59 | 47,381 | 0.38 | 177.98 |
| | | | 2015 | 2,876,943 | 38 | 75,969 | 0.28 | 209.77 |
| | | | 2016 | 2,693,911 | 60 | 44,535 | 0.56 | 248.81 |
| | | | 2017 | 2,952,140 | 47 | 63,107 | 0.43 | 269.04 |
| | | | 2018 | 1,019,020 | 46 | 22,313 | 0.41 | 90.47 |
| | | Wind and Hail | 2014 | 130,514 | 48 | 2,734 | 0.30 | 8.30 |
| | | | 2015 | 197,430 | 43 | 4,619 | 0.31 | 14.40 |
| | | | 2016 | 319,950 | 82 | 3,908 | 0.76 | 29.55 |
| | | | 2017 | 257,787 | 47 | 5,463 | 0.43 | 23.49 |
| | | | 2018 | 761,080 | 143 | 5,323 | 1.27 | 67.57 |
| | | Water Damage and Freezing | 2014 | 2,671,117 | 141 | 19,005 | 0.89 | 169.86 |
| | | | 2015 | 1,528,450 | 107 | 14,333 | 0.78 | 111.44 |
| | | | 2016 | 988,464 | 89 | 11,057 | 0.83 | 91.30 |
| | | | 2017 | 1,098,590 | 101 | 10,929 | 0.92 | 100.12 |
| | | | 2018 | 1,736,159 | 147 | 11,798 | 1.31 | 154.13 |
| | | Theft | 2014 | 61,998 | 14 | 4,512 | 0.09 | 3.94 |
| | | | 2015 | 23,976 | 8 | 2,990 | 0.06 | 1.75 |
| | | | 2016 | 26,204 | 10 | 2,615 | 0.09 | 2.42 |
| | | | 2017 | 69,354 | 13 | 5,262 | 0.12 | 6.32 |
| | | | 2018 | 56,588 | 14 | 4,115 | 0.12 | 5.02 |
| | | Other Physical Damage | 2014 | 165,747 | 35 | 4,748 | 0.22 | 10.54 |
| | | | 2015 | 269,160 | 25 | 10,673 | 0.18 | 19.63 |
| | | | 2016 | 127,825 | 20 | 6,532 | 0.18 | 11.81 |
| | | | 2017 | 183,177 | 21 | 8,649 | 0.19 | 16.69 |
| | | | 2018 | 245,979 | 40 | 6,193 | 0.35 | 21.84 |
| | | Liability | 2014 | 154,650 | 9 | 16,470 | 0.06 | 9.83 |
| | | | 2015 | 311,922 | 17 | 18,457 | 0.12 | 22.74 |
| | | | 2016 | 233,584 | 19 | 12,438 | 0.17 | 21.57 |
| | | | 2017 | 90,184 | 8 | 12,009 | 0.07 | 8.22 |
| | | | 2018 | 63,563 | 10 | 6,153 | 0.09 | 5.64 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 8,309 | 3 | 2,947 | 0.02 | 0.53 |
| 2015 | 6,981 | | 2 | 3,713 | 0.01 | 0.51 | | |
| 2016 | 11,317 | | 5 | 2,408 | 0.04 | 1.05 | | |
| 2017 | 2,820 | | 3 | 1,000 | 0.03 | 0.26 | | |
| 2018 | 2,050 | | 2 | 1,091 | 0.02 | 0.18 | | |
| Total | 2014 | 5,991,105 | 308 | 19,438 | 1.96 | 380.99 | | |
| | 2015 | 5,214,862 | 239 | 21,794 | 1.74 | 380.23 | | |
| | 2016 | 4,401,255 | 285 | 15,452 | 2.63 | 406.51 | | |
| | 2017 | 4,654,052 | 239 | 19,458 | 2.18 | 424.14 | | |
| | 2018 | 3,884,440 | 402 | 9,675 | 3.56 | 344.85 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 140 | Fire, Lightning and Removal | 2014 | 15,168,342 | 342 | 44,365 | 0.42 | 188.00 |
| | | | 2015 | 7,736,718 | 309 | 25,079 | 0.38 | 95.67 |
| | | | 2016 | 12,961,874 | 325 | 39,917 | 0.41 | 164.71 |
| | | | 2017 | 9,995,106 | 260 | 38,422 | 0.34 | 130.79 |
| | | | 2018 | 17,987,370 | 330 | 54,540 | 0.43 | 236.32 |
| | | Wind and Hail | 2014 | 2,226,629 | 366 | 6,080 | 0.45 | 27.60 |
| | | | 2015 | 10,042,752 | 964 | 10,415 | 1.19 | 124.18 |
| | | | 2016 | 6,060,829 | 883 | 6,861 | 1.12 | 77.02 |
| | | | 2017 | 7,129,507 | 834 | 8,554 | 1.09 | 93.29 |
| | | | 2018 | 5,821,135 | 677 | 8,598 | 0.89 | 76.48 |
| | | Water Damage and Freezing | 2014 | 8,302,337 | 863 | 9,618 | 1.07 | 102.90 |
| | | | 2015 | 9,967,257 | 788 | 12,644 | 0.97 | 123.25 |
| | | | 2016 | 6,666,340 | 663 | 10,054 | 0.84 | 84.71 |
| | | | 2017 | 8,917,809 | 720 | 12,394 | 0.94 | 116.69 |
| | | | 2018 | 11,474,521 | 922 | 12,442 | 1.21 | 150.75 |
| | | Theft | 2014 | 652,628 | 191 | 3,415 | 0.24 | 8.09 |
| | | | 2015 | 736,457 | 186 | 3,960 | 0.23 | 9.11 |
| | | | 2016 | 549,957 | 115 | 4,766 | 0.15 | 6.99 |
| | | | 2017 | 361,338 | 105 | 3,434 | 0.14 | 4.73 |
| | | | 2018 | 406,312 | 107 | 3,787 | 0.14 | 5.34 |
| | | Other Physical Damage | 2014 | 2,964,826 | 275 | 10,793 | 0.34 | 36.75 |
| | | | 2015 | 1,340,704 | 199 | 6,726 | 0.25 | 16.58 |
| | | | 2016 | 2,767,738 | 145 | 19,097 | 0.18 | 35.17 |
| | | | 2017 | 1,089,494 | 154 | 7,081 | 0.20 | 14.26 |
| | | | 2018 | 1,732,779 | 317 | 5,473 | 0.42 | 22.77 |
| | | Liability | 2014 | 1,095,201 | 71 | 15,465 | 0.09 | 13.57 |
| | | | 2015 | 1,714,724 | 91 | 18,883 | 0.11 | 21.20 |
| | | | 2016 | 1,275,753 | 77 | 16,568 | 0.10 | 16.21 |
| | | | 2017 | 653,512 | 39 | 16,570 | 0.05 | 8.55 |
| | | | 2018 | 837,594 | 46 | 18,205 | 0.06 | 11.00 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 55,182 | 28 | 1,959 | 0.03 | 0.68 |
| 2015 | 38,435 | | 20 | 1,949 | 0.02 | 0.48 | | |
| 2016 | 50,136 | | 23 | 2,135 | 0.03 | 0.64 | | |
| 2017 | 51,608 | | 17 | 3,054 | 0.02 | 0.68 | | |
| 2018 | 60,838 | | 23 | 2,591 | 0.03 | 0.80 | | |
| Total | 2014 | 30,465,146 | 2,136 | 14,262 | 2.65 | 377.59 | | |
| | 2015 | 31,577,046 | 2,557 | 12,350 | 3.16 | 390.46 | | |
| | 2016 | 30,332,626 | 2,232 | 13,590 | 2.84 | 385.44 | | |
| | 2017 | 28,198,375 | 2,129 | 13,248 | 2.79 | 368.99 | | |
| | 2018 | 38,320,549 | 2,422 | 15,819 | 3.18 | 503.46 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 150 | Fire, Lightning and Removal | 2014 | 4,101,916 | 165 | 24,789 | 0.35 | 85.73 |
| | | | 2015 | 6,407,249 | 173 | 37,079 | 0.39 | 145.88 |
| | | | 2016 | 5,089,856 | 224 | 22,731 | 0.51 | 115.89 |
| | | | 2017 | 5,754,586 | 175 | 32,836 | 0.39 | 129.02 |
| | | | 2018 | 9,707,183 | 187 | 51,888 | 0.41 | 214.77 |
| | | Wind and Hail | 2014 | 14,822,834 | 1,682 | 8,813 | 3.52 | 309.80 |
| | | | 2015 | 954,180 | 261 | 3,652 | 0.59 | 21.72 |
| | | | 2016 | 1,531,163 | 436 | 3,513 | 0.99 | 34.86 |
| | | | 2017 | 1,638,991 | 372 | 4,411 | 0.83 | 36.75 |
| | | | 2018 | 2,648,135 | 607 | 4,360 | 1.34 | 58.59 |
| | | Water Damage and Freezing | 2014 | 3,469,741 | 394 | 8,812 | 0.82 | 72.52 |
| | | | 2015 | 3,821,991 | 453 | 8,435 | 1.03 | 87.02 |
| | | | 2016 | 3,001,627 | 384 | 7,812 | 0.87 | 68.34 |
| | | | 2017 | 4,767,507 | 426 | 11,189 | 0.96 | 106.89 |
| | | | 2018 | 6,126,610 | 558 | 10,976 | 1.24 | 135.55 |
| | | Theft | 2014 | 267,860 | 81 | 3,289 | 0.17 | 5.60 |
| | | | 2015 | 323,365 | 58 | 5,623 | 0.13 | 7.36 |
| | | | 2016 | 196,266 | 69 | 2,834 | 0.16 | 4.47 |
| | | | 2017 | 166,113 | 53 | 3,134 | 0.12 | 3.72 |
| | | | 2018 | 177,687 | 57 | 3,145 | 0.13 | 3.93 |
| | | Other Physical Damage | 2014 | 560,337 | 169 | 3,325 | 0.35 | 11.71 |
| | | | 2015 | 611,974 | 93 | 6,571 | 0.21 | 13.93 |
| | | | 2016 | 541,217 | 99 | 5,453 | 0.23 | 12.32 |
| | | | 2017 | 594,160 | 117 | 5,075 | 0.26 | 13.32 |
| | | | 2018 | 1,329,302 | 164 | 8,082 | 0.36 | 29.41 |
| | | Liability | 2014 | 222,828 | 48 | 4,653 | 0.10 | 4.66 |
| | | | 2015 | 233,255 | 51 | 4,600 | 0.12 | 5.31 |
| | | | 2016 | 374,672 | 67 | 5,620 | 0.15 | 8.53 |
| | | | 2017 | 430,615 | 26 | 16,379 | 0.06 | 9.65 |
| | | | 2018 | 842,086 | 83 | 10,191 | 0.18 | 18.63 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 24,769 | 19 | 1,319 | 0.04 | 0.52 |
| 2015 | 26,577 | | 14 | 1,886 | 0.03 | 0.61 | | |
| 2016 | 27,730 | | 9 | 2,953 | 0.02 | 0.63 | | |
| 2017 | 17,285 | | 9 | 1,841 | 0.02 | 0.39 | | |
| 2018 | 19,912 | | 9 | 2,121 | 0.02 | 0.44 | | |
| Total | 2014 | 23,470,283 | 2,558 | 9,176 | 5.35 | 490.54 | | |
| | 2015 | 12,378,591 | 1,103 | 11,226 | 2.51 | 281.83 | | |
| | 2016 | 10,762,531 | 1,289 | 8,353 | 2.93 | 245.05 | | |
| | 2017 | 13,369,258 | 1,179 | 11,343 | 2.64 | 299.75 | | |
| | 2018 | 20,850,915 | 1,666 | 12,518 | 3.69 | 461.32 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 160 | Fire, Lightning and Removal | 2014 | 4,347,320 | 127 | 34,312 | 0.35 | 120.25 |
| | | | 2015 | 5,205,652 | 153 | 34,111 | 0.41 | 140.27 |
| | | | 2016 | 4,967,911 | 151 | 32,880 | 0.39 | 128.06 |
| | | | 2017 | 5,039,767 | 127 | 39,549 | 0.35 | 139.77 |
| | | | 2018 | 5,641,670 | 146 | 38,560 | 0.40 | 155.62 |
| | | Wind and Hail | 2014 | 872,770 | 170 | 5,139 | 0.47 | 24.14 |
| | | | 2015 | 911,867 | 213 | 4,274 | 0.57 | 24.57 |
| | | | 2016 | 1,444,814 | 297 | 4,859 | 0.77 | 37.24 |
| | | | 2017 | 1,958,169 | 346 | 5,662 | 0.96 | 54.31 |
| | | | 2018 | 3,198,560 | 436 | 7,330 | 1.20 | 88.23 |
| | | Water Damage and Freezing | 2014 | 2,582,192 | 318 | 8,111 | 0.88 | 71.43 |
| | | | 2015 | 3,122,298 | 359 | 8,706 | 0.97 | 84.13 |
| | | | 2016 | 2,664,366 | 283 | 9,401 | 0.73 | 68.68 |
| | | | 2017 | 4,074,136 | 315 | 12,917 | 0.87 | 112.99 |
| | | | 2018 | 4,261,896 | 430 | 9,905 | 1.19 | 117.56 |
| | | Theft | 2014 | 236,481 | 78 | 3,016 | 0.22 | 6.54 |
| | | | 2015 | 395,371 | 106 | 3,738 | 0.29 | 10.65 |
| | | | 2016 | 393,261 | 82 | 4,816 | 0.21 | 10.14 |
| | | | 2017 | 275,149 | 68 | 4,027 | 0.19 | 7.63 |
| | | | 2018 | 222,156 | 50 | 4,437 | 0.14 | 6.13 |
| | | Other Physical Damage | 2014 | 685,047 | 152 | 4,506 | 0.42 | 18.95 |
| | | | 2015 | 569,689 | 94 | 6,035 | 0.25 | 15.35 |
| | | | 2016 | 437,220 | 77 | 5,677 | 0.20 | 11.27 |
| | | | 2017 | 547,318 | 92 | 5,952 | 0.26 | 15.18 |
| | | | 2018 | 597,069 | 200 | 2,986 | 0.55 | 16.47 |
| | | Liability | 2014 | 639,654 | 43 | 14,945 | 0.12 | 17.69 |
| | | | 2015 | 341,357 | 53 | 6,458 | 0.14 | 9.20 |
| | | | 2016 | 461,553 | 38 | 12,288 | 0.10 | 11.90 |
| | | | 2017 | 924,854 | 28 | 32,831 | 0.08 | 25.65 |
| | | | 2018 | 900,627 | 23 | 38,357 | 0.06 | 24.84 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 26,089 | 11 | 2,315 | 0.03 | 0.72 |
| 2015 | 23,190 | | 11 | 2,058 | 0.03 | 0.62 | | |
| 2016 | 14,564 | | 6 | 2,587 | 0.01 | 0.38 | | |
| 2017 | 39,756 | | 15 | 2,647 | 0.04 | 1.10 | | |
| 2018 | 40,232 | | 11 | 3,570 | 0.03 | 1.11 | | |
| Total | 2014 | 9,389,554 | 899 | 10,440 | 2.49 | 259.73 | | |
| | 2015 | 10,569,423 | 989 | 10,688 | 2.66 | 284.80 | | |
| | 2016 | 10,383,690 | 934 | 11,121 | 2.41 | 267.66 | | |
| | 2017 | 12,859,148 | 992 | 12,961 | 2.75 | 356.62 | | |
| | 2018 | 14,862,210 | 1,298 | 11,453 | 3.58 | 409.97 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 170 | Fire, Lightning and Removal | 2014 | 384,566 | 18 | 20,912 | 0.44 | 91.24 |
| | | | 2015 | 393,244 | 25 | 15,464 | 0.62 | 96.55 |
| | | | 2016 | 561,273 | 28 | 20,146 | 0.68 | 137.90 |
| | | | 2017 | 1,639,488 | 33 | 49,939 | 0.80 | 401.54 |
| | | | 2018 | 176,204 | 20 | 8,828 | 0.50 | 43.73 |
| | | Wind and Hail | 2014 | 246,084 | 51 | 4,791 | 1.22 | 58.38 |
| | | | 2015 | 206,220 | 48 | 4,255 | 1.19 | 50.63 |
| | | | 2016 | 339,162 | 78 | 4,366 | 1.91 | 83.33 |
| | | | 2017 | 433,574 | 64 | 6,802 | 1.56 | 106.19 |
| | | | 2018 | 696,203 | 137 | 5,097 | 3.39 | 172.80 |
| | | Water Damage and Freezing | 2014 | 302,775 | 40 | 7,489 | 0.96 | 71.83 |
| | | | 2015 | 245,682 | 34 | 7,190 | 0.84 | 60.32 |
| | | | 2016 | 118,710 | 26 | 4,655 | 0.63 | 29.17 |
| | | | 2017 | 184,007 | 35 | 5,303 | 0.85 | 45.07 |
| | | | 2018 | 521,811 | 61 | 8,486 | 1.53 | 129.51 |
| | | Theft | 2014 | 75,306 | 21 | 3,608 | 0.50 | 17.87 |
| | | | 2015 | 60,221 | 18 | 3,441 | 0.43 | 14.79 |
| | | | 2016 | 65,440 | 12 | 5,686 | 0.28 | 16.08 |
| | | | 2017 | 74,838 | 15 | 5,029 | 0.36 | 18.33 |
| | | | 2018 | 14,079 | 5 | 3,074 | 0.11 | 3.49 |
| | | Other Physical Damage | 2014 | 21,578 | 11 | 2,028 | 0.25 | 5.12 |
| | | | 2015 | 40,308 | 14 | 2,809 | 0.35 | 9.90 |
| | | | 2016 | 77,005 | 10 | 7,914 | 0.24 | 18.92 |
| | | | 2017 | 24,072 | 14 | 1,710 | 0.34 | 5.90 |
| | | | 2018 | 43,691 | 15 | 2,852 | 0.38 | 10.84 |
| | | Liability | 2014 | 61,888 | 7 | 9,169 | 0.16 | 14.68 |
| | | | 2015 | 107,751 | 11 | 9,646 | 0.27 | 26.45 |
| | | | 2016 | 22,752 | 9 | 2,444 | 0.23 | 5.59 |
| | | | 2017 | 11,537 | 5 | 2,455 | 0.12 | 2.83 |
| | | | 2018 | 8,665 | 2 | 4,609 | 0.05 | 2.15 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 1,878 | 2 | 999 | 0.04 | 0.45 |
| 2015 | 2,845 | | 3 | 1,070 | 0.07 | 0.70 | | |
| 2016 | 2,404 | | 4 | 639 | 0.09 | 0.59 | | |
| 2017 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| 2018 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| Total | 2014 | 1,094,076 | 150 | 7,278 | 3.57 | 259.57 | | |
| | 2015 | 1,056,270 | 154 | 6,870 | 3.77 | 259.33 | | |
| | 2016 | 1,186,746 | 165 | 7,177 | 4.06 | 291.58 | | |
| | 2017 | 2,367,517 | 165 | 14,356 | 4.04 | 579.85 | | |
| | 2018 | 1,460,654 | 240 | 6,091 | 5.95 | 362.54 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 180 | Fire, Lightning and Removal | 2014 | 7,524,336 | 236 | 31,890 | 0.48 | 152.77 |
| | | | 2015 | 5,201,860 | 183 | 28,385 | 0.37 | 106.21 |
| | | | 2016 | 6,388,204 | 229 | 27,878 | 0.46 | 129.37 |
| | | | 2017 | 6,446,986 | 182 | 35,456 | 0.37 | 129.71 |
| | | | 2018 | 5,635,250 | 177 | 31,789 | 0.35 | 112.36 |
| | | Wind and Hail | 2014 | 7,530,044 | 1,003 | 7,504 | 2.04 | 152.89 |
| | | | 2015 | 1,599,486 | 307 | 5,213 | 0.63 | 32.66 |
| | | | 2016 | 3,019,621 | 595 | 5,074 | 1.21 | 61.15 |
| | | | 2017 | 2,082,056 | 375 | 5,556 | 0.75 | 41.89 |
| | | | 2018 | 3,036,748 | 550 | 5,524 | 1.10 | 60.55 |
| | | Water Damage and Freezing | 2014 | 3,770,845 | 507 | 7,437 | 1.03 | 76.56 |
| | | | 2015 | 5,019,405 | 626 | 8,024 | 1.28 | 102.48 |
| | | | 2016 | 3,981,601 | 504 | 7,900 | 1.02 | 80.64 |
| | | | 2017 | 4,490,714 | 541 | 8,307 | 1.09 | 90.35 |
| | | | 2018 | 6,754,924 | 718 | 9,414 | 1.43 | 134.69 |
| | | Theft | 2014 | 539,476 | 159 | 3,384 | 0.32 | 10.95 |
| | | | 2015 | 537,999 | 140 | 3,843 | 0.29 | 10.98 |
| | | | 2016 | 430,088 | 141 | 3,053 | 0.29 | 8.71 |
| | | | 2017 | 280,852 | 104 | 2,707 | 0.21 | 5.65 |
| | | | 2018 | 268,590 | 91 | 2,962 | 0.18 | 5.36 |
| | | Other Physical Damage | 2014 | 581,697 | 155 | 3,750 | 0.31 | 11.81 |
| | | | 2015 | 765,316 | 153 | 5,013 | 0.31 | 15.63 |
| | | | 2016 | 427,744 | 127 | 3,376 | 0.26 | 8.66 |
| | | | 2017 | 667,236 | 123 | 5,428 | 0.25 | 13.42 |
| | | | 2018 | 832,624 | 146 | 5,688 | 0.29 | 16.60 |
| | | Liability | 2014 | 289,594 | 67 | 4,320 | 0.14 | 5.88 |
| | | | 2015 | 1,773,957 | 71 | 24,926 | 0.15 | 36.22 |
| | | | 2016 | 789,923 | 77 | 10,248 | 0.16 | 16.00 |
| | | | 2017 | 91,247 | 22 | 4,224 | 0.04 | 1.84 |
| | | | 2018 | 295,858 | 25 | 11,671 | 0.05 | 5.90 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 19,054 | 13 | 1,425 | 0.03 | 0.39 |
| | | | 2015 | 29,392 | 17 | 1,722 | 0.03 | 0.60 |
| | | | 2016 | 25,712 | 16 | 1,611 | 0.03 | 0.52 |
| | | | 2017 | 14,945 | 9 | 1,592 | 0.02 | 0.30 |
| | | | 2018 | 31,826 | 16 | 1,994 | 0.03 | 0.63 |
| | | Total | 2014 | 20,255,046 | 2,141 | 9,459 | 4.35 | 411.25 |
| | | | 2015 | 14,927,416 | 1,497 | 9,975 | 3.06 | 304.77 |
| 2016 | 15,062,892 | | 1,689 | 8,919 | 3.42 | 305.05 | | |
| 2017 | 14,074,036 | | 1,355 | 10,388 | 2.73 | 283.16 | | |
| 2018 | 16,855,821 | | 1,723 | 9,783 | 3.44 | 336.09 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 190 | Fire, Lightning and Removal | 2014 | 1,281,891 | 78 | 16,538 | 0.57 | 94.43 |
| | | | 2015 | 1,753,871 | 74 | 23,775 | 0.56 | 132.43 |
| | | | 2016 | 3,624,718 | 60 | 60,685 | 0.46 | 281.64 |
| | | | 2017 | 1,736,498 | 55 | 31,619 | 0.43 | 136.29 |
| | | | 2018 | 3,561,786 | 47 | 76,270 | 0.37 | 285.38 |
| | | Wind and Hail | 2014 | 505,219 | 115 | 4,382 | 0.85 | 37.22 |
| | | | 2015 | 594,363 | 148 | 4,005 | 1.12 | 44.88 |
| | | | 2016 | 1,267,830 | 254 | 4,996 | 1.97 | 98.51 |
| | | | 2017 | 817,398 | 151 | 5,427 | 1.18 | 64.15 |
| | | | 2018 | 731,295 | 159 | 4,594 | 1.28 | 58.59 |
| | | Water Damage and Freezing | 2014 | 1,214,187 | 151 | 8,035 | 1.11 | 89.44 |
| | | | 2015 | 1,276,791 | 174 | 7,324 | 1.32 | 96.41 |
| | | | 2016 | 925,400 | 152 | 6,070 | 1.18 | 71.90 |
| | | | 2017 | 846,164 | 148 | 5,731 | 1.16 | 66.41 |
| | | | 2018 | 2,304,661 | 220 | 10,463 | 1.76 | 184.65 |
| | | Theft | 2014 | 120,688 | 36 | 3,352 | 0.27 | 8.89 |
| | | | 2015 | 224,817 | 64 | 3,528 | 0.48 | 16.97 |
| | | | 2016 | 144,918 | 47 | 3,112 | 0.36 | 11.26 |
| | | | 2017 | 58,085 | 18 | 3,241 | 0.14 | 4.56 |
| | | | 2018 | 138,681 | 26 | 5,430 | 0.20 | 11.11 |
| | | Other Physical Damage | 2014 | 213,984 | 53 | 4,002 | 0.39 | 15.76 |
| | | | 2015 | 360,693 | 61 | 5,941 | 0.46 | 27.23 |
| | | | 2016 | 136,955 | 19 | 7,254 | 0.15 | 10.64 |
| | | | 2017 | 146,964 | 28 | 5,158 | 0.22 | 11.53 |
| | | | 2018 | 280,596 | 48 | 5,802 | 0.39 | 22.48 |
| | | Liability | 2014 | 84,797 | 14 | 6,145 | 0.10 | 6.25 |
| | | | 2015 | 410,217 | 33 | 12,326 | 0.25 | 30.97 |
| | | | 2016 | 246,655 | 22 | 11,419 | 0.17 | 19.17 |
| | | | 2017 | 10,088 | 5 | 2,146 | 0.04 | 0.79 |
| | | | 2018 | 22,765 | 4 | 6,055 | 0.03 | 1.82 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 12,467 | 5 | 2,508 | 0.04 | 0.92 |
| 2015 | 4,637 | | 3 | 1,650 | 0.02 | 0.35 | | |
| 2016 | 9,999 | | 4 | 2,659 | 0.03 | 0.78 | | |
| 2017 | 3,759 | | 4 | 1,000 | 0.03 | 0.30 | | |
| 2018 | 7,129 | | 4 | 1,896 | 0.03 | 0.57 | | |
| Total | 2014 | 3,433,232 | 452 | 7,593 | 3.33 | 252.91 | | |
| | 2015 | 4,625,389 | 557 | 8,304 | 4.21 | 349.24 | | |
| | 2016 | 6,356,474 | 557 | 11,417 | 4.33 | 493.90 | | |
| | 2017 | 3,618,957 | 408 | 8,870 | 3.20 | 284.04 | | |
| | 2018 | 7,046,913 | 508 | 13,884 | 4.07 | 564.61 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 200 | Fire, Lightning and Removal | 2014 | 3,045,635 | 44 | 68,735 | 0.72 | 494.74 |
| | | | 2015 | 1,729,449 | 49 | 35,440 | 0.82 | 290.27 |
| | | | 2016 | 2,697,312 | 65 | 41,773 | 1.12 | 467.15 |
| | | | 2017 | 2,171,223 | 51 | 42,901 | 0.89 | 381.79 |
| | | | 2018 | 2,284,351 | 46 | 49,703 | 0.82 | 406.54 |
| | | Wind and Hail | 2014 | 419,889 | 67 | 6,234 | 1.09 | 68.21 |
| | | | 2015 | 525,389 | 81 | 6,459 | 1.37 | 88.18 |
| | | | 2016 | 666,146 | 113 | 5,896 | 1.96 | 115.37 |
| | | | 2017 | 330,152 | 50 | 6,624 | 0.88 | 58.05 |
| | | | 2018 | 314,266 | 59 | 5,343 | 1.05 | 55.93 |
| | | Water Damage and Freezing | 2014 | 473,629 | 109 | 4,351 | 1.77 | 76.94 |
| | | | 2015 | 296,720 | 41 | 7,219 | 0.69 | 49.80 |
| | | | 2016 | 353,568 | 41 | 8,586 | 0.71 | 61.23 |
| | | | 2017 | 400,033 | 35 | 11,525 | 0.61 | 70.34 |
| | | | 2018 | 610,305 | 66 | 9,243 | 1.18 | 108.61 |
| | | Theft | 2014 | 154,374 | 39 | 4,008 | 0.63 | 25.08 |
| | | | 2015 | 80,693 | 28 | 2,841 | 0.48 | 13.54 |
| | | | 2016 | 73,100 | 24 | 3,003 | 0.42 | 12.66 |
| | | | 2017 | 102,048 | 19 | 5,293 | 0.34 | 17.94 |
| | | | 2018 | 41,112 | 12 | 3,478 | 0.21 | 7.32 |
| | | Other Physical Damage | 2014 | 215,624 | 56 | 3,829 | 0.91 | 35.03 |
| | | | 2015 | 41,898 | 11 | 3,650 | 0.19 | 7.03 |
| | | | 2016 | 136,208 | 11 | 12,172 | 0.19 | 23.59 |
| | | | 2017 | 21,197 | 14 | 1,540 | 0.24 | 3.73 |
| | | | 2018 | 134,047 | 23 | 5,773 | 0.41 | 23.86 |
| | | Liability | 2014 | 24,800 | 4 | 5,714 | 0.07 | 4.03 |
| | | | 2015 | 9,067 | 5 | 1,757 | 0.09 | 1.52 |
| | | | 2016 | 304,550 | 7 | 46,355 | 0.11 | 52.75 |
| | | | 2017 | 1,039 | 4 | 276 | 0.07 | 0.18 |
| | | | 2018 | 25,280 | 5 | 5,379 | 0.08 | 4.50 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 939 | 1 | 999 | 0.02 | 0.15 |
| 2015 | 6,566 | | 3 | 2,329 | 0.05 | 1.10 | | |
| 2016 | 3,613 | | 2 | 1,922 | 0.03 | 0.63 | | |
| 2017 | 940 | | 1 | 1,000 | 0.02 | 0.17 | | |
| 2018 | 5,809 | | 2 | 3,090 | 0.03 | 1.03 | | |
| Total | 2014 | 4,334,889 | 321 | 13,519 | 5.21 | 704.17 | | |
| | 2015 | 2,689,783 | 219 | 12,276 | 3.68 | 451.46 | | |
| | 2016 | 4,234,496 | 263 | 16,119 | 4.55 | 733.37 | | |
| | 2017 | 3,026,631 | 173 | 17,506 | 3.04 | 532.20 | | |
| | 2018 | 3,415,170 | 212 | 16,077 | 3.78 | 607.79 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 210 | Fire, Lightning and Removal | 2014 | 2,323,404 | 99 | 23,391 | 0.50 | 117.55 |
| | | | 2015 | 3,611,016 | 105 | 34,384 | 0.53 | 182.67 |
| | | | 2016 | 2,172,132 | 123 | 17,640 | 0.61 | 108.10 |
| | | | 2017 | 3,434,845 | 81 | 42,484 | 0.40 | 169.63 |
| | | | 2018 | 3,362,751 | 90 | 37,522 | 0.45 | 167.65 |
| | | Wind and Hail | 2014 | 1,774,588 | 365 | 4,858 | 1.85 | 89.78 |
| | | | 2015 | 876,474 | 197 | 4,450 | 1.00 | 44.34 |
| | | | 2016 | 1,402,492 | 289 | 4,849 | 1.44 | 69.80 |
| | | | 2017 | 1,316,687 | 251 | 5,239 | 1.24 | 65.02 |
| | | | 2018 | 1,258,743 | 226 | 5,580 | 1.12 | 62.76 |
| | | Water Damage and Freezing | 2014 | 1,331,202 | 190 | 6,999 | 0.96 | 67.35 |
| | | | 2015 | 1,378,461 | 183 | 7,515 | 0.93 | 69.73 |
| | | | 2016 | 1,051,673 | 198 | 5,319 | 0.98 | 52.34 |
| | | | 2017 | 1,684,429 | 217 | 7,762 | 1.07 | 83.19 |
| | | | 2018 | 1,661,750 | 221 | 7,530 | 1.10 | 82.85 |
| | | Theft | 2014 | 324,917 | 88 | 3,697 | 0.44 | 16.44 |
| | | | 2015 | 287,715 | 89 | 3,226 | 0.45 | 14.55 |
| | | | 2016 | 254,883 | 77 | 3,316 | 0.38 | 12.69 |
| | | | 2017 | 152,700 | 52 | 2,937 | 0.26 | 7.54 |
| | | | 2018 | 242,247 | 50 | 4,860 | 0.25 | 12.08 |
| | | Other Physical Damage | 2014 | 194,609 | 61 | 3,199 | 0.31 | 9.85 |
| | | | 2015 | 444,086 | 89 | 4,975 | 0.45 | 22.46 |
| | | | 2016 | 335,130 | 66 | 5,115 | 0.33 | 16.68 |
| | | | 2017 | 515,848 | 59 | 8,782 | 0.29 | 25.48 |
| | | | 2018 | 338,966 | 68 | 4,974 | 0.34 | 16.90 |
| | | Liability | 2014 | 90,667 | 28 | 3,246 | 0.14 | 4.59 |
| | | | 2015 | 57,555 | 25 | 2,344 | 0.12 | 2.91 |
| | | | 2016 | 585,788 | 39 | 14,853 | 0.20 | 29.15 |
| | | | 2017 | 55,503 | 13 | 4,221 | 0.06 | 2.74 |
| | | | 2018 | 74,347 | 8 | 9,900 | 0.04 | 3.71 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 9,839 | 7 | 1,502 | 0.03 | 0.50 |
| 2015 | 11,865 | | 7 | 1,740 | 0.03 | 0.60 | | |
| 2016 | 14,724 | | 11 | 1,281 | 0.06 | 0.73 | | |
| 2017 | 9,899 | | 5 | 2,106 | 0.02 | 0.49 | | |
| 2018 | 12,585 | | 4 | 3,347 | 0.02 | 0.63 | | |
| Total | 2014 | 6,049,226 | 838 | 7,218 | 4.24 | 306.06 | | |
| | 2015 | 6,667,173 | 695 | 9,589 | 3.52 | 337.27 | | |
| | 2016 | 5,816,822 | 803 | 7,240 | 4.00 | 289.49 | | |
| | 2017 | 7,169,912 | 678 | 10,579 | 3.35 | 354.09 | | |
| | 2018 | 6,951,390 | 665 | 10,451 | 3.32 | 346.56 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 220 | Fire, Lightning and Removal | 2014 | 7,874,327 | 267 | 29,536 | 0.49 | 143.63 |
| | | | 2015 | 6,399,824 | 253 | 25,302 | 0.47 | 118.43 |
| | | | 2016 | 8,451,446 | 237 | 35,647 | 0.44 | 156.40 |
| | | | 2017 | 8,254,329 | 256 | 32,283 | 0.48 | 153.46 |
| | | | 2018 | 11,372,357 | 201 | 56,559 | 0.37 | 211.99 |
| | | Wind and Hail | 2014 | 12,609,401 | 1,655 | 7,620 | 3.02 | 229.99 |
| | | | 2015 | 5,655,058 | 857 | 6,596 | 1.59 | 104.65 |
| | | | 2016 | 11,383,346 | 1,487 | 7,653 | 2.75 | 210.66 |
| | | | 2017 | 5,406,872 | 714 | 7,571 | 1.33 | 100.52 |
| | | | 2018 | 4,865,572 | 740 | 6,579 | 1.38 | 90.70 |
| | | Water Damage and Freezing | 2014 | 5,699,438 | 743 | 7,666 | 1.36 | 103.96 |
| | | | 2015 | 6,152,215 | 717 | 8,578 | 1.33 | 113.85 |
| | | | 2016 | 4,993,375 | 642 | 7,781 | 1.19 | 92.41 |
| | | | 2017 | 7,122,336 | 723 | 9,844 | 1.35 | 132.41 |
| | | | 2018 | 8,287,164 | 732 | 11,329 | 1.36 | 154.48 |
| | | Theft | 2014 | 1,648,465 | 414 | 3,982 | 0.76 | 30.07 |
| | | | 2015 | 1,060,072 | 297 | 3,573 | 0.55 | 19.62 |
| | | | 2016 | 875,308 | 237 | 3,686 | 0.44 | 16.20 |
| | | | 2017 | 904,484 | 260 | 3,475 | 0.48 | 16.82 |
| | | | 2018 | 548,351 | 159 | 3,458 | 0.30 | 10.22 |
| | | Other Physical Damage | 2014 | 1,652,343 | 321 | 5,154 | 0.58 | 30.14 |
| | | | 2015 | 1,627,046 | 325 | 5,013 | 0.60 | 30.11 |
| | | | 2016 | 1,053,066 | 236 | 4,467 | 0.44 | 19.49 |
| | | | 2017 | 1,244,754 | 233 | 5,333 | 0.43 | 23.14 |
| | | | 2018 | 1,146,032 | 303 | 3,783 | 0.56 | 21.36 |
| | | Liability | 2014 | 439,427 | 62 | 7,120 | 0.11 | 8.02 |
| | | | 2015 | 264,092 | 65 | 4,084 | 0.12 | 4.89 |
| | | | 2016 | 1,029,485 | 158 | 6,526 | 0.29 | 19.05 |
| | | | 2017 | 864,427 | 26 | 32,880 | 0.05 | 16.07 |
| | | | 2018 | 709,296 | 29 | 24,366 | 0.05 | 13.22 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 35,182 | 15 | 2,423 | 0.03 | 0.64 |
| 2015 | 25,577 | | 11 | 2,269 | 0.02 | 0.47 | | |
| 2016 | 42,748 | | 14 | 3,034 | 0.03 | 0.79 | | |
| 2017 | 48,898 | | 14 | 3,470 | 0.03 | 0.91 | | |
| 2018 | 34,191 | | 12 | 2,800 | 0.02 | 0.64 | | |
| Total | 2014 | 29,958,584 | 3,476 | 8,619 | 6.34 | 546.44 | | |
| | 2015 | 21,183,884 | 2,525 | 8,390 | 4.67 | 392.02 | | |
| | 2016 | 27,828,773 | 3,011 | 9,241 | 5.57 | 515.00 | | |
| | 2017 | 23,846,100 | 2,227 | 10,706 | 4.14 | 443.33 | | |
| | 2018 | 26,962,961 | 2,175 | 12,397 | 4.05 | 502.62 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 230 | Fire, Lightning and Removal | 2014 | 2,730,949 | 73 | 37,277 | 0.54 | 202.79 |
| | | | 2015 | 1,632,100 | 67 | 24,255 | 0.51 | 123.93 |
| | | | 2016 | 3,071,923 | 77 | 39,916 | 0.58 | 230.19 |
| | | | 2017 | 3,742,430 | 78 | 47,686 | 0.59 | 280.84 |
| | | | 2018 | 2,742,583 | 62 | 44,486 | 0.46 | 205.25 |
| | | Wind and Hail | 2014 | 757,621 | 127 | 5,954 | 0.94 | 56.26 |
| | | | 2015 | 442,994 | 113 | 3,906 | 0.86 | 33.64 |
| | | | 2016 | 1,324,999 | 233 | 5,699 | 1.74 | 99.29 |
| | | | 2017 | 411,156 | 87 | 4,746 | 0.65 | 30.85 |
| | | | 2018 | 684,816 | 130 | 5,275 | 0.97 | 51.25 |
| | | Water Damage and Freezing | 2014 | 814,941 | 107 | 7,652 | 0.79 | 60.51 |
| | | | 2015 | 1,151,578 | 134 | 8,597 | 1.02 | 87.44 |
| | | | 2016 | 474,805 | 83 | 5,707 | 0.62 | 35.58 |
| | | | 2017 | 827,251 | 82 | 10,085 | 0.62 | 62.08 |
| | | | 2018 | 835,109 | 106 | 7,873 | 0.79 | 62.50 |
| | | Theft | 2014 | 232,115 | 79 | 2,947 | 0.58 | 17.24 |
| | | | 2015 | 301,527 | 94 | 3,223 | 0.71 | 22.89 |
| | | | 2016 | 304,274 | 109 | 2,798 | 0.81 | 22.80 |
| | | | 2017 | 269,345 | 97 | 2,782 | 0.73 | 20.21 |
| | | | 2018 | 245,781 | 64 | 3,862 | 0.48 | 18.39 |
| | | Other Physical Damage | 2014 | 203,430 | 51 | 4,016 | 0.38 | 15.11 |
| | | | 2015 | 169,173 | 49 | 3,457 | 0.37 | 12.85 |
| | | | 2016 | 235,447 | 40 | 5,931 | 0.30 | 17.64 |
| | | | 2017 | 427,241 | 34 | 12,693 | 0.25 | 32.06 |
| | | | 2018 | 248,951 | 50 | 4,960 | 0.38 | 18.63 |
| | | Liability | 2014 | 174,115 | 11 | 16,288 | 0.08 | 12.93 |
| | | | 2015 | 66,360 | 26 | 2,570 | 0.20 | 5.04 |
| | | | 2016 | 688,823 | 35 | 19,828 | 0.26 | 51.62 |
| | | | 2017 | 288,205 | 6 | 51,191 | 0.04 | 21.63 |
| | | | 2018 | 151,069 | 14 | 10,722 | 0.11 | 11.31 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 9,146 | 6 | 1,624 | 0.04 | 0.68 |
| 2015 | 12,647 | | 7 | 1,925 | 0.05 | 0.96 | | |
| 2016 | 10,082 | | 7 | 1,535 | 0.05 | 0.76 | | |
| 2017 | 10,710 | | 8 | 1,426 | 0.06 | 0.80 | | |
| 2018 | 12,938 | | 5 | 2,753 | 0.04 | 0.97 | | |
| Total | 2014 | 4,922,317 | 453 | 10,872 | 3.36 | 365.51 | | |
| | 2015 | 3,776,378 | 490 | 7,714 | 3.72 | 286.74 | | |
| | 2016 | 6,110,355 | 582 | 10,491 | 4.36 | 457.88 | | |
| | 2017 | 5,976,338 | 391 | 15,294 | 2.93 | 448.47 | | |
| | 2018 | 4,921,246 | 430 | 11,441 | 3.22 | 368.30 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 240 | Fire, Lightning and Removal | 2014 | 7,677,546 | 291 | 26,368 | 0.40 | 104.40 |
| | | | 2015 | 7,414,393 | 306 | 24,220 | 0.42 | 100.85 |
| | | | 2016 | 11,831,349 | 366 | 32,319 | 0.49 | 159.47 |
| | | | 2017 | 8,172,167 | 289 | 28,292 | 0.37 | 104.86 |
| | | | 2018 | 11,643,758 | 313 | 37,201 | 0.40 | 148.29 |
| | | Wind and Hail | 2014 | 4,061,969 | 716 | 5,671 | 0.97 | 55.23 |
| | | | 2015 | 33,163,492 | 3,041 | 10,907 | 4.14 | 451.09 |
| | | | 2016 | 9,565,745 | 1,309 | 7,307 | 1.76 | 128.93 |
| | | | 2017 | 10,626,954 | 1,340 | 7,930 | 1.72 | 136.36 |
| | | | 2018 | 10,491,485 | 1,304 | 8,045 | 1.66 | 133.62 |
| | | Water Damage and Freezing | 2014 | 5,464,496 | 636 | 8,597 | 0.86 | 74.30 |
| | | | 2015 | 6,658,292 | 738 | 9,025 | 1.00 | 90.57 |
| | | | 2016 | 5,876,263 | 717 | 8,201 | 0.97 | 79.20 |
| | | | 2017 | 7,715,014 | 748 | 10,317 | 0.96 | 99.00 |
| | | | 2018 | 9,153,126 | 844 | 10,844 | 1.08 | 116.57 |
| | | Theft | 2014 | 907,820 | 254 | 3,569 | 0.35 | 12.34 |
| | | | 2015 | 931,314 | 241 | 3,858 | 0.33 | 12.67 |
| | | | 2016 | 664,750 | 186 | 3,565 | 0.25 | 8.96 |
| | | | 2017 | 602,589 | 163 | 3,699 | 0.21 | 7.73 |
| | | | 2018 | 454,293 | 124 | 3,665 | 0.16 | 5.79 |
| | | Other Physical Damage | 2014 | 914,560 | 190 | 4,808 | 0.26 | 12.44 |
| | | | 2015 | 1,289,674 | 225 | 5,724 | 0.31 | 17.54 |
| | | | 2016 | 998,586 | 256 | 3,908 | 0.34 | 13.46 |
| | | | 2017 | 1,235,170 | 186 | 6,649 | 0.24 | 15.85 |
| | | | 2018 | 1,581,109 | 236 | 6,699 | 0.30 | 20.14 |
| | | Liability | 2014 | 809,587 | 80 | 10,153 | 0.11 | 11.01 |
| | | | 2015 | 562,553 | 95 | 5,928 | 0.13 | 7.65 |
| | | | 2016 | 1,037,829 | 134 | 7,729 | 0.18 | 13.99 |
| | | | 2017 | 482,870 | 37 | 12,942 | 0.05 | 6.20 |
| | | | 2018 | 736,963 | 48 | 15,389 | 0.06 | 9.39 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 50,209 | 30 | 1,701 | 0.04 | 0.68 |
| 2015 | 55,584 | | 31 | 1,802 | 0.04 | 0.76 | | |
| 2016 | 46,545 | | 23 | 1,998 | 0.03 | 0.63 | | |
| 2017 | 26,007 | | 17 | 1,539 | 0.02 | 0.33 | | |
| 2018 | 53,970 | | 30 | 1,796 | 0.04 | 0.69 | | |
| Total | 2014 | 19,886,187 | 2,197 | 9,052 | 2.99 | 270.41 | | |
| | 2015 | 50,075,301 | 4,677 | 10,707 | 6.36 | 681.13 | | |
| | 2016 | 30,021,066 | 2,991 | 10,036 | 4.03 | 404.64 | | |
| | 2017 | 28,860,771 | 2,780 | 10,383 | 3.57 | 370.33 | | |
| | 2018 | 34,114,705 | 2,899 | 11,767 | 3.69 | 434.47 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 250 | Fire, Lightning and Removal | 2014 | 4,998,384 | 149 | 33,646 | 0.48 | 160.61 |
| | | | 2015 | 2,726,202 | 138 | 19,804 | 0.44 | 87.53 |
| | | | 2016 | 6,604,887 | 202 | 32,673 | 0.64 | 208.45 |
| | | | 2017 | 6,153,756 | 147 | 41,780 | 0.46 | 191.44 |
| | | | 2018 | 4,469,446 | 143 | 31,255 | 0.45 | 139.11 |
| | | Wind and Hail | 2014 | 2,157,476 | 374 | 5,772 | 1.20 | 69.32 |
| | | | 2015 | 1,959,194 | 361 | 5,432 | 1.16 | 62.91 |
| | | | 2016 | 4,557,928 | 637 | 7,160 | 2.01 | 143.85 |
| | | | 2017 | 9,525,081 | 1,000 | 9,523 | 3.11 | 296.33 |
| | | | 2018 | 4,144,942 | 553 | 7,494 | 1.72 | 129.01 |
| | | Water Damage and Freezing | 2014 | 2,570,225 | 305 | 8,428 | 0.98 | 82.59 |
| | | | 2015 | 3,045,525 | 340 | 8,953 | 1.09 | 97.79 |
| | | | 2016 | 3,085,177 | 343 | 8,993 | 1.08 | 97.37 |
| | | | 2017 | 4,461,890 | 375 | 11,910 | 1.17 | 138.81 |
| | | | 2018 | 5,025,159 | 433 | 11,596 | 1.35 | 156.40 |
| | | Theft | 2014 | 560,613 | 172 | 3,250 | 0.55 | 18.01 |
| | | | 2015 | 435,374 | 137 | 3,180 | 0.44 | 13.98 |
| | | | 2016 | 354,286 | 117 | 3,026 | 0.37 | 11.18 |
| | | | 2017 | 406,699 | 92 | 4,417 | 0.29 | 12.65 |
| | | | 2018 | 321,925 | 75 | 4,308 | 0.23 | 10.02 |
| | | Other Physical Damage | 2014 | 706,051 | 151 | 4,687 | 0.48 | 22.69 |
| | | | 2015 | 705,798 | 146 | 4,851 | 0.47 | 22.66 |
| | | | 2016 | 495,116 | 168 | 2,946 | 0.53 | 15.63 |
| | | | 2017 | 889,944 | 130 | 6,849 | 0.40 | 27.69 |
| | | | 2018 | 554,634 | 173 | 3,206 | 0.54 | 17.26 |
| | | Liability | 2014 | 609,590 | 41 | 14,904 | 0.13 | 19.59 |
| | | | 2015 | 212,929 | 46 | 4,634 | 0.15 | 6.84 |
| | | | 2016 | 312,263 | 54 | 5,734 | 0.17 | 9.85 |
| | | | 2017 | 385,409 | 34 | 11,316 | 0.11 | 11.99 |
| | | | 2018 | 349,920 | 24 | 14,335 | 0.08 | 10.89 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 33,538 | 14 | 2,382 | 0.05 | 1.08 |
| 2015 | 23,987 | | 13 | 1,804 | 0.04 | 0.77 | | |
| 2016 | 22,049 | | 10 | 2,290 | 0.03 | 0.70 | | |
| 2017 | 31,074 | | 13 | 2,418 | 0.04 | 0.97 | | |
| 2018 | 25,088 | | 10 | 2,429 | 0.03 | 0.78 | | |
| Total | 2014 | 11,635,876 | 1,205 | 9,653 | 3.87 | 373.88 | | |
| | 2015 | 9,109,009 | 1,180 | 7,718 | 3.79 | 292.47 | | |
| | 2016 | 15,431,706 | 1,531 | 10,079 | 4.83 | 487.02 | | |
| | 2017 | 21,853,853 | 1,791 | 12,202 | 5.57 | 679.87 | | |
| | 2018 | 14,891,113 | 1,412 | 10,547 | 4.39 | 463.46 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 260 | Fire, Lightning and Removal | 2014 | 4,110,960 | 120 | 34,221 | 0.46 | 156.26 |
| | | | 2015 | 6,616,796 | 154 | 43,087 | 0.57 | 245.78 |
| | | | 2016 | 1,592,091 | 120 | 13,285 | 0.42 | 56.31 |
| | | | 2017 | 3,990,238 | 103 | 38,755 | 0.38 | 148.81 |
| | | | 2018 | 7,194,160 | 113 | 63,530 | 0.42 | 267.70 |
| | | Wind and Hail | 2014 | 2,275,899 | 354 | 6,436 | 1.34 | 86.51 |
| | | | 2015 | 3,860,256 | 567 | 6,806 | 2.11 | 143.39 |
| | | | 2016 | 11,463,665 | 1,396 | 8,211 | 4.94 | 405.45 |
| | | | 2017 | 2,081,229 | 314 | 6,632 | 1.17 | 77.61 |
| | | | 2018 | 2,668,452 | 415 | 6,432 | 1.54 | 99.29 |
| | | Water Damage and Freezing | 2014 | 2,248,168 | 253 | 8,879 | 0.96 | 85.45 |
| | | | 2015 | 2,451,878 | 224 | 10,952 | 0.83 | 91.07 |
| | | | 2016 | 1,463,889 | 178 | 8,211 | 0.63 | 51.78 |
| | | | 2017 | 2,200,574 | 219 | 10,046 | 0.82 | 82.07 |
| | | | 2018 | 2,753,507 | 328 | 8,404 | 1.22 | 102.46 |
| | | Theft | 2014 | 353,409 | 95 | 3,716 | 0.36 | 13.43 |
| | | | 2015 | 521,962 | 107 | 4,893 | 0.40 | 19.39 |
| | | | 2016 | 363,876 | 86 | 4,254 | 0.30 | 12.87 |
| | | | 2017 | 325,425 | 77 | 4,207 | 0.29 | 12.14 |
| | | | 2018 | 230,501 | 64 | 3,621 | 0.24 | 8.58 |
| | | Other Physical Damage | 2014 | 454,487 | 125 | 3,623 | 0.48 | 17.27 |
| | | | 2015 | 528,231 | 84 | 6,263 | 0.31 | 19.62 |
| | | | 2016 | 420,257 | 79 | 5,296 | 0.28 | 14.86 |
| | | | 2017 | 263,929 | 65 | 4,054 | 0.24 | 9.84 |
| | | | 2018 | 655,991 | 125 | 5,246 | 0.47 | 24.41 |
| | | Liability | 2014 | 136,808 | 37 | 3,674 | 0.14 | 5.20 |
| | | | 2015 | 224,278 | 28 | 7,945 | 0.10 | 8.33 |
| | | | 2016 | 273,642 | 27 | 10,307 | 0.09 | 9.68 |
| | | | 2017 | 215,790 | 16 | 13,521 | 0.06 | 8.05 |
| | | | 2018 | 402,256 | 22 | 18,623 | 0.08 | 14.97 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 27,585 | 16 | 1,728 | 0.06 | 1.05 |
| | | | 2015 | 26,076 | 12 | 2,136 | 0.05 | 0.97 |
| | | | 2016 | 20,697 | 8 | 2,756 | 0.03 | 0.73 |
| | | | 2017 | 4,700 | 5 | 1,000 | 0.02 | 0.18 |
| | | | 2018 | 10,649 | 9 | 1,134 | 0.03 | 0.40 |
| | | Total | 2014 | 9,607,315 | 1,001 | 9,601 | 3.80 | 365.17 |
| | | | 2015 | 14,229,477 | 1,176 | 12,099 | 4.37 | 528.54 |
| 2016 | 15,598,118 | | 1,893 | 8,239 | 6.70 | 551.68 | | |
| 2017 | 9,081,885 | | 799 | 11,367 | 2.98 | 338.69 | | |
| 2018 | 13,915,517 | | 1,075 | 12,939 | 4.00 | 517.81 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 270 | Fire, Lightning and Removal | 2014 | 28,005,272 | 746 | 37,541 | 0.27 | 101.87 |
| | | | 2015 | 26,932,718 | 796 | 33,838 | 0.29 | 97.32 |
| | | | 2016 | 25,117,990 | 875 | 28,709 | 0.31 | 90.16 |
| | | | 2017 | 25,903,568 | 643 | 40,298 | 0.23 | 91.18 |
| | | | 2018 | 31,596,806 | 661 | 47,786 | 0.23 | 112.04 |
| | | Wind and Hail | 2014 | 25,542,828 | 3,862 | 6,614 | 1.40 | 92.91 |
| | | | 2015 | 20,003,048 | 3,061 | 6,534 | 1.11 | 72.28 |
| | | | 2016 | 114,015,879 | 11,957 | 9,536 | 4.29 | 409.24 |
| | | | 2017 | 142,617,945 | 12,746 | 11,189 | 4.49 | 502.04 |
| | | | 2018 | 45,593,266 | 5,113 | 8,917 | 1.81 | 161.67 |
| | | Water Damage and Freezing | 2014 | 42,062,680 | 4,145 | 10,148 | 1.51 | 153.00 |
| | | | 2015 | 47,526,249 | 4,498 | 10,566 | 1.63 | 171.73 |
| | | | 2016 | 45,731,454 | 4,365 | 10,477 | 1.57 | 164.15 |
| | | | 2017 | 53,728,595 | 4,509 | 11,917 | 1.59 | 189.13 |
| | | | 2018 | 63,483,267 | 5,042 | 12,592 | 1.79 | 225.11 |
| | | Theft | 2014 | 4,034,684 | 1,131 | 3,569 | 0.41 | 14.68 |
| | | | 2015 | 3,610,056 | 1,005 | 3,591 | 0.36 | 13.04 |
| | | | 2016 | 2,382,179 | 657 | 3,626 | 0.24 | 8.55 |
| | | | 2017 | 2,465,290 | 660 | 3,733 | 0.23 | 8.68 |
| | | | 2018 | 2,336,506 | 605 | 3,865 | 0.21 | 8.29 |
| | | Other Physical Damage | 2014 | 5,347,648 | 932 | 5,738 | 0.34 | 19.45 |
| | | | 2015 | 5,739,021 | 1,031 | 5,568 | 0.37 | 20.74 |
| | | | 2016 | 5,244,931 | 922 | 5,690 | 0.33 | 18.83 |
| | | | 2017 | 6,239,095 | 852 | 7,325 | 0.30 | 21.96 |
| | | | 2018 | 7,322,313 | 967 | 7,569 | 0.34 | 25.96 |
| | | Liability | 2014 | 2,727,768 | 278 | 9,821 | 0.10 | 9.92 |
| | | | 2015 | 2,845,646 | 297 | 9,588 | 0.11 | 10.28 |
| | | | 2016 | 3,710,453 | 376 | 9,861 | 0.14 | 13.32 |
| | | | 2017 | 2,624,751 | 133 | 19,685 | 0.05 | 9.24 |
| | | | 2018 | 2,229,222 | 126 | 17,716 | 0.04 | 7.90 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 125,535 | 66 | 1,891 | 0.02 | 0.46 |
| | | | 2015 | 91,069 | 67 | 1,362 | 0.02 | 0.33 |
| | | | 2016 | 98,820 | 58 | 1,697 | 0.02 | 0.35 |
| | | | 2017 | 110,222 | 58 | 1,893 | 0.02 | 0.39 |
| | | | 2018 | 113,450 | 57 | 1,981 | 0.02 | 0.40 |
| | | Total | 2014 | 107,846,415 | 11,160 | 9,664 | 4.06 | 392.29 |
| | | | 2015 | 106,747,807 | 10,755 | 9,926 | 3.89 | 385.72 |
| 2016 | 196,301,707 | | 19,210 | 10,219 | 6.90 | 704.60 | | |
| 2017 | 233,689,468 | | 19,601 | 11,922 | 6.90 | 822.62 | | |
| 2018 | 152,674,830 | | 12,571 | 12,145 | 4.46 | 541.37 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 280 | Fire, Lightning and Removal | 2014 | 4,488,926 | 113 | 39,690 | 0.28 | 113.02 |
| | | | 2015 | 6,054,643 | 146 | 41,556 | 0.36 | 149.85 |
| | | | 2016 | 4,260,318 | 135 | 31,467 | 0.32 | 101.86 |
| | | | 2017 | 5,178,840 | 105 | 49,210 | 0.25 | 120.85 |
| | | | 2018 | 6,232,489 | 143 | 43,508 | 0.33 | 145.00 |
| | | Wind and Hail | 2014 | 1,686,089 | 298 | 5,650 | 0.75 | 42.45 |
| | | | 2015 | 2,290,366 | 318 | 7,202 | 0.79 | 56.69 |
| | | | 2016 | 9,667,346 | 984 | 9,826 | 2.35 | 231.14 |
| | | | 2017 | 3,678,615 | 414 | 8,889 | 0.97 | 85.84 |
| | | | 2018 | 6,075,301 | 572 | 10,618 | 1.33 | 141.34 |
| | | Water Damage and Freezing | 2014 | 4,742,313 | 513 | 9,237 | 1.29 | 119.40 |
| | | | 2015 | 5,404,088 | 440 | 12,282 | 1.09 | 133.75 |
| | | | 2016 | 4,228,354 | 387 | 10,935 | 0.92 | 101.10 |
| | | | 2017 | 5,671,295 | 437 | 12,986 | 1.02 | 132.35 |
| | | | 2018 | 6,615,600 | 592 | 11,167 | 1.38 | 153.91 |
| | | Theft | 2014 | 441,025 | 142 | 3,101 | 0.36 | 11.10 |
| | | | 2015 | 733,226 | 157 | 4,678 | 0.39 | 18.15 |
| | | | 2016 | 402,416 | 103 | 3,891 | 0.25 | 9.62 |
| | | | 2017 | 447,646 | 109 | 4,107 | 0.25 | 10.45 |
| | | | 2018 | 366,499 | 97 | 3,767 | 0.23 | 8.53 |
| | | Other Physical Damage | 2014 | 1,423,398 | 392 | 3,631 | 0.99 | 35.84 |
| | | | 2015 | 647,670 | 123 | 5,248 | 0.31 | 16.03 |
| | | | 2016 | 948,818 | 98 | 9,649 | 0.24 | 22.69 |
| | | | 2017 | 578,942 | 89 | 6,474 | 0.21 | 13.51 |
| | | | 2018 | 1,399,908 | 208 | 6,720 | 0.48 | 32.57 |
| | | Liability | 2014 | 499,675 | 44 | 11,269 | 0.11 | 12.58 |
| | | | 2015 | 331,200 | 36 | 9,296 | 0.09 | 8.20 |
| | | | 2016 | 400,197 | 55 | 7,312 | 0.13 | 9.57 |
| | | | 2017 | 357,651 | 29 | 12,286 | 0.07 | 8.35 |
| | | | 2018 | 256,624 | 31 | 8,281 | 0.07 | 5.97 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 34,017 | 13 | 2,533 | 0.03 | 0.86 |
| 2015 | 9,635 | | 5 | 1,774 | 0.01 | 0.24 | | |
| 2016 | 16,868 | | 7 | 2,567 | 0.02 | 0.40 | | |
| 2017 | 9,412 | | 11 | 835 | 0.03 | 0.22 | | |
| 2018 | 28,000 | | 14 | 1,987 | 0.03 | 0.65 | | |
| Total | 2014 | 13,315,444 | 1,517 | 8,778 | 3.82 | 335.24 | | |
| | 2015 | 15,470,826 | 1,225 | 12,630 | 3.03 | 382.90 | | |
| | 2016 | 19,924,318 | 1,769 | 11,263 | 4.23 | 476.37 | | |
| | 2017 | 15,922,399 | 1,195 | 13,329 | 2.79 | 371.57 | | |
| | 2018 | 20,974,422 | 1,659 | 12,647 | 3.86 | 487.96 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 290 | Fire, Lightning and Removal | 2014 | 4,110,667 | 136 | 30,312 | 0.43 | 129.95 |
| | | | 2015 | 5,726,972 | 141 | 40,505 | 0.44 | 179.23 |
| | | | 2016 | 5,222,206 | 165 | 31,579 | 0.51 | 161.05 |
| | | | 2017 | 2,781,048 | 127 | 21,833 | 0.38 | 83.23 |
| | | | 2018 | 6,194,107 | 138 | 44,960 | 0.41 | 183.01 |
| | | Wind and Hail | 2014 | 2,756,210 | 375 | 7,343 | 1.19 | 87.13 |
| | | | 2015 | 1,978,957 | 261 | 7,588 | 0.82 | 61.93 |
| | | | 2016 | 2,471,392 | 302 | 8,174 | 0.93 | 76.22 |
| | | | 2017 | 3,444,652 | 353 | 9,756 | 1.06 | 103.09 |
| | | | 2018 | 1,786,476 | 224 | 7,960 | 0.66 | 52.78 |
| | | Water Damage and Freezing | 2014 | 2,619,268 | 319 | 8,213 | 1.01 | 82.80 |
| | | | 2015 | 2,975,808 | 308 | 9,653 | 0.96 | 93.13 |
| | | | 2016 | 2,619,231 | 285 | 9,185 | 0.88 | 80.78 |
| | | | 2017 | 4,185,732 | 341 | 12,288 | 1.02 | 125.27 |
| | | | 2018 | 4,452,339 | 386 | 11,539 | 1.14 | 131.55 |
| | | Theft | 2014 | 452,861 | 113 | 4,003 | 0.36 | 14.32 |
| | | | 2015 | 200,109 | 65 | 3,090 | 0.20 | 6.26 |
| | | | 2016 | 226,190 | 57 | 3,952 | 0.18 | 6.98 |
| | | | 2017 | 190,055 | 56 | 3,383 | 0.17 | 5.69 |
| | | | 2018 | 197,275 | 51 | 3,877 | 0.15 | 5.83 |
| | | Other Physical Damage | 2014 | 648,838 | 118 | 5,505 | 0.37 | 20.51 |
| | | | 2015 | 494,276 | 106 | 4,650 | 0.33 | 15.47 |
| | | | 2016 | 433,636 | 99 | 4,377 | 0.31 | 13.37 |
| | | | 2017 | 688,179 | 99 | 6,923 | 0.30 | 20.59 |
| | | | 2018 | 763,564 | 128 | 5,961 | 0.38 | 22.56 |
| | | Liability | 2014 | 510,264 | 36 | 14,014 | 0.12 | 16.13 |
| | | | 2015 | 248,973 | 27 | 9,187 | 0.08 | 7.79 |
| | | | 2016 | 505,336 | 29 | 17,360 | 0.09 | 15.58 |
| | | | 2017 | 269,271 | 15 | 17,927 | 0.04 | 8.06 |
| | | | 2018 | 311,555 | 15 | 20,743 | 0.04 | 9.21 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 16,005 | 11 | 1,471 | 0.03 | 0.51 |
| | | | 2015 | 5,063 | 5 | 939 | 0.02 | 0.16 |
| | | | 2016 | 7,996 | 7 | 1,107 | 0.02 | 0.25 |
| | | | 2017 | 10,899 | 7 | 1,589 | 0.02 | 0.33 |
| | | | 2018 | 17,480 | 7 | 2,661 | 0.02 | 0.52 |
| | | Total | 2014 | 11,114,113 | 1,108 | 10,029 | 3.50 | 351.36 |
| | | | 2015 | 11,630,158 | 914 | 12,724 | 2.86 | 363.97 |
| 2016 | 11,485,987 | | 946 | 12,148 | 2.92 | 354.23 | | |
| 2017 | 11,569,835 | | 999 | 11,586 | 2.99 | 346.25 | | |
| 2018 | 13,722,796 | | 949 | 14,466 | 2.80 | 405.46 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 300 | Fire, Lightning and Removal | 2014 | 1,859,933 | 69 | 26,940 | 0.50 | 134.75 |
| | | | 2015 | 2,271,403 | 74 | 30,769 | 0.54 | 167.32 |
| | | | 2016 | 1,629,072 | 71 | 22,855 | 0.52 | 119.07 |
| | | | 2017 | 3,275,322 | 79 | 41,554 | 0.57 | 238.22 |
| | | | 2018 | 2,189,635 | 71 | 30,810 | 0.53 | 163.52 |
| | | Wind and Hail | 2014 | 744,887 | 153 | 4,878 | 1.11 | 53.97 |
| | | | 2015 | 776,269 | 147 | 5,290 | 1.08 | 57.18 |
| | | | 2016 | 1,565,784 | 240 | 6,521 | 1.76 | 114.44 |
| | | | 2017 | 1,362,084 | 203 | 6,723 | 1.47 | 99.07 |
| | | | 2018 | 897,824 | 139 | 6,461 | 1.04 | 67.05 |
| | | Water Damage and Freezing | 2014 | 1,019,238 | 127 | 8,017 | 0.92 | 73.84 |
| | | | 2015 | 1,051,276 | 122 | 8,650 | 0.90 | 77.44 |
| | | | 2016 | 938,460 | 108 | 8,663 | 0.79 | 68.59 |
| | | | 2017 | 1,161,713 | 127 | 9,184 | 0.92 | 84.49 |
| | | | 2018 | 1,456,770 | 136 | 10,686 | 1.02 | 108.79 |
| | | Theft | 2014 | 332,491 | 74 | 4,513 | 0.53 | 24.09 |
| | | | 2015 | 177,283 | 54 | 3,290 | 0.40 | 13.06 |
| | | | 2016 | 569,194 | 59 | 9,726 | 0.43 | 41.60 |
| | | | 2017 | 153,324 | 44 | 3,463 | 0.32 | 11.15 |
| | | | 2018 | 194,200 | 36 | 5,385 | 0.27 | 14.50 |
| | | Other Physical Damage | 2014 | 266,895 | 72 | 3,684 | 0.52 | 19.34 |
| | | | 2015 | 239,809 | 37 | 6,424 | 0.27 | 17.67 |
| | | | 2016 | 128,832 | 37 | 3,515 | 0.27 | 9.42 |
| | | | 2017 | 267,020 | 41 | 6,502 | 0.30 | 19.42 |
| | | | 2018 | 188,783 | 37 | 5,069 | 0.28 | 14.10 |
| | | Liability | 2014 | 345,909 | 21 | 16,743 | 0.15 | 25.06 |
| | | | 2015 | 73,846 | 28 | 2,621 | 0.21 | 5.44 |
| | | | 2016 | 91,000 | 27 | 3,342 | 0.20 | 6.65 |
| | | | 2017 | 589,048 | 18 | 33,018 | 0.13 | 42.84 |
| | | | 2018 | 65,025 | 7 | 9,897 | 0.05 | 4.86 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 11,970 | 7 | 1,822 | 0.05 | 0.87 |
| | | | 2015 | 5,907 | 4 | 1,571 | 0.03 | 0.44 |
| | | | 2016 | 4,687 | 4 | 1,247 | 0.03 | 0.34 |
| | | | 2017 | 23,232 | 8 | 3,094 | 0.05 | 1.69 |
| | | | 2018 | 6,304 | 5 | 1,341 | 0.04 | 0.47 |
| | | Total | 2014 | 4,581,323 | 522 | 8,772 | 3.78 | 331.91 |
| | | | 2015 | 4,595,793 | 465 | 9,879 | 3.43 | 338.55 |
| 2016 | 4,927,029 | | 546 | 9,026 | 3.99 | 360.11 | | |
| 2017 | 6,831,743 | | 519 | 13,173 | 3.77 | 496.89 | | |
| 2018 | 4,998,541 | | 431 | 11,600 | 3.22 | 373.28 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 310 | Fire, Lightning and Removal | 2014 | 27,671,533 | 771 | 35,876 | 0.30 | 106.51 |
| | | | 2015 | 27,084,919 | 840 | 32,238 | 0.33 | 105.19 |
| | | | 2016 | 30,205,093 | 932 | 32,401 | 0.36 | 115.65 |
| | | | 2017 | 23,629,879 | 886 | 26,670 | 0.33 | 89.14 |
| | | | 2018 | 36,928,291 | 835 | 44,214 | 0.32 | 140.86 |
| | | Wind and Hail | 2014 | 17,802,430 | 3,563 | 4,996 | 1.37 | 68.52 |
| | | | 2015 | 16,420,477 | 3,249 | 5,054 | 1.26 | 63.77 |
| | | | 2016 | 39,802,309 | 6,561 | 6,066 | 2.51 | 152.40 |
| | | | 2017 | 33,166,713 | 5,178 | 6,405 | 1.95 | 125.12 |
| | | | 2018 | 42,948,255 | 5,643 | 7,611 | 2.15 | 163.82 |
| | | Water Damage and Freezing | 2014 | 31,682,565 | 4,204 | 7,537 | 1.62 | 121.95 |
| | | | 2015 | 27,846,136 | 3,158 | 8,818 | 1.23 | 108.14 |
| | | | 2016 | 24,194,859 | 2,846 | 8,502 | 1.09 | 92.64 |
| | | | 2017 | 28,306,529 | 3,110 | 9,102 | 1.17 | 106.79 |
| | | | 2018 | 36,330,422 | 3,865 | 9,399 | 1.47 | 138.58 |
| | | Theft | 2014 | 3,552,981 | 1,131 | 3,142 | 0.44 | 13.68 |
| | | | 2015 | 3,143,699 | 924 | 3,404 | 0.36 | 12.21 |
| | | | 2016 | 2,567,328 | 782 | 3,283 | 0.30 | 9.83 |
| | | | 2017 | 2,200,342 | 632 | 3,484 | 0.24 | 8.30 |
| | | | 2018 | 1,795,067 | 487 | 3,683 | 0.19 | 6.85 |
| | | Other Physical Damage | 2014 | 13,110,085 | 3,483 | 3,764 | 1.34 | 50.46 |
| | | | 2015 | 4,093,049 | 753 | 5,434 | 0.29 | 15.90 |
| | | | 2016 | 4,837,408 | 744 | 6,500 | 0.28 | 18.52 |
| | | | 2017 | 5,873,144 | 892 | 6,583 | 0.34 | 22.16 |
| | | | 2018 | 10,184,961 | 1,480 | 6,884 | 0.56 | 38.85 |
| | | Liability | 2014 | 3,677,941 | 365 | 10,067 | 0.14 | 14.16 |
| | | | 2015 | 2,363,183 | 431 | 5,485 | 0.17 | 9.18 |
| | | | 2016 | 3,178,982 | 350 | 9,074 | 0.13 | 12.17 |
| | | | 2017 | 2,035,924 | 148 | 13,753 | 0.06 | 7.68 |
| | | | 2018 | 2,136,530 | 162 | 13,228 | 0.06 | 8.15 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 144,598 | 89 | 1,625 | 0.03 | 0.56 |
| 2015 | 110,450 | | 79 | 1,390 | 0.03 | 0.43 | | |
| 2016 | 106,363 | | 71 | 1,496 | 0.03 | 0.41 | | |
| 2017 | 129,496 | | 71 | 1,819 | 0.03 | 0.49 | | |
| 2018 | 95,761 | | 54 | 1,789 | 0.02 | 0.37 | | |
| Total | 2014 | 97,642,133 | 13,607 | 7,176 | 5.24 | 375.84 | | |
| | 2015 | 81,061,913 | 9,434 | 8,593 | 3.66 | 314.81 | | |
| | 2016 | 104,892,342 | 12,287 | 8,537 | 4.70 | 401.62 | | |
| | 2017 | 95,342,028 | 10,917 | 8,733 | 4.12 | 359.67 | | |
| | 2018 | 130,419,286 | 12,525 | 10,413 | 4.78 | 497.46 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 320 | Fire, Lightning and Removal | 2014 | 14,187,371 | 487 | 29,122 | 0.36 | 103.41 |
| | | | 2015 | 15,798,393 | 455 | 34,702 | 0.34 | 118.25 |
| | | | 2016 | 18,043,566 | 561 | 32,171 | 0.43 | 138.73 |
| | | | 2017 | 14,323,441 | 488 | 29,328 | 0.37 | 108.88 |
| | | | 2018 | 18,390,635 | 473 | 38,920 | 0.36 | 140.98 |
| | | Wind and Hail | 2014 | 9,509,792 | 1,678 | 5,669 | 1.22 | 69.31 |
| | | | 2015 | 13,340,557 | 2,158 | 6,181 | 1.62 | 99.85 |
| | | | 2016 | 16,667,201 | 2,416 | 6,898 | 1.86 | 128.14 |
| | | | 2017 | 33,072,416 | 4,307 | 7,678 | 3.27 | 251.39 |
| | | | 2018 | 14,037,245 | 1,938 | 7,242 | 1.49 | 107.61 |
| | | Water Damage and Freezing | 2014 | 14,712,377 | 1,884 | 7,810 | 1.37 | 107.23 |
| | | | 2015 | 11,833,478 | 1,412 | 8,383 | 1.06 | 88.57 |
| | | | 2016 | 10,611,468 | 1,231 | 8,620 | 0.95 | 81.58 |
| | | | 2017 | 12,813,521 | 1,359 | 9,429 | 1.03 | 97.40 |
| | | | 2018 | 16,320,611 | 1,672 | 9,762 | 1.28 | 125.12 |
| | | Theft | 2014 | 1,428,604 | 452 | 3,164 | 0.33 | 10.41 |
| | | | 2015 | 1,342,714 | 380 | 3,538 | 0.28 | 10.05 |
| | | | 2016 | 1,175,854 | 315 | 3,728 | 0.24 | 9.04 |
| | | | 2017 | 974,274 | 266 | 3,660 | 0.20 | 7.41 |
| | | | 2018 | 800,276 | 237 | 3,379 | 0.18 | 6.14 |
| | | Other Physical Damage | 2014 | 5,416,284 | 1,435 | 3,774 | 1.05 | 39.48 |
| | | | 2015 | 2,464,215 | 345 | 7,143 | 0.26 | 18.44 |
| | | | 2016 | 2,383,785 | 357 | 6,671 | 0.27 | 18.33 |
| | | | 2017 | 1,971,163 | 366 | 5,387 | 0.28 | 14.98 |
| | | | 2018 | 4,000,419 | 569 | 7,030 | 0.44 | 30.67 |
| | | Liability | 2014 | 2,230,877 | 208 | 10,743 | 0.15 | 16.26 |
| | | | 2015 | 1,576,455 | 219 | 7,209 | 0.16 | 11.80 |
| | | | 2016 | 1,447,905 | 174 | 8,316 | 0.13 | 11.13 |
| | | | 2017 | 2,299,531 | 100 | 23,053 | 0.08 | 17.48 |
| | | | 2018 | 1,224,586 | 61 | 20,029 | 0.05 | 9.39 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 6,907 | 1 | 7,347 | 0.00 | 0.05 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 75,809 | 52 | 1,465 | 0.04 | 0.55 |
| 2015 | 89,501 | | 53 | 1,685 | 0.04 | 0.67 | | |
| 2016 | 55,763 | | 42 | 1,330 | 0.03 | 0.43 | | |
| 2017 | 66,829 | | 38 | 1,772 | 0.03 | 0.51 | | |
| 2018 | 79,494 | | 38 | 2,116 | 0.03 | 0.61 | | |
| Total | 2014 | 47,561,114 | 6,195 | 7,678 | 4.52 | 346.66 | | |
| | 2015 | 46,445,315 | 5,022 | 9,249 | 3.76 | 347.63 | | |
| | 2016 | 50,392,448 | 5,098 | 9,885 | 3.92 | 387.43 | | |
| | 2017 | 65,521,174 | 6,924 | 9,462 | 5.26 | 498.04 | | |
| | 2018 | 54,853,266 | 4,987 | 10,999 | 3.82 | 420.51 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 330 | Fire, Lightning and Removal | 2014 | 1,813,645 | 22 | 81,366 | 0.32 | 263.27 |
| | | | 2015 | 498,580 | 31 | 16,078 | 0.45 | 72.28 |
| | | | 2016 | 968,389 | 36 | 26,648 | 0.50 | 134.39 |
| | | | 2017 | 804,870 | 29 | 28,192 | 0.39 | 111.06 |
| | | | 2018 | 1,279,992 | 39 | 33,118 | 0.55 | 183.70 |
| | | Wind and Hail | 2014 | 504,966 | 112 | 4,527 | 1.62 | 73.30 |
| | | | 2015 | 278,434 | 52 | 5,368 | 0.75 | 40.36 |
| | | | 2016 | 1,242,203 | 261 | 4,755 | 3.63 | 172.38 |
| | | | 2017 | 1,113,346 | 123 | 9,019 | 1.70 | 153.63 |
| | | | 2018 | 643,905 | 110 | 5,844 | 1.58 | 92.41 |
| | | Water Damage and Freezing | 2014 | 581,151 | 77 | 7,504 | 1.12 | 84.36 |
| | | | 2015 | 341,689 | 57 | 6,029 | 0.82 | 49.53 |
| | | | 2016 | 469,366 | 59 | 8,001 | 0.81 | 65.14 |
| | | | 2017 | 250,135 | 48 | 5,164 | 0.67 | 34.52 |
| | | | 2018 | 502,439 | 60 | 8,359 | 0.86 | 72.11 |
| | | Theft | 2014 | 84,831 | 25 | 3,365 | 0.37 | 12.31 |
| | | | 2015 | 79,274 | 21 | 3,759 | 0.31 | 11.49 |
| | | | 2016 | 31,290 | 10 | 3,014 | 0.14 | 4.34 |
| | | | 2017 | 30,140 | 12 | 2,433 | 0.17 | 4.16 |
| | | | 2018 | 50,979 | 16 | 3,231 | 0.23 | 7.32 |
| | | Other Physical Damage | 2014 | 297,558 | 41 | 7,179 | 0.60 | 43.19 |
| | | | 2015 | 62,180 | 23 | 2,672 | 0.34 | 9.01 |
| | | | 2016 | 70,487 | 24 | 2,983 | 0.33 | 9.78 |
| | | | 2017 | 134,012 | 17 | 8,049 | 0.23 | 18.49 |
| | | | 2018 | 308,950 | 42 | 7,319 | 0.61 | 44.34 |
| | | Liability | 2014 | 318,419 | 15 | 21,018 | 0.22 | 46.22 |
| | | | 2015 | 121,733 | 8 | 15,955 | 0.11 | 17.65 |
| | | | 2016 | 18,779 | 8 | 2,500 | 0.10 | 2.61 |
| | | | 2017 | 9,824 | 4 | 2,613 | 0.05 | 1.36 |
| | | | 2018 | 6,062 | 5 | 1,290 | 0.07 | 0.87 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 3,772 | 4 | 998 | 0.05 | 0.55 |
| 2015 | 4,292 | | 4 | 1,136 | 0.05 | 0.62 | | |
| 2016 | 12,183 | | 5 | 2,592 | 0.07 | 1.69 | | |
| 2017 | 2,357 | | 3 | 836 | 0.04 | 0.33 | | |
| 2018 | 49 | | 1 | 53 | 0.01 | 0.01 | | |
| Total | 2014 | 3,604,341 | 297 | 12,141 | 4.31 | 523.20 | | |
| | 2015 | 1,386,182 | 195 | 7,097 | 2.83 | 200.95 | | |
| | 2016 | 2,812,696 | 402 | 6,989 | 5.58 | 390.33 | | |
| | 2017 | 2,344,684 | 236 | 9,933 | 3.26 | 323.54 | | |
| | 2018 | 2,792,376 | 273 | 10,245 | 3.91 | 400.74 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 340 | Fire, Lightning and Removal | 2014 | 36,268,503 | 1,093 | 33,195 | 0.35 | 117.46 |
| | | | 2015 | 37,349,137 | 1,041 | 35,866 | 0.34 | 123.55 |
| | | | 2016 | 41,004,034 | 1,202 | 34,110 | 0.40 | 135.82 |
| | | | 2017 | 30,143,768 | 1,102 | 27,355 | 0.35 | 95.26 |
| | | | 2018 | 37,811,539 | 974 | 38,805 | 0.32 | 122.31 |
| | | Wind and Hail | 2014 | 81,418,800 | 8,081 | 10,075 | 2.62 | 263.69 |
| | | | 2015 | 35,269,826 | 4,555 | 7,744 | 1.51 | 116.67 |
| | | | 2016 | 49,901,962 | 6,739 | 7,405 | 2.23 | 165.30 |
| | | | 2017 | 85,032,185 | 9,939 | 8,556 | 3.14 | 268.73 |
| | | | 2018 | 54,037,551 | 6,407 | 8,434 | 2.07 | 174.80 |
| | | Water Damage and Freezing | 2014 | 41,567,203 | 4,530 | 9,176 | 1.47 | 134.62 |
| | | | 2015 | 41,612,439 | 4,550 | 9,146 | 1.51 | 137.66 |
| | | | 2016 | 42,856,158 | 4,320 | 9,919 | 1.43 | 141.96 |
| | | | 2017 | 51,662,073 | 4,893 | 10,558 | 1.55 | 163.27 |
| | | | 2018 | 59,396,179 | 5,464 | 10,871 | 1.77 | 192.13 |
| | | Theft | 2014 | 3,169,685 | 959 | 3,306 | 0.31 | 10.27 |
| | | | 2015 | 3,541,067 | 970 | 3,649 | 0.32 | 11.71 |
| | | | 2016 | 3,389,121 | 905 | 3,743 | 0.30 | 11.23 |
| | | | 2017 | 3,029,207 | 842 | 3,597 | 0.27 | 9.57 |
| | | | 2018 | 2,593,988 | 615 | 4,221 | 0.20 | 8.39 |
| | | Other Physical Damage | 2014 | 7,876,964 | 1,234 | 6,383 | 0.40 | 25.51 |
| | | | 2015 | 7,159,923 | 1,080 | 6,629 | 0.36 | 23.69 |
| | | | 2016 | 7,453,595 | 1,165 | 6,397 | 0.39 | 24.69 |
| | | | 2017 | 7,656,250 | 1,217 | 6,290 | 0.38 | 24.20 |
| | | | 2018 | 12,326,545 | 1,587 | 7,767 | 0.51 | 39.87 |
| | | Liability | 2014 | 3,908,603 | 422 | 9,261 | 0.14 | 12.66 |
| | | | 2015 | 2,862,232 | 476 | 6,018 | 0.16 | 9.47 |
| | | | 2016 | 5,379,793 | 434 | 12,407 | 0.14 | 17.82 |
| | | | 2017 | 4,681,746 | 211 | 22,148 | 0.07 | 14.80 |
| | | | 2018 | 2,598,294 | 193 | 13,440 | 0.06 | 8.40 |
| | | Credit Card | 2014 | 3,367 | 1 | 3,582 | 0.00 | 0.01 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 132,155 | 94 | 1,404 | 0.03 | 0.43 |
| 2015 | 124,208 | | 68 | 1,828 | 0.02 | 0.41 | | |
| 2016 | 177,262 | | 82 | 2,154 | 0.03 | 0.59 | | |
| 2017 | 131,544 | | 69 | 1,893 | 0.02 | 0.42 | | |
| 2018 | 118,209 | | 55 | 2,134 | 0.02 | 0.38 | | |
| Total | 2014 | 174,345,280 | 16,414 | 10,622 | 5.32 | 564.65 | | |
| | 2015 | 127,918,833 | 12,740 | 10,041 | 4.21 | 423.16 | | |
| | 2016 | 150,161,925 | 14,848 | 10,113 | 4.92 | 497.40 | | |
| | 2017 | 182,336,774 | 18,274 | 9,978 | 5.78 | 576.23 | | |
| | 2018 | 168,882,305 | 15,296 | 11,041 | 4.95 | 546.29 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|------------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Owners | 350 | Fire, Lightning and Removal | 2014 | 10,706,722 | 379 | 28,220 | 0.41 | 116.06 |
| | | | 2015 | 12,732,967 | 323 | 39,409 | 0.35 | 136.74 |
| | | | 2016 | 15,897,715 | 395 | 40,225 | 0.42 | 167.08 |
| | | | 2017 | 12,632,595 | 364 | 34,672 | 0.38 | 130.34 |
| | | | 2018 | 12,243,367 | 401 | 30,549 | 0.42 | 127.18 |
| | | Wind and Hail | 2014 | 4,036,197 | 693 | 5,827 | 0.75 | 43.75 |
| | | | 2015 | 5,189,577 | 923 | 5,621 | 0.99 | 55.73 |
| | | | 2016 | 8,673,330 | 1,309 | 6,624 | 1.38 | 91.15 |
| | | | 2017 | 16,667,980 | 1,970 | 8,460 | 2.03 | 171.98 |
| | | | 2018 | 26,999,492 | 2,922 | 9,240 | 3.04 | 280.46 |
| | | Water Damage and Freezing | 2014 | 7,985,059 | 967 | 8,254 | 1.05 | 86.56 |
| | | | 2015 | 8,970,859 | 1,054 | 8,515 | 1.13 | 96.34 |
| | | | 2016 | 7,703,107 | 892 | 8,634 | 0.94 | 80.96 |
| | | | 2017 | 9,735,734 | 1,091 | 8,925 | 1.13 | 100.45 |
| | | | 2018 | 13,245,899 | 1,430 | 9,262 | 1.49 | 137.59 |
| | | Theft | 2014 | 872,077 | 232 | 3,767 | 0.25 | 9.45 |
| | | | 2015 | 962,558 | 244 | 3,953 | 0.26 | 10.34 |
| | | | 2016 | 859,147 | 235 | 3,664 | 0.25 | 9.03 |
| | | | 2017 | 767,877 | 211 | 3,645 | 0.22 | 7.92 |
| | | | 2018 | 702,740 | 168 | 4,179 | 0.17 | 7.30 |
| | | Other Physical Damage | 2014 | 2,035,303 | 322 | 6,320 | 0.35 | 22.06 |
| | | | 2015 | 2,071,070 | 280 | 7,390 | 0.30 | 22.24 |
| | | | 2016 | 1,577,266 | 272 | 5,806 | 0.29 | 16.58 |
| | | | 2017 | 2,036,224 | 307 | 6,629 | 0.32 | 21.01 |
| | | | 2018 | 3,406,134 | 504 | 6,758 | 0.52 | 35.38 |
| | | Liability | 2014 | 1,252,154 | 108 | 11,606 | 0.12 | 13.57 |
| | | | 2015 | 1,322,770 | 126 | 10,533 | 0.13 | 14.21 |
| | | | 2016 | 1,580,266 | 118 | 13,418 | 0.12 | 16.61 |
| | | | 2017 | 1,188,132 | 69 | 17,120 | 0.07 | 12.26 |
| | | | 2018 | 834,831 | 72 | 11,547 | 0.08 | 8.67 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2017 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| 2018 | 0 | | 0 | 0 | 0.00 | 0.00 | | |
| Medical Payments | 2014 | 61,417 | 47 | 1,310 | 0.05 | 0.67 | | |
| | 2015 | 47,641 | 25 | 1,896 | 0.03 | 0.51 | | |
| | 2016 | 62,716 | 35 | 1,809 | 0.04 | 0.66 | | |
| | 2017 | 42,539 | 27 | 1,562 | 0.03 | 0.44 | | |
| | 2018 | 53,659 | 25 | 2,117 | 0.03 | 0.56 | | |
| Total | 2014 | 26,948,930 | 2,748 | 9,808 | 2.98 | 292.12 | | |
| | 2015 | 31,297,441 | 2,974 | 10,522 | 3.19 | 336.10 | | |
| | 2016 | 36,353,547 | 3,255 | 11,167 | 3.42 | 382.06 | | |
| | 2017 | 43,071,081 | 4,040 | 10,661 | 4.17 | 444.40 | | |
| | 2018 | 57,486,123 | 5,523 | 10,409 | 5.74 | 597.15 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 360 | Fire, Lightning and Removal | 2014 | 20,327,822 | 701 | 29,005 | 0.36 | 105.36 |
| | | | 2015 | 25,556,872 | 661 | 38,651 | 0.34 | 129.96 |
| | | | 2016 | 22,271,007 | 776 | 28,707 | 0.38 | 108.06 |
| | | | 2017 | 24,799,355 | 794 | 31,217 | 0.40 | 124.36 |
| | | | 2018 | 23,843,720 | 671 | 35,558 | 0.34 | 121.76 |
| | | Wind and Hail | 2014 | 11,057,265 | 1,969 | 5,616 | 1.02 | 57.31 |
| | | | 2015 | 11,908,000 | 1,685 | 7,066 | 0.86 | 60.55 |
| | | | 2016 | 15,971,606 | 2,664 | 5,995 | 1.29 | 77.50 |
| | | | 2017 | 40,351,007 | 5,279 | 7,644 | 2.65 | 202.34 |
| | | | 2018 | 18,767,618 | 2,710 | 6,925 | 1.38 | 95.84 |
| | | Water Damage and Freezing | 2014 | 25,272,686 | 2,254 | 11,214 | 1.17 | 130.99 |
| | | | 2015 | 20,976,802 | 2,134 | 9,832 | 1.08 | 106.67 |
| | | | 2016 | 14,231,764 | 1,620 | 8,784 | 0.79 | 69.06 |
| | | | 2017 | 16,487,673 | 1,824 | 9,040 | 0.91 | 82.68 |
| | | | 2018 | 25,653,468 | 2,600 | 9,866 | 1.33 | 131.00 |
| | | Theft | 2014 | 1,764,353 | 503 | 3,509 | 0.26 | 9.15 |
| | | | 2015 | 1,784,208 | 437 | 4,085 | 0.22 | 9.07 |
| | | | 2016 | 1,621,840 | 426 | 3,808 | 0.21 | 7.87 |
| | | | 2017 | 2,246,237 | 381 | 5,893 | 0.19 | 11.26 |
| | | | 2018 | 1,298,239 | 295 | 4,401 | 0.15 | 6.63 |
| | | Other Physical Damage | 2014 | 3,584,559 | 599 | 5,989 | 0.31 | 18.58 |
| | | | 2015 | 3,240,790 | 563 | 5,752 | 0.29 | 16.48 |
| | | | 2016 | 3,769,622 | 523 | 7,212 | 0.25 | 18.29 |
| | | | 2017 | 4,829,476 | 758 | 6,371 | 0.38 | 24.22 |
| | | | 2018 | 11,127,177 | 1,292 | 8,613 | 0.66 | 56.82 |
| | | Liability | 2014 | 2,375,963 | 274 | 8,657 | 0.14 | 12.32 |
| | | | 2015 | 2,574,233 | 261 | 9,863 | 0.13 | 13.09 |
| | | | 2016 | 2,450,909 | 242 | 10,130 | 0.12 | 11.89 |
| | | | 2017 | 1,804,058 | 121 | 14,883 | 0.06 | 9.05 |
| | | | 2018 | 1,211,599 | 125 | 9,701 | 0.06 | 6.19 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 120,880 | 65 | 1,853 | 0.03 | 0.63 |
| | | | 2015 | 101,524 | 60 | 1,701 | 0.03 | 0.52 |
| | | | 2016 | 110,508 | 58 | 1,896 | 0.03 | 0.54 |
| | | | 2017 | 132,935 | 69 | 1,939 | 0.03 | 0.67 |
| | | | 2018 | 137,035 | 67 | 2,055 | 0.03 | 0.70 |
| Total | 2014 | 64,503,527 | 6,365 | 10,135 | 3.30 | 334.34 | | |
| | 2015 | 66,142,428 | 5,801 | 11,402 | 2.95 | 336.34 | | |
| | 2016 | 60,427,256 | 6,309 | 9,578 | 3.06 | 293.21 | | |
| | 2017 | 90,650,741 | 9,226 | 9,826 | 4.63 | 454.57 | | |
| | 2018 | 82,038,855 | 7,759 | 10,573 | 3.96 | 418.92 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 370 | Fire, Lightning and Removal | 2014 | 2,427,798 | 37 | 65,281 | 0.40 | 263.23 |
| | | | 2015 | 1,913,678 | 29 | 66,935 | 0.29 | 191.81 |
| | | | 2016 | 2,324,759 | 35 | 66,063 | 0.32 | 212.83 |
| | | | 2017 | 3,148,468 | 34 | 91,765 | 0.31 | 286.35 |
| | | | 2018 | 2,120,330 | 33 | 64,233 | 0.30 | 192.99 |
| | | Wind and Hail | 2014 | 352,340 | 73 | 4,845 | 0.79 | 38.20 |
| | | | 2015 | 177,649 | 37 | 4,810 | 0.37 | 17.81 |
| | | | 2016 | 478,951 | 83 | 5,782 | 0.76 | 43.85 |
| | | | 2017 | 526,204 | 84 | 6,254 | 0.77 | 47.86 |
| | | | 2018 | 299,208 | 56 | 5,302 | 0.51 | 27.23 |
| | | Water Damage and Freezing | 2014 | 1,861,766 | 122 | 15,283 | 1.32 | 201.86 |
| | | | 2015 | 1,650,010 | 144 | 11,434 | 1.45 | 165.38 |
| | | | 2016 | 1,930,234 | 70 | 27,654 | 0.64 | 176.71 |
| | | | 2017 | 986,211 | 94 | 10,484 | 0.86 | 89.70 |
| | | | 2018 | 1,706,498 | 132 | 12,897 | 1.20 | 155.32 |
| | | Theft | 2014 | 56,529 | 13 | 4,286 | 0.14 | 6.13 |
| | | | 2015 | 214,592 | 17 | 12,751 | 0.17 | 21.51 |
| | | | 2016 | 246,987 | 10 | 23,840 | 0.09 | 22.61 |
| | | | 2017 | 41,600 | 8 | 5,155 | 0.07 | 3.78 |
| | | | 2018 | 17,893 | 7 | 2,753 | 0.06 | 1.63 |
| | | Other Physical Damage | 2014 | 189,299 | 24 | 7,793 | 0.26 | 20.52 |
| | | | 2015 | 209,962 | 38 | 5,525 | 0.38 | 21.04 |
| | | | 2016 | 161,184 | 19 | 8,470 | 0.17 | 14.76 |
| | | | 2017 | 209,149 | 31 | 6,851 | 0.28 | 19.02 |
| | | | 2018 | 371,514 | 54 | 6,838 | 0.49 | 33.81 |
| | | Liability | 2014 | 6,428 | 5 | 1,231 | 0.06 | 0.70 |
| | | | 2015 | 70,196 | 16 | 4,494 | 0.16 | 7.04 |
| | | | 2016 | 408,391 | 13 | 30,319 | 0.12 | 37.39 |
| | | | 2017 | 61,746 | 15 | 4,111 | 0.14 | 5.62 |
| | | | 2018 | 26,884 | 8 | 3,182 | 0.08 | 2.45 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 3,013 | 1 | 2,765 | 0.01 | 0.33 |
| 2015 | 7,340 | | 6 | 1,279 | 0.06 | 0.74 | | |
| 2016 | 8,219 | | 6 | 1,460 | 0.05 | 0.75 | | |
| 2017 | 3,760 | | 4 | 1,000 | 0.03 | 0.34 | | |
| 2018 | 3,567 | | 3 | 1,265 | 0.03 | 0.32 | | |
| Total | 2014 | 4,897,173 | 276 | 17,774 | 2.99 | 530.97 | | |
| | 2015 | 4,243,427 | 286 | 14,836 | 2.87 | 425.32 | | |
| | 2016 | 5,558,724 | 236 | 23,522 | 2.16 | 508.90 | | |
| | 2017 | 4,977,136 | 270 | 18,441 | 2.45 | 452.67 | | |
| | 2018 | 4,545,894 | 294 | 15,470 | 2.67 | 413.75 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 380 | Fire, Lightning and Removal | 2014 | 5,979,566 | 139 | 42,954 | 0.43 | 185.05 |
| | | | 2015 | 7,675,557 | 133 | 57,681 | 0.40 | 228.97 |
| | | | 2016 | 8,116,265 | 147 | 55,243 | 0.41 | 226.83 |
| | | | 2017 | 4,530,874 | 148 | 30,593 | 0.41 | 125.00 |
| | | | 2018 | 6,635,853 | 143 | 46,525 | 0.40 | 185.60 |
| | | Wind and Hail | 2014 | 1,228,845 | 216 | 5,679 | 0.67 | 38.03 |
| | | | 2015 | 1,596,422 | 266 | 5,999 | 0.79 | 47.62 |
| | | | 2016 | 1,663,962 | 263 | 6,338 | 0.73 | 46.50 |
| | | | 2017 | 2,402,887 | 345 | 6,967 | 0.95 | 66.29 |
| | | | 2018 | 1,742,808 | 283 | 6,165 | 0.79 | 48.74 |
| | | Water Damage and Freezing | 2014 | 3,887,680 | 383 | 10,162 | 1.18 | 120.31 |
| | | | 2015 | 5,184,773 | 391 | 13,274 | 1.17 | 154.67 |
| | | | 2016 | 3,465,399 | 257 | 13,489 | 0.72 | 96.85 |
| | | | 2017 | 3,091,672 | 307 | 10,085 | 0.85 | 85.29 |
| | | | 2018 | 4,813,676 | 443 | 10,856 | 1.24 | 134.63 |
| | | Theft | 2014 | 382,098 | 87 | 4,374 | 0.27 | 11.82 |
| | | | 2015 | 209,570 | 60 | 3,503 | 0.18 | 6.25 |
| | | | 2016 | 551,953 | 74 | 7,432 | 0.21 | 15.43 |
| | | | 2017 | 262,656 | 60 | 4,414 | 0.16 | 7.25 |
| | | | 2018 | 337,686 | 51 | 6,686 | 0.14 | 9.44 |
| | | Other Physical Damage | 2014 | 582,109 | 94 | 6,176 | 0.29 | 18.01 |
| | | | 2015 | 628,772 | 110 | 5,702 | 0.33 | 18.76 |
| | | | 2016 | 605,856 | 97 | 6,244 | 0.27 | 16.93 |
| | | | 2017 | 645,331 | 87 | 7,430 | 0.24 | 17.80 |
| | | | 2018 | 1,984,101 | 285 | 6,957 | 0.80 | 55.49 |
| | | Liability | 2014 | 479,361 | 41 | 11,827 | 0.13 | 14.83 |
| | | | 2015 | 358,772 | 39 | 9,202 | 0.12 | 10.70 |
| | | | 2016 | 153,960 | 32 | 4,822 | 0.09 | 4.30 |
| | | | 2017 | 354,465 | 22 | 16,410 | 0.06 | 9.78 |
| | | | 2018 | 1,042,481 | 40 | 25,817 | 0.11 | 29.16 |
| | | Credit Card | 2014 | 93 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 8,552 | 1 | 9,098 | 0.00 | 0.24 |
| | | Medical Payments | 2014 | 13,313 | 7 | 1,978 | 0.02 | 0.41 |
| | | | 2015 | 25,824 | 13 | 1,985 | 0.04 | 0.77 |
| | | | 2016 | 26,242 | 13 | 1,996 | 0.04 | 0.73 |
| | | | 2017 | 21,224 | 10 | 2,055 | 0.03 | 0.59 |
| | | | 2018 | 38,436 | 14 | 2,728 | 0.04 | 1.08 |
| | | Total | 2014 | 12,553,066 | 967 | 12,981 | 2.99 | 388.47 |
| | | | 2015 | 15,679,690 | 1,012 | 15,496 | 3.02 | 467.74 |
| | | | 2016 | 14,583,637 | 883 | 16,521 | 2.47 | 407.57 |
| | | | 2017 | 11,309,110 | 978 | 11,565 | 2.70 | 311.99 |
| | | | 2018 | 16,603,593 | 1,260 | 13,179 | 3.52 | 464.38 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | 390 | Fire, Lightning and Removal | 2014 | 6,147,738 | 169 | 36,326 | 0.47 | 171.52 |
| | | | 2015 | 9,779,560 | 192 | 51,050 | 0.51 | 259.87 |
| | | | 2016 | 8,155,352 | 159 | 51,263 | 0.40 | 205.48 |
| | | | 2017 | 9,632,536 | 172 | 55,867 | 0.43 | 239.81 |
| | | | 2018 | 8,207,703 | 178 | 46,204 | 0.44 | 205.45 |
| | | Wind and Hail | 2014 | 1,365,409 | 163 | 8,399 | 0.45 | 38.10 |
| | | | 2015 | 1,429,748 | 213 | 6,714 | 0.57 | 37.99 |
| | | | 2016 | 1,386,599 | 206 | 6,740 | 0.52 | 34.94 |
| | | | 2017 | 5,531,593 | 559 | 9,901 | 1.39 | 137.71 |
| | | | 2018 | 3,334,618 | 357 | 9,335 | 0.89 | 83.47 |
| | | Water Damage and Freezing | 2014 | 5,567,344 | 427 | 13,026 | 1.19 | 155.33 |
| | | | 2015 | 6,005,986 | 439 | 13,683 | 1.17 | 159.59 |
| | | | 2016 | 2,724,260 | 242 | 11,248 | 0.61 | 68.64 |
| | | | 2017 | 3,761,454 | 282 | 13,339 | 0.70 | 93.65 |
| | | | 2018 | 4,888,261 | 377 | 12,978 | 0.94 | 122.36 |
| | | Theft | 2014 | 628,735 | 94 | 6,706 | 0.26 | 17.54 |
| | | | 2015 | 647,202 | 93 | 6,943 | 0.25 | 17.20 |
| | | | 2016 | 495,689 | 93 | 5,309 | 0.24 | 12.49 |
| | | | 2017 | 495,473 | 99 | 5,012 | 0.25 | 12.34 |
| | | | 2018 | 507,846 | 86 | 5,876 | 0.22 | 12.71 |
| | | Other Physical Damage | 2014 | 852,881 | 98 | 8,710 | 0.27 | 23.80 |
| | | | 2015 | 873,357 | 108 | 8,069 | 0.29 | 23.21 |
| | | | 2016 | 909,935 | 80 | 11,393 | 0.20 | 22.93 |
| | | | 2017 | 897,279 | 125 | 7,201 | 0.31 | 22.34 |
| | | | 2018 | 1,063,424 | 145 | 7,346 | 0.36 | 26.62 |
| | | Liability | 2014 | 157,940 | 26 | 6,084 | 0.07 | 4.41 |
| | | | 2015 | 598,165 | 29 | 20,726 | 0.08 | 15.89 |
| | | | 2016 | 128,672 | 28 | 4,568 | 0.07 | 3.24 |
| | | | 2017 | 82,565 | 15 | 5,497 | 0.04 | 2.06 |
| | | | 2018 | 146,662 | 17 | 8,678 | 0.04 | 3.67 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 21,853 | 11 | 2,079 | 0.03 | 0.61 |
| | | | 2015 | 24,507 | 12 | 1,980 | 0.03 | 0.65 |
| | | | 2016 | 18,030 | 11 | 1,600 | 0.03 | 0.45 |
| | | | 2017 | 36,027 | 11 | 3,197 | 0.03 | 0.90 |
| | | | 2018 | 27,564 | 8 | 3,262 | 0.02 | 0.69 |
| | | Total | 2014 | 14,741,901 | 987 | 14,931 | 2.75 | 411.30 |
| | | | 2015 | 19,358,524 | 1,086 | 17,823 | 2.89 | 514.40 |
| 2016 | 13,818,537 | | 820 | 16,859 | 2.07 | 348.17 | | |
| 2017 | 20,436,927 | | 1,263 | 16,183 | 3.14 | 508.80 | | |
| 2018 | 18,176,077 | | 1,168 | 15,561 | 2.92 | 454.98 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|------------------------|------------------------|---------------------|--------------------------|---------------------|
| Owners | SW | Fire, Lightning and Removal | 2014 | 235,564,840 | 7,008 | 33,614 | 0.36 | 122.18 |
| | | | 2015 | 250,943,071 | 6,990 | 35,900 | 0.36 | 130.26 |
| | | | 2016 | 259,405,951 | 7,856 | 33,022 | 0.40 | 133.04 |
| | | | 2017 | 233,148,806 | 6,927 | 33,660 | 0.35 | 118.15 |
| | | | 2018 | 283,740,525 | 6,735 | 42,129 | 0.34 | 145.09 |
| | | Wind and Hail | 2014 | 208,977,066 | 28,447 | 7,346 | 1.48 | 108.39 |
| | | | 2015 | 172,743,442 | 24,301 | 7,108 | 1.26 | 89.67 |
| | | | 2016 | 318,899,332 | 42,236 | 7,550 | 2.17 | 163.55 |
| | | | 2017 | 413,983,973 | 47,579 | 8,701 | 2.41 | 209.78 |
| | | | 2018 | 260,638,645 | 32,828 | 7,940 | 1.68 | 133.28 |
| | | Water Damage and Freezing | 2014 | 227,133,193 | 24,880 | 9,129 | 1.29 | 117.81 |
| | | | 2015 | 232,400,272 | 23,942 | 9,707 | 1.24 | 120.64 |
| | | | 2016 | 201,401,950 | 21,251 | 9,477 | 1.09 | 103.29 |
| | | | 2017 | 244,469,989 | 23,406 | 10,445 | 1.19 | 123.88 |
| | | | 2018 | 309,142,220 | 28,362 | 10,900 | 1.45 | 158.08 |
| | | Theft | 2014 | 23,428,552 | 6,698 | 3,498 | 0.35 | 12.15 |
| | | | 2015 | 22,734,251 | 6,037 | 3,766 | 0.31 | 11.80 |
| | | | 2016 | 19,386,927 | 5,077 | 3,819 | 0.26 | 9.94 |
| | | | 2017 | 17,468,707 | 4,543 | 3,845 | 0.23 | 8.85 |
| | | | 2018 | 14,604,082 | 3,652 | 3,998 | 0.19 | 7.47 |
| | | Other Physical Damage | 2014 | 51,345,996 | 10,680 | 4,807 | 0.55 | 26.63 |
| | | | 2015 | 36,978,349 | 6,220 | 5,945 | 0.32 | 19.19 |
| | | | 2016 | 37,148,604 | 5,831 | 6,371 | 0.30 | 19.05 |
| | | | 2017 | 40,453,453 | 6,201 | 6,523 | 0.31 | 20.50 |
| | | | 2018 | 64,746,626 | 9,278 | 6,979 | 0.47 | 33.11 |
| | | Liability | 2014 | 23,644,911 | 2,388 | 9,902 | 0.12 | 12.26 |
| | | | 2015 | 21,807,636 | 2,631 | 8,288 | 0.14 | 11.32 |
| | | | 2016 | 27,210,555 | 2,671 | 10,186 | 0.14 | 13.95 |
| | | | 2017 | 21,106,899 | 1,190 | 17,741 | 0.06 | 10.70 |
| | | | 2018 | 17,830,427 | 1,219 | 14,629 | 0.06 | 9.12 |
| | | Credit Card | 2014 | 3,460 | 1 | 3,681 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 6,907 | 1 | 7,347 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 8,552 | 1 | 9,098 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 1,082,186 | 639 | 1,692 | 0.03 | 0.56 |
| 2015 | 961,009 | | 562 | 1,711 | 0.03 | 0.50 | | |
| 2016 | 1,017,975 | | 545 | 1,869 | 0.03 | 0.52 | | |
| 2017 | 990,802 | | 508 | 1,950 | 0.03 | 0.50 | | |
| 2018 | 1,063,804 | | 495 | 2,150 | 0.03 | 0.54 | | |
| Total | 2014 | 771,180,205 | 80,742 | 9,551 | 4.19 | 400.00 | | |
| | 2015 | 738,568,029 | 70,682 | 10,449 | 3.67 | 383.38 | | |
| | 2016 | 864,478,200 | 85,468 | 10,115 | 4.38 | 443.35 | | |
| | 2017 | 971,622,629 | 90,353 | 10,754 | 4.58 | 492.36 | | |
| | 2018 | 951,774,882 | 82,570 | 11,527 | 4.22 | 486.69 | | |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Tenants | SW | Fire, Lightning and Removal | 2014 | 4,538,871 | 697 | 6,513 | 0.21 | 13.72 |
| | | | 2015 | 5,827,463 | 763 | 7,633 | 0.21 | 16.12 |
| | | | 2016 | 6,298,168 | 1,026 | 6,138 | 0.27 | 16.37 |
| | | | 2017 | 7,109,920 | 992 | 7,171 | 0.24 | 17.46 |
| | | | 2018 | 5,948,871 | 992 | 5,997 | 0.24 | 14.27 |
| | | Wind and Hail | 2014 | 185,085 | 88 | 2,108 | 0.03 | 0.56 |
| | | | 2015 | 142,509 | 65 | 2,184 | 0.02 | 0.39 |
| | | | 2016 | 261,639 | 105 | 2,489 | 0.03 | 0.68 |
| | | | 2017 | 450,146 | 149 | 3,020 | 0.04 | 1.11 |
| | | | 2018 | 842,673 | 359 | 2,349 | 0.09 | 2.02 |
| | | Water Damage and Freezing | 2014 | 3,120,827 | 858 | 3,635 | 0.26 | 9.43 |
| | | | 2015 | 3,400,686 | 916 | 3,712 | 0.25 | 9.41 |
| | | | 2016 | 2,225,130 | 652 | 3,412 | 0.17 | 5.78 |
| | | | 2017 | 2,938,878 | 822 | 3,576 | 0.20 | 7.22 |
| | | | 2018 | 4,567,391 | 1,219 | 3,746 | 0.29 | 10.96 |
| | | Theft | 2014 | 6,062,763 | 2,561 | 2,367 | 0.77 | 18.32 |
| | | | 2015 | 6,076,950 | 2,603 | 2,335 | 0.72 | 16.81 |
| | | | 2016 | 6,811,159 | 2,723 | 2,501 | 0.71 | 17.70 |
| | | | 2017 | 6,813,743 | 2,599 | 2,621 | 0.64 | 16.73 |
| | | | 2018 | 6,501,482 | 2,411 | 2,696 | 0.58 | 15.60 |
| | | Other Physical Damage | 2014 | 1,611,439 | 1,029 | 1,566 | 0.31 | 4.87 |
| | | | 2015 | 1,550,188 | 629 | 2,464 | 0.17 | 4.29 |
| | | | 2016 | 1,439,171 | 614 | 2,343 | 0.16 | 3.74 |
| | | | 2017 | 1,565,247 | 717 | 2,184 | 0.18 | 3.84 |
| | | | 2018 | 2,228,436 | 1,095 | 2,036 | 0.26 | 5.35 |
| | | Liability | 2014 | 4,513,660 | 522 | 8,642 | 0.16 | 13.64 |
| | | | 2015 | 5,632,845 | 578 | 9,749 | 0.16 | 15.58 |
| | | | 2016 | 5,773,915 | 545 | 10,593 | 0.14 | 15.01 |
| | | | 2017 | 6,240,540 | 560 | 11,145 | 0.14 | 15.32 |
| | | | 2018 | 6,311,327 | 599 | 10,544 | 0.14 | 15.14 |
| | | Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2015 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2016 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2017 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | 2018 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Medical Payments | 2014 | 82,309 | 56 | 1,457 | 0.02 | 0.25 |
| 2015 | 90,121 | | 62 | 1,443 | 0.02 | 0.25 | | |
| 2016 | 70,626 | | 54 | 1,320 | 0.01 | 0.18 | | |
| 2017 | 75,586 | | 54 | 1,413 | 0.01 | 0.19 | | |
| 2018 | 71,989 | | 57 | 1,252 | 0.01 | 0.17 | | |
| Total | 2014 | 20,114,953 | 5,812 | 3,461 | 1.76 | 60.78 | | |
| | 2015 | 22,720,761 | 5,617 | 4,045 | 1.55 | 62.86 | | |
| | 2016 | 22,879,808 | 5,719 | 4,000 | 1.49 | 59.46 | | |
| | 2017 | 25,194,059 | 5,892 | 4,276 | 1.45 | 61.86 | | |
| | 2018 | 26,472,167 | 6,732 | 3,932 | 1.62 | 63.51 | | |

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LOSSES BY CAUSE

| <u>Form</u> | <u>Territory</u> | <u>Cause of Loss</u> | <u>Year</u> | <u>Incurred Losses</u> | <u>Incurred Claims</u> | <u>Average Loss</u> | <u>Frequency per-100</u> | <u>Pure Premium</u> |
|-------------------------------|------------------|-----------------------------|-------------|----------------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| Condominium Unit Owners | SW | Fire, Lightning and Removal | 2014 | 1,554,864 | 190 | 8,185 | 0.25 | 20.66 |
| | | | 2015 | 1,725,246 | 191 | 9,027 | 0.25 | 22.76 |
| | | | 2016 | 1,195,693 | 183 | 6,545 | 0.23 | 15.16 |
| | | | 2017 | 4,296,523 | 235 | 18,252 | 0.29 | 53.25 |
| | | | 2018 | 1,924,167 | 192 | 10,047 | 0.24 | 24.13 |
| | | Wind and Hail | 2014 | 146,094 | 63 | 2,322 | 0.08 | 1.94 |
| | | | 2015 | 284,678 | 46 | 6,194 | 0.06 | 3.76 |
| | | | 2016 | 282,008 | 55 | 5,165 | 0.07 | 3.58 |
| | | | 2017 | 274,999 | 70 | 3,905 | 0.09 | 3.41 |
| | | | 2018 | 239,589 | 88 | 2,718 | 0.11 | 3.00 |
| | | Water Damage and Freezing | 2014 | 8,904,827 | 1,684 | 5,288 | 2.24 | 118.30 |
| | | | 2015 | 10,072,363 | 1,745 | 5,772 | 2.30 | 132.88 |
| | | | 2016 | 9,238,163 | 1,558 | 5,929 | 1.98 | 117.14 |
| | | | 2017 | 11,032,626 | 1,857 | 5,941 | 2.30 | 136.74 |
| | | | 2018 | 13,475,181 | 2,222 | 6,064 | 2.79 | 168.96 |
| | | Theft | 2014 | 527,150 | 205 | 2,573 | 0.27 | 7.00 |
| | | | 2015 | 437,732 | 201 | 2,175 | 0.27 | 5.77 |
| | | | 2016 | 536,133 | 191 | 2,805 | 0.24 | 6.80 |
| | | | 2017 | 479,022 | 202 | 2,368 | 0.25 | 5.94 |
| | | | 2018 | 495,243 | 177 | 2,801 | 0.22 | 6.21 |
| | | Other Physical Damage | 2014 | 1,068,482 | 275 | 3,886 | 0.37 | 14.19 |
| | | | 2015 | 1,079,568 | 277 | 3,892 | 0.37 | 14.24 |
| | | | 2016 | 1,067,134 | 242 | 4,415 | 0.31 | 13.53 |
| | | | 2017 | 1,630,986 | 250 | 6,531 | 0.31 | 20.21 |
| | | | 2018 | 1,647,688 | 347 | 4,754 | 0.43 | 20.66 |
| | | Liability | 2014 | 927,297 | 165 | 5,614 | 0.22 | 12.32 |
| | | | 2015 | 1,371,152 | 180 | 7,617 | 0.24 | 18.09 |
| | | | 2016 | 673,054 | 182 | 3,699 | 0.23 | 8.53 |
| | | | 2017 | 893,401 | 168 | 5,314 | 0.21 | 11.07 |
| | | | 2018 | 750,522 | 148 | 5,059 | 0.19 | 9.41 |
| Credit Card | 2014 | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | 2015 | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | 2016 | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | 2017 | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | 2018 | 0 | 0 | 0 | 0.00 | 0.00 | | |
| Medical Payments | 2014 | 12,261 | 8 | 1,550 | 0.01 | 0.16 | | |
| | 2015 | 8,910 | 5 | 1,800 | 0.01 | 0.12 | | |
| | 2016 | 16,551 | 5 | 3,344 | 0.01 | 0.21 | | |
| | 2017 | 23,191 | 12 | 1,954 | 0.01 | 0.29 | | |
| | 2018 | 21,470 | 9 | 2,412 | 0.01 | 0.27 | | |
| Total | 2014 | 13,140,974 | 2,590 | 5,074 | 3.44 | 174.57 | | |
| | 2015 | 14,979,648 | 2,646 | 5,662 | 3.49 | 197.63 | | |
| | 2016 | 13,008,736 | 2,415 | 5,386 | 3.06 | 164.96 | | |
| | 2017 | 18,630,747 | 2,795 | 6,666 | 3.46 | 230.91 | | |
| | 2018 | 18,553,859 | 3,183 | 5,830 | 3.99 | 232.64 | | |

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2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended loss cost.

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

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

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for Tenant Form, and 190,000 house years for Condo Unit Form.

To distribute the statewide change by territory, a credibility procedure was used on the non-hurricane loss costs. The credibility standard used was based on the same model as statewide credibility. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house years. The full credibility standards are 60,000 for Owners' Forms, 75,000 for Tenant Form and 50,000 for Condo Unit Form. Partial credibility (Z_p) is calculated using the square root rule:

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

The Rate Bureau has not considered alternative credibility procedures in the last three years.

See Section D and prefiled testimony of P. Anderson, M. Berry and P. Ericksen.

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3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS
- (a) See pages D-3-4, pages D-12-14, and prefiled testimony of P. Anderson, M. Berry and P. Ericksen. Beginning with 2018 homeowners rate filing, the loss development factors have been calculated separately by policy form group. Prior to that filing, the loss development factors were calculated for all forms combined.
 - (b) See attached Exhibit (3)(b). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
 - (c) See attached Exhibit (3)(c). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
 - (d) See attached Exhibit (3)(d). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
 - (e) See attached Exhibit (3)(e). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
 - (f) The Rate Bureau is advised by ISO that loss and claim development information is not available by cause of loss.
 - (g) Responses provided in connection with items (3)(g) and (7)(c) are attached as Exhibits (3)(g) and (7)(c).

**NORTH CAROLINA
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LOSS DEVELOPMENT
ISO-Only Paid Losses, All Forms Combined

| Accident Year | Paid Losses as of: | | | | |
|------------------|--------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 231,099,957 | 251,938,279 | 256,357,634 | 257,987,375 | 259,022,998 |
| 2008 | 322,340,291 | 363,677,703 | 369,948,939 | 372,364,347 | 373,324,304 |
| 2009 | 329,679,838 | 360,057,760 | 364,657,136 | 366,938,092 | 367,257,887 |
| 2010 | 393,589,964 | 431,325,706 | 436,465,088 | 437,881,557 | 438,818,897 |
| 2011 | 848,559,737 | 900,372,502 | 907,342,132 | 910,446,005 | 910,537,285 |
| 2012 | 390,297,707 | 436,539,219 | 444,631,829 | 447,639,732 | 447,523,894 |
| 2013 | 321,239,145 | 352,651,566 | 356,896,969 | 358,461,539 | 358,933,002 |
| 2014 | 375,110,294 | 411,351,242 | 417,681,312 | 419,386,300 | 419,806,546 |
| 2015 | 349,316,960 | 382,693,011 | 388,131,507 | 389,880,732 | |
| 2016 | 509,944,721 | 578,194,289 | 594,232,775 | | |
| 2017 | 430,709,273 | 487,816,288 | | | |
| 2018 | 1,427,689,638 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 1.090 | 1.018 | 1.006 | 1.004 |
| 2008 | 1.128 | 1.017 | 1.007 | 1.003 |
| 2009 | 1.092 | 1.013 | 1.006 | 1.001 |
| 2010 | 1.096 | 1.012 | 1.003 | 1.002 |
| 2011 | 1.061 | 1.008 | 1.003 | 1.000 |
| 2012 | 1.118 | 1.019 | 1.007 | 1.000 |
| 2013 | 1.098 | 1.012 | 1.004 | 1.001 |
| 2014 | 1.097 | 1.015 | 1.004 | 1.001 |
| 2015 | 1.096 | 1.014 | 1.005 | |
| 2016 | 1.134 | 1.028 | | |
| 2017 | 1.133 | | | |
| Average | <u>27:15</u> 1.104 | <u>39:27</u> 1.016 | <u>51:39</u> 1.005 | <u>63:51</u> 1.002 |

Loss Development Factors

| | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>15:63</u> 1.130 | <u>27:63</u> 1.023 | <u>39:63</u> 1.007 | <u>51:63</u> 1.002 | <u>63:63</u> 1.000 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

**NORTH CAROLINA
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LOSS DEVELOPMENT
ISO-Only Paid Losses, All Forms Combined

| Accident Year | Paid Losses as of: | | | | |
|------------------|--------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2010 | 393,589,964 | 431,325,706 | 436,465,088 | 437,881,557 | 438,818,897 |
| 2011 | 848,559,737 | 900,372,502 | 907,342,132 | 910,446,005 | 910,537,285 |
| 2012 | 390,297,707 | 436,539,219 | 444,631,829 | 447,639,732 | 447,523,894 |
| 2013 | 321,239,145 | 352,651,566 | 356,896,969 | 358,461,539 | 358,933,002 |
| 2014 | 375,110,294 | 411,351,242 | 417,681,312 | 419,386,300 | 419,806,546 |
| 2015 | 349,316,960 | 382,693,011 | 388,131,507 | 389,880,732 | |
| 2016 | 509,944,721 | 578,194,289 | 594,232,775 | | |
| 2017 | 430,709,273 | 487,816,288 | | | |
| 2018 | 1,427,689,638 | | | | |

| Accident Year | Link Ratios | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2010 | 1.096 | 1.012 | 1.003 | 1.002 |
| 2011 | 1.061 | 1.008 | 1.003 | 1.000 |
| 2012 | 1.118 | 1.019 | 1.007 | 1.000 |
| 2013 | 1.098 | 1.012 | 1.004 | 1.001 |
| 2014 | 1.097 | 1.015 | 1.004 | 1.001 |
| 2015 | 1.096 | 1.014 | 1.005 | |
| 2016 | 1.134 | 1.028 | | |
| 2017 | 1.133 | | | |
| 5-Year Average | <u>27:15</u> 1.112 | <u>39:27</u> 1.018 | <u>51:39</u> 1.005 | <u>63:51</u> 1.001 |

Loss Development Factors

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| <u>15:63</u> | <u>27:63</u> | <u>39:63</u> | <u>51:63</u> | <u>63:63</u> |
| 1.139 | 1.024 | 1.006 | 1.001 | 1.000 |

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

**LOSS DEVELOPMENT
ISO-Only Incurred Losses, All Forms Combined**

| Accident Year | Incurred Losses as of: | | | | |
|------------------|------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 260,112,092 | 261,067,427 | 260,238,388 | 259,811,480 | 259,458,343 |
| 2008 | 355,778,976 | 375,142,698 | 375,257,834 | 373,932,208 | 373,730,645 |
| 2009 | 366,723,136 | 370,583,872 | 370,309,844 | 370,349,630 | 369,680,099 |
| 2010 | 440,269,953 | 441,521,356 | 440,815,916 | 440,040,612 | 439,104,904 |
| 2011 | 902,459,720 | 913,277,009 | 913,843,597 | 911,684,110 | 910,858,879 |
| 2012 | 424,069,521 | 444,282,987 | 447,682,120 | 448,176,455 | 446,903,377 |
| 2013 | 355,997,566 | 362,440,449 | 360,781,465 | 359,319,857 | 359,161,886 |
| 2014 | 410,136,703 | 420,474,790 | 420,916,568 | 420,076,082 | 419,863,679 |
| 2015 | 384,906,267 | 395,444,547 | 392,721,190 | 391,227,577 | |
| 2016 | 563,391,002 | 593,563,422 | 599,979,839 | | |
| 2017 | 472,697,430 | 499,480,337 | | | |
| 2018 | 1,514,873,609 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 1.004 | 0.997 | 0.998 | 0.999 |
| 2008 | 1.054 | 1.000 | 0.996 | 0.999 |
| 2009 | 1.011 | 0.999 | 1.000 | 0.998 |
| 2010 | 1.003 | 0.998 | 0.998 | 0.998 |
| 2011 | 1.012 | 1.001 | 0.998 | 0.999 |
| 2012 | 1.048 | 1.008 | 1.001 | 0.997 |
| 2013 | 1.018 | 0.995 | 0.996 | 1.000 |
| 2014 | 1.025 | 1.001 | 0.998 | 0.999 |
| 2015 | 1.027 | 0.993 | 0.996 | |
| 2016 | 1.054 | 1.011 | | |
| 2017 | 1.057 | | | |
| Average | <u>27:15</u> 1.028 | <u>39:27</u> 1.000 | <u>51:39</u> 0.998 | <u>63:51</u> 0.999 |

Loss Development Factors

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| <u>15:63</u> | <u>27:63</u> | <u>39:63</u> | <u>51:63</u> | <u>63:63</u> |
| 1.025 | 0.997 | 0.997 | 0.999 | 1.000 |

**NORTH CAROLINA
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**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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**LOSS DEVELOPMENT
ISO-Only Incurred Losses, All Forms Combined**

| Accident Year | Incurred Losses as of: | | | | |
|------------------|------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2010 | 440,269,953 | 441,521,356 | 440,815,916 | 440,040,612 | 439,104,904 |
| 2011 | 902,459,720 | 913,277,009 | 913,843,597 | 911,684,110 | 910,858,879 |
| 2012 | 424,069,521 | 444,282,987 | 447,682,120 | 448,176,455 | 446,903,377 |
| 2013 | 355,997,566 | 362,440,449 | 360,781,465 | 359,319,857 | 359,161,886 |
| 2014 | 410,136,703 | 420,474,790 | 420,916,568 | 420,076,082 | 419,863,679 |
| 2015 | 384,906,267 | 395,444,547 | 392,721,190 | 391,227,577 | |
| 2016 | 563,391,002 | 593,563,422 | 599,979,839 | | |
| 2017 | 472,697,430 | 499,480,337 | | | |
| 2018 | 1,514,873,609 | | | | |

| Accident Year | Link Ratios | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2010 | 1.003 | 0.998 | 0.998 | 0.998 |
| 2011 | 1.012 | 1.001 | 0.998 | 0.999 |
| 2012 | 1.048 | 1.008 | 1.001 | 0.997 |
| 2013 | 1.018 | 0.995 | 0.996 | 1.000 |
| 2014 | 1.025 | 1.001 | 0.998 | 0.999 |
| 2015 | 1.027 | 0.993 | 0.996 | |
| 2016 | 1.054 | 1.011 | | |
| 2017 | 1.057 | | | |
| 5-Year Average | <u>27:15</u> 1.036 | <u>39:27</u> 1.002 | <u>51:39</u> 0.998 | <u>63:51</u> 0.999 |

Loss Development Factors

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| <u>15:63</u> | <u>27:63</u> | <u>39:63</u> | <u>51:63</u> | <u>63:63</u> |
| 1.035 | 0.999 | 0.997 | 0.999 | 1.000 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

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

LOSS DEVELOPMENT
ISO-Only Paid Claims, All Forms Combined

| Accident Year | Paid Claims as of: | | | | |
|------------------|--------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 43,844 | 45,277 | 45,544 | 45,651 | 45,675 |
| 2008 | 58,999 | 63,255 | 63,726 | 63,840 | 63,862 |
| 2009 | 56,222 | 59,397 | 60,125 | 60,208 | 60,228 |
| 2010 | 65,512 | 69,348 | 69,676 | 69,755 | 69,790 |
| 2011 | 127,091 | 133,160 | 133,787 | 134,012 | 134,057 |
| 2012 | 58,620 | 64,700 | 65,655 | 65,899 | 65,941 |
| 2013 | 51,339 | 55,021 | 55,493 | 55,625 | 55,645 |
| 2014 | 56,254 | 59,992 | 60,400 | 60,529 | 60,576 |
| 2015 | 47,780 | 50,771 | 51,096 | 51,212 | |
| 2016 | 81,325 | 87,052 | 87,878 | | |
| 2017 | 49,719 | 54,496 | | | |
| 2018 | 178,025 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 1.033 | 1.006 | 1.002 | 1.001 |
| 2008 | 1.072 | 1.007 | 1.002 | 1.000 |
| 2009 | 1.056 | 1.012 | 1.001 | 1.000 |
| 2010 | 1.059 | 1.005 | 1.001 | 1.001 |
| 2011 | 1.048 | 1.005 | 1.002 | 1.000 |
| 2012 | 1.104 | 1.015 | 1.004 | 1.001 |
| 2013 | 1.072 | 1.009 | 1.002 | 1.000 |
| 2014 | 1.066 | 1.007 | 1.002 | 1.001 |
| 2015 | 1.063 | 1.006 | 1.002 | |
| 2016 | 1.070 | 1.009 | | |
| 2017 | 1.096 | | | |
| Average | <u>27:15</u> 1.067 | <u>39:27</u> 1.008 | <u>51:39</u> 1.002 | <u>63:51</u> 1.001 |

Claim Development Factors

| | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>15:63</u> 1.079 | <u>27:63</u> 1.011 | <u>39:63</u> 1.003 | <u>51:63</u> 1.001 | <u>63:63</u> 1.000 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

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

LOSS DEVELOPMENT
ISO-Only Paid Claims, All Forms Combined

| Accident Year | Paid Claims as of: | | | | |
|------------------|--------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2010 | 65,512 | 69,348 | 69,676 | 69,755 | 69,790 |
| 2011 | 127,091 | 133,160 | 133,787 | 134,012 | 134,057 |
| 2012 | 58,620 | 64,700 | 65,655 | 65,899 | 65,941 |
| 2013 | 51,339 | 55,021 | 55,493 | 55,625 | 55,645 |
| 2014 | 56,254 | 59,992 | 60,400 | 60,529 | 60,576 |
| 2015 | 47,780 | 50,771 | 51,096 | 51,212 | |
| 2016 | 81,325 | 87,052 | 87,878 | | |
| 2017 | 49,719 | 54,496 | | | |
| 2018 | 178,025 | | | | |

| Accident Year | Link Ratios | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2010 | 1.059 | 1.005 | 1.001 | 1.001 |
| 2011 | 1.048 | 1.005 | 1.002 | 1.000 |
| 2012 | 1.104 | 1.015 | 1.004 | 1.001 |
| 2013 | 1.072 | 1.009 | 1.002 | 1.000 |
| 2014 | 1.066 | 1.007 | 1.002 | 1.001 |
| 2015 | 1.063 | 1.006 | 1.002 | |
| 2016 | 1.070 | 1.009 | | |
| 2017 | 1.096 | | | |
| 5-Year Average | <u>27:15</u> 1.073 | <u>39:27</u> 1.009 | <u>51:39</u> 1.002 | <u>63:51</u> 1.001 |

Claim Development Factors

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| <u>15:63</u> | <u>27:63</u> | <u>39:63</u> | <u>51:63</u> | <u>63:63</u> |
| 1.086 | 1.012 | 1.003 | 1.001 | 1.000 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

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

LOSS DEVELOPMENT
ISO-Only Outstanding Claims, All Forms Combined

| Accident Year | Outstanding Claims as of: | | | | |
|------------------|---------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2007 | 1,112 | 241 | 148 | 86 | 63 |
| 2008 | 1,941 | 290 | 105 | 25 | 5 |
| 2009 | 2,560 | 747 | 84 | 22 | 9 |
| 2010 | 3,178 | 216 | 80 | 33 | 14 |
| 2011 | 4,292 | 375 | 148 | 32 | 10 |
| 2012 | 2,817 | 400 | 138 | 41 | 12 |
| 2013 | 2,356 | 339 | 107 | 25 | 9 |
| 2014 | 2,233 | 309 | 99 | 20 | 6 |
| 2015 | 2,207 | 363 | 107 | 31 | |
| 2016 | 3,961 | 607 | 202 | | |
| 2017 | 3,137 | 556 | | | |
| 2018 | 5,838 | | | | |

| Accident Year | Link Ratios | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2007 | 0.217 | 0.614 | 0.581 | 0.733 |
| 2008 | 0.149 | 0.362 | 0.238 | 0.200 |
| 2009 | 0.292 | 0.112 | 0.262 | 0.409 |
| 2010 | 0.068 | 0.370 | 0.413 | 0.424 |
| 2011 | 0.087 | 0.395 | 0.216 | 0.313 |
| 2012 | 0.142 | 0.345 | 0.297 | 0.293 |
| 2013 | 0.144 | 0.316 | 0.234 | 0.360 |
| 2014 | 0.138 | 0.320 | 0.202 | 0.300 |
| 2015 | 0.164 | 0.295 | 0.290 | |
| 2016 | 0.153 | 0.333 | | |
| 2017 | 0.177 | | | |
| Average | <u>27:15</u> 0.157 | <u>39:27</u> 0.346 | <u>51:39</u> 0.304 | <u>63:51</u> 0.379 |

Claim Development Factors

| | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>15:63</u> 0.006 | <u>27:63</u> 0.040 | <u>39:63</u> 0.115 | <u>51:63</u> 0.379 | <u>63:63</u> 1.000 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

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

LOSS DEVELOPMENT
ISO-Only Outstanding Claims, All Forms Combined

| Accident Year | Outstanding Claims as of: | | | | |
|------------------|---------------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 2010 | 3,178 | 216 | 80 | 33 | 14 |
| 2011 | 4,292 | 375 | 148 | 32 | 10 |
| 2012 | 2,817 | 400 | 138 | 41 | 12 |
| 2013 | 2,356 | 339 | 107 | 25 | 9 |
| 2014 | 2,233 | 309 | 99 | 20 | 6 |
| 2015 | 2,207 | 363 | 107 | 31 | |
| 2016 | 3,961 | 607 | 202 | | |
| 2017 | 3,137 | 556 | | | |
| 2018 | 5,838 | | | | |

| Accident Year | Link Ratios | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
| 2010 | 0.068 | 0.370 | 0.413 | 0.424 |
| 2011 | 0.087 | 0.395 | 0.216 | 0.313 |
| 2012 | 0.142 | 0.345 | 0.297 | 0.293 |
| 2013 | 0.144 | 0.316 | 0.234 | 0.360 |
| 2014 | 0.138 | 0.320 | 0.202 | 0.300 |
| 2015 | 0.164 | 0.295 | 0.290 | |
| 2016 | 0.153 | 0.333 | | |
| 2017 | 0.177 | | | |
| 5-Year Average | <u>27:15</u> 0.155 | <u>39:27</u> 0.322 | <u>51:39</u> 0.248 | <u>63:51</u> 0.338 |

Claim Development Factors

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| <u>15:63</u> | <u>27:63</u> | <u>39:63</u> | <u>51:63</u> | <u>63:63</u> |
| 0.004 | 0.027 | 0.084 | 0.338 | 1.000 |

NORTH CAROLINA
HOMEOWNERS INSURANCE
STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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The Rate Bureau is advised by ISO that loss and claim development information by cause of loss is not available.

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

Responses provided in connection with items (3)(g) and (7)(c) are enclosed herewith.



October 1, 2020

Matthew Berry
Associate Actuary

Andy Montano
Personal Lines Director
North Carolina Rate Bureau

Dear Andy,

Included below are Allstate Insurance Company's response to issues regarding reserve strengthening and expense cutting initiatives for the Allstate Indemnity Company Homeowners Program in North Carolina.

11 N.C.A.C. 10.1105 (3)(g) requires:

Statements regarding any changes in reserve adequacy that have occurred in the latest five years from each of the ten largest writers of the line affected by the filing.

Allstate's response to this is that there have been no material changes with regard to Allstate's reserving practices for homeowners insurance in the state of North Carolina over the past five years.

11 N.C.A.C. 10.1105 (7)(c) requires:

Statements regarding any activities affecting expense or service levels undertaken in the last five years by each of the ten largest writers of the line affected by the filing.

Allstate did not make any changes in the past five years that would be expected to materially impact our anticipated expense or service levels in North Carolina.

Please contact me if you have any questions or require further details.

Sincerely,

Matthew Berry, FCAS CSPA MAAA
Manager, Southeast Region (NC) – Auto & Home Pricing
Product Management – Pricing Analytics & Actuarial Services
Allstate Insurance Company

Allstate Insurance Company
2775 Sanders Road, Suite D2N Northbrook, IL 60062 E matthew.berry@allstate.com



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Toll free 1.800.458.0811 • Fax 814.870.3126 • www.erieinsurance.com

Kevin L. Russell
Senior Actuary
Erie Insurance Group
100 Erie insurance Place
Erie, Pennsylvania 16530
Telephone (814) 870 – 3395
kevin.russell@erieinsurance.com

September 30, 2020

Karen Ott
Executive Assisstant
North Carolina Rate Bureau
2910 Sumner BLVD
Raleigh NC 27616
Telephone: (919) 582 - 1025

RE: RESERVE STRENGTHENING & EXPENSE CUTTING ACTIVITIES

1. RESERVE STRENGTHENING

The Erie Insurance Group (ERIE) began implementing a claim evaluation software and training program in 2003. These enable adjusters to produce a complete, detailed, and professional dwelling damage estimate in order to establish more accurate case reserves. ERIE changed the software used in the latter part of 2012.

A new claims administration software system for the Homeowners line of business was implemented in December, 2017. The software system is termed ERIE Claim Center (ECC).

The manner in which claims were recorded and case reserves established changed minimally with the implementation of the new claims system in December, 2017.

The relative adequacy level of case reserves is examined during the quarterly reserve analysis. Relative case reserve adequacy levels appear to be strengthening to a small degree over the last three to five years. The strenghtening in case reserve adequacy aligns with the implementation of the new claims system in December, 2017.

2. EXPENSE CUTTING ACTIVITIES

We are not aware of any expense cutting activities over the last five years on the Homeowners line of business that would materially impact the anticipated expense levels in North Carolina. The data in the most recent annual statements (2015 through 2019) is most representative of what to expect in the future.

Sincerely,

A handwritten signature in blue ink that reads "Kevin L. Russell". The signature is written in a cursive style with a clear, legible font.

Kevin L. Russell, FCAS MAAA



AUTO | HOME | LIFE

Liberty Mutual Insurance

Global Retail Markets
Product Compliance
c/o Presidential Service Team
175 Berkeley Street
Boston, MA 02116
Phone: (617) 357-9500
Fax: (857) 224-8832

September 28, 2020

Karen Ott
North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

Dear Ms. Ott,

This letter is in response to your September 10, 2020 request for statements regarding Liberty Mutual Fire Insurance Company's reserve strengthening and expense cutting activities. There have been no material changes since our November 19, 2018 response.

Reserve Strengthening

In 2017, Liberty changed its reserve philosophy countrywide. We started estimating reserves at the beginning of the claim process instead of stair-stepping reserve. This resulted in reserves that are more adequate at the time of settlement. We have not engaged in any specific initiatives for North Carolina over the past five years.

Expense Cutting

As part of our ongoing strategic initiatives, Liberty seeks to reduce its cost base through organizational efficiencies and productivity gains. We are actively managing our expenses holistically and have not engaged in any specific initiatives for North Carolina over the past five years.

If you have any questions or need any additional information, please feel free to contact me directly. I'll be more than happy to assist you.

Sincerely,

Danielle Rice
Sr Compliance Analyst
425-519-5092
Danielle.Rice@LibertyMutual.com



Nationwide Insurance

Nationwide Insurance Mutual Company
Nationwide Insurance Mutual Fire Company
Nationwide General Insurance Company
1000 Yard Street
Grandview Heights, Ohio 43212

September 24, 2020

Andy Montano
2910 Sumner Boulevard
Raleigh, North Carolina 27616

Dear Mr. Montano,

There have not been any material changes in the way case basis reserves are established over the last five years.

Our company has not undertaken any expense cutting activities that would materially impact our anticipated expense levels.

Please let me know if you have any questions.

Christine Hague, Sr. Product Manager



North Carolina Farm Bureau Insurance Group

Telephone 919.782.1705 - Post Office Box 27427 - Raleigh, NC 27611

September 11, 2020

Mrs. Karen Ott
N.C. Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

RE: North Carolina Farm Bureau Mutual Insurance Company, Inc.
Insurance Department Regulations
North Carolina Homeowners Reserve Strengthening
Expense Cutting Activities

Karen:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

Roger Batdorff
Senior Executive/AR&R

RB/kb

North Carolina Farm Bureau Mutual Insurance Company, Inc.
Farm Bureau Insurance of N.C., Inc.
Visit Us On The Web At: www.ncfbins.com



DATE: September 29, 2020

TO: Karen Ott

FROM: Julie Cruice, State Farm Pricing Manager

SUBJECT: NCRB - Reserve Strengthening and Expense Cutting Activities - Homeowners

In response to the request received September 10, 2020 we submit the following:

RESERVE STRENGTHENING 11 N.C.A.C. 10.1105 (3)(g) requires:

Statements regarding any changes in reserve adequacy that have occurred in the latest five years from each of the ten largest writers of the line affected by the filing.

The incurred losses in the Rate Bureau's filings are made up of paid losses plus case basis reserves. In order for the Rate Bureau to comply with this regulation, please advise us whether the criteria used by your Company in North Carolina for establishing case basis reserves has changed materially from those used over the latest five years. If these criteria have materially changed over the latest five years, provide us with the details of such changes.

Company guidance for Homeowners case reserving has not materially changed during this time span.

EXPENSE CUTTING ACTIVITIES 11 N.C.A.C. 10.1105 (7)(c) requires:

Statements regarding any activities affecting expense or service levels undertaken in the last five years by each of the ten largest writers of the line affected by the filing.

Expense provisions in the rate level calculations are based upon the historical experience reported by the companies in North Carolina. In order for the Rate Bureau to comply with this regulation, please advise us if your Company has undertaken any expense cutting activities over the last five years on your Homeowners coverages that would materially impact your anticipated expense levels in North Carolina. If so, please provide us with the details of such activities and your best estimate of the extent to which your historical expense levels either understate or overstate your expected expense levels.

While expense levels do fluctuate, the company has not undertaken any activities that would materially impact anticipated expense levels and require adjustments to historical levels during this time span.



Karen Ott
Executive Assistant
North Carolina Rate Bureau
2910 Sumner Blvd
Raleigh, NC 27616

September 21, 2020

Reference: NCRB – Reserve Strengthening and Expense Cutting Activities - Homeowners

Dear Karen,

This is in reference to the 9/10/20 NCRB request for United Services Automobile Association (referred to as "USAA" below) and USAA Casualty Insurance Company (referred to as "USAA-CIC" below) to respond to questions regarding Reserve Strengthening and Expense Cutting over the latest five years.

1. There have been no material changes to USAA's methods of establishing case reserves over the latest five years.
2. There have been no material changes to USAA-CIC's methods of establishing case reserves over the latest five years.
3. There have been no material expense cutting activities undertaken by USAA in the last five years.
4. There have been no material expense cutting activities undertaken by USAA-CIC in the last five years.

Sincerely,

Matt Veibell, FCAS
Director, Property Pricing
USAA, USAA-CIC, USAA-GIC, GARRISON

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (a) In this filing, historical and prospective annual loss trends were selected to trend the losses to one year beyond the assumed effective date. In previous filings, this was accomplished using Current Cost Factors and Loss Projection Factors based on external indices and Loss Trend Adjustment Factors reflecting the differences between the historical experience and the external indices. See Section D and pre-filed testimony of P. Anderson, M. Berry and P. Ericksen.
- (b) See prefiled testimony of P. Anderson, M. Berry and P. Ericksen.
- (c) This information, based on companies reporting to ISO, ISS and NISS, is provided in the response to 11 NCAC 10.1105 (1)(1) and on pages D-15-17 of the filing.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS
- (a) See Section D and prefiled testimony of P. Anderson, M. Berry and P. Ericksen. The Rate Bureau has not considered an alternative exposure trend methodology in the last three years.
 - (b) The Rate Bureau is advised by ISO that the exposure and premium distributions by policy term are not available for the latest five years. Past analysis for the years 1992-1996 indicated that 100% of the written premium was for a policy term of one year. No significant change in the policy term distribution is expected.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

- (a) No limitations were applied to the losses.
- (b) Limitations were applied to the rate level change by form. No limitations were applied to the rate level change by coverage, protection class, construction or deductible.
- (c) Limitations were applied to the rate level change by territory.
- (d) No other limitations were applied.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE, OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES
- (a) Exhibit (7)(a) provides all information relating to expense provisions contained in the filing. The Rate Bureau has not considered an alternative expense methodology in the last three years.
 - (b) See Section D for earned premium and unallocated loss adjustment expenses for each of the latest five available calendar years.
 - (c) See the response to 11 NCAC 10.1105 (3)(g).

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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The following provides a description of the derivation of Homeowners expense provisions. The underlying historical expense data are provided by the North Carolina Rate Bureau and are displayed on pages D-25-27.

The filed expense provision methodology makes a distinction between those provisions which require trending and those that do not. For example, since commission and tax expenses vary directly with premium, no additional consideration of trend is needed. In contrast, general expenses, other acquisition expenses, and loss adjustment expenses do not vary directly with premium or losses and, as a percentage of premium or losses, are subject to the effects of trend.

The filed provision for commission and brokerage expenses, 12.1% of written premium, and the provision for taxes, licenses, and fees, 2.8% of written premium, are based on the historical data shown on page D-25 for the latest three years.

Since the general expense and other acquisition expense percentages are relative to earned premiums and the loss adjustment expense percentage is relative to losses, separate trend factors are required for premiums, losses, and expenses. See information provided below, pages D-7-8, pages D-28-29 and the pre-filed testimony of P. Anderson, M. Berry and P. Ericksen.

General Expense and Other Acquisition Expense - Based on the 2017-2019 experience on page D-25, general expense averages 4.6% of earned premium and other acquisition expense averages 6.6% of earned premium. The average date of payment of the 2017-2019 expenses is 7/1/2018. Similarly, the average date represented in the 2017-2019 premiums is 7/1/2018. Since the average date of writing of policies under the proposed rates, and the average date of payment of the expenses on these policies, is six months after the assumed effective date of 8/1/2021, or 2/1/2022, the historical general and other acquisition expense ratios need to be trended to the 2/1/2022 level.

The trend factor for the expenses represented in the numerator is based on the indices displayed on pages D-22-23. This index is constructed by weighting the Compensation Cost Index with the Consumer Price Index. These two sources receive equal weights. Based on these data, an average annual change of 2.2% is selected. This average annual change is projected 43 months (from 7/1/2018 to 2/1/2022).

To trend the premiums in the denominator, the 2018 Premium Trend Factor is applied. The Premium Trend Factors are shown on page D-20.

Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium Unit Owner forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium Unit Owner policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

NORTH CAROLINA
HOMEOWNERS INSURANCE
STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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Loss Adjustment Expense - Based on the 2015-2019 experience shown on page D-27, loss adjustment expenses (both allocated and unallocated) average 13.9% of incurred losses, after excluding the high- and low-valued years. The average date of loss represented in these data is 7/1/2017. Both the numerator and denominator are therefore trended 61 months, from 7/1/2017 to 8/1/2022 (12 months beyond the anticipated effective date of 8/1/2021).

The trend factor used for expenses in the numerator is determined in a similar way as for general and other acquisition expenses. The 2.2% selected average annual change is projected 61 months (from 7/1/2017 to 8/1/2022).

To trend the losses in the denominator, the 2017 Loss Trend Factor is applied. The Loss Trend Factors are shown on page D-18.

No alternate expense trend methodology has been considered within the last three years.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

8. PERCENT RATE CHANGE

The overall statewide rate change and the rate changes by territory are shown on pages A-2-3.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses, fixed expenses, and average rating factors used in the calculation of the rate level indication. The proposed rate changes have been calculated based on an assumed effective date of 8/1/2021.

If the effective date were to be changed, advance notice of one hundred five (105) days is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date and distribute the necessary information to member companies.

NORTH CAROLINA

HOMEOWNERS INSURANCE

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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9. FINAL PROPOSED RATES

The proposed rates are shown in Section A.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10)(a), (b) and (c) and the pre-filed testimony of P. Ericksen and G. Zanjani. The experience provides the best estimate of the future.

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

| | | |
|--|--|---------------|
| A. Unearned Premium Reserve | | |
| 1. | Direct Earned Premium for Accident Year Ended 12/31/19 | 2,748,738,904 |
| 2. | Mean Unearned Premium Reserve, (1) × 0.5195 | 1,427,969,861 |
| 3. | Deduction for Prepaid Expenses | |
| | Commission and Brokerage | 12.15% |
| | Taxes, Licenses and Fees | 2.34% |
| | 1/2 General Expenses | 2.58% |
| | 1/2 Other Acquisition | 3.50% |
| | Total | 20.57% |
| 4. | (2) × (3) | 293,733,400 |
| 5. | Net Subject to Investment (2) - (4) | 1,134,236,461 |
| B. Delayed Remission of Premium (Agents' Balances) | | |
| 1. | Direct Earned Premium (A-1) | 2,748,738,904 |
| 2. | Average Agents' Balances | 0.162 |
| 3. | Delayed Remission (1) × (2) | 446,120,324 |
| C. Loss Reserve | | |
| 1. | Direct Earned Premium (A-1) | 2,748,738,904 |
| 2. | Expected Incurred Losses and Loss Adjustment Expense, (1) × 0.3891 | 1,069,534,308 |
| 3. | Expected Mean Loss Reserves (2) × 0.426 | 455,621,615 |
| D. | Net Subject to Investment (A-5)-(B-3)+(C-3) | 1,143,737,752 |
| E. | Average Rate of Return | 3.14% |
| F. | Investment Earnings on Net Subject to Investment (D) × (E) | 35,913,365 |
| G. | Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) | 1.31% |
| H. | Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) × 0.841 | 1.10% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/19 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

| | |
|--|---------------|
| 1. Collected Earned Premium for Calendar Year ended 12/31/19 | 2,748,738,904 |
| 2. Unearned Premium Reserve as of 12/31/18 | 1,386,288,967 |
| 3. Unearned Premium Reserve as of 12/31/19 | 1,469,475,147 |
| 4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$ | 1,427,882,057 |
| 5. Ratio (4) \div (1) | 0.5195 |

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/19.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

| | |
|---|--------|
| 1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina) | 15.90% |
| 2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best) | 1.021 |
| 3. Factor for agents' balances (1) \times (2) | 0.162 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/19.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2019 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

| | |
|--|---------------|
| 1. Incurred Losses for Calendar Year 2019 | 1,561,396,362 |
| 2. Loss Reserves as of 12/31/18 | 732,364,300 |
| 3. Loss Reserves as of 12/31/19 | 526,638,529 |
| 4. Mean Loss Reserve 2019: 1/2 [(2) + (3)] | 629,501,415 |
| 5. Ratio (4) ÷ (1) | 0.403 |
| 6. Ratio of LAE Reserves to Loss Reserves (a) | 0.213 |
| 7. Ratio of Incurred LAE to Incurred Losses (a) | 0.147 |
| 8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))] | 0.426 |

(a) Based on 2019 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

| <u>Year</u> | <u>Net Investment Income Earned</u> | <u>Mean Cash and Invested Assets</u> | <u>Rate of Return</u> |
|-------------|---|--|-----------------------|
| 2019 | 57,192,367 | 1,824,300,163 | 3.14% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

| | <u>Rate of Return</u> | <u>Federal Income Tax Rate</u> |
|------------------------------|-----------------------|------------------------------------|
| Net Investment Income Earned | 3.14% | 0.159 |

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2019 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

| | | | |
|------------------------------|-------------|------------|-------|
| Bonds | Taxable | 29,408,005 | 0.350 |
| | Non-Taxable | 7,801,310 | |
| | Sub-Total | 37,209,315 | 0.277 |
| Stocks | Taxable (a) | 8,917,061 | 0.105 |
| | Non-Taxable | 1,595,409 | |
| | Sub-Total | 10,512,470 | 0.089 |
| Mortgage Loans | | 996,462 | |
| Real Estate | | 2,035,516 | |
| Contract Loans | | 202 | |
| Cash on Deposit | | 2,500,836 | |
| Short Term Investments | | (92,602) | |
| All Other | | 9,880,009 | |
| Sub-Total | | 15,320,423 | 0.350 |
| Total | | 63,042,208 | 0.263 |
| Investment Deductions | | 5,849,844 | 0.350 |
| Net Investment Income Earned | | 57,192,364 | 0.254 |

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% ($.21 \times .5 = 10.5\%$)

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

| | | |
|--|---|---------------|
| A. Unearned Premium Reserve | | |
| 1. | Direct Earned Premium for Accident Year Ended 12/31/18 | 2,580,906,277 |
| 2. | Mean Unearned Premium Reserve, $(1) \times 0.5217$ | 1,346,458,805 |
| 3. | Deduction for Prepaid Expenses | |
| | Commission and Brokerage | 12.09% |
| | Taxes, Licenses and Fees | 2.31% |
| | 1/2 General Expenses | 2.65% |
| | 1/2 Other Acquisition | 3.52% |
| | Total | 20.57% |
| 4. | $(2) \times (3)$ | 276,966,576 |
| 5. | Net Subject to Investment $(2) - (4)$ | 1,069,492,229 |
| B. Delayed Remission of Premium (Agents' Balances) | | |
| 1. | Direct Earned Premium (A-1) | 2,580,906,277 |
| 2. | Average Agents' Balances | 0.170 |
| 3. | Delayed Remission $(1) \times (2)$ | 437,463,614 |
| C. Loss Reserve | | |
| 1. | Direct Earned Premium (A-1) | 2,580,906,277 |
| 2. | Expected Incurred Losses and Loss Adjustment Expense, $(1) \times 0.3802$ | 981,260,567 |
| 3. | Expected Mean Loss Reserves $(2) \times 0.254$ | 249,240,184 |
| D. | Net Subject to Investment $(A-5)-(B-3)+(C-3)$ | 881,268,799 |
| E. | Average Rate of Return | 3.33% |
| F. | Investment Earnings on Net Subject to Investment $(D) \times (E)$ | 29,346,251 |
| G. | Average Rate of Return as a Percent of Direct Earned Premium $(F) / (A-1)$ | 1.14% |
| H. | Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes $(G) \times 0.851$ | 0.97% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/18 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

| | |
|--|---------------|
| 1. Collected Earned Premium for Calendar Year ended 12/31/18 | 2,580,906,277 |
| 2. Unearned Premium Reserve as of 12/31/17 | 1,306,548,706 |
| 3. Unearned Premium Reserve as of 12/31/18 | 1,386,288,967 |
| 4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$ | 1,346,418,837 |
| 5. Ratio (4) \div (1) | 0.5217 |

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/18.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

| | |
|---|--------|
| 1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina) | 16.60% |
| 2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best) | 1.021 |
| 3. Factor for agents' balances (1) \times (2) | 0.170 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/18.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2018 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

| | |
|--|---------------|
| 1. Incurred Losses for Calendar Year 2018 | 2,349,919,704 |
| 2. Loss Reserves as of 12/31/17 | 398,416,653 |
| 3. Loss Reserves as of 12/31/18 | 732,364,300 |
| 4. Mean Loss Reserve 2018: 1/2 [(2) + (3)] | 565,390,477 |
| 5. Ratio (4) ÷ (1) | 0.241 |
| 6. Ratio of LAE Reserves to Loss Reserves (a) | 0.187 |
| 7. Ratio of Incurred LAE to Incurred Losses (a) | 0.127 |
| 8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))] | 0.254 |

(a) Based on 2018 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

| <u>Year</u> | <u>Net Investment Income Earned</u> | <u>Mean Cash and Invested Assets</u> | <u>Rate of Return</u> |
|-------------|---|--|-----------------------|
| 2018 | 57,671,849 | 1,734,094,329 | 3.33% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

| | <u>Rate of Return</u> | <u>Federal Income Tax Rate</u> |
|--|-----------------------|------------------------------------|
| Net Investment Income Earned | 3.33% | 0.149 |
| The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2018 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8. | | |
| Bonds | | |
| Taxable | 26,161,755 | 0.350 |
| Non-Taxable | 8,708,550 | |
| Sub-Total | 34,870,305 | 0.263 |
| Stocks | | |
| Taxable (a) | 7,974,536 | 0.105 |
| Non-Taxable | 4,005,063 | |
| Sub-Total | 11,979,599 | 0.070 |
| Mortgage Loans | 908,739 | |
| Real Estate | 1,937,053 | |
| Contract Loans | 5,854 | |
| Cash on Deposit | 1,985,735 | |
| Short Term Investments | (116,536) | |
| All Other | 12,020,161 | |
| Sub-Total | 16,741,006 | 0.350 |
| Total | 63,590,910 | 0.250 |
| Investment Deductions | 5,919,053 | 0.350 |
| Net Investment Income Earned | 57,671,857 | 0.240 |

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% ($.21 \times .5 = 10.5\%$)

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

| | | |
|--|--|---------------|
| A. Unearned Premium Reserve | | |
| 1. | Direct Earned Premium for Accident Year Ended 12/31/17 | 2,466,669,240 |
| 2. | Mean Unearned Premium Reserve, (1) × 0.5187 | 1,279,461,335 |
| 3. | Deduction for Prepaid Expenses | |
| | Commission and Brokerage | 12.15% |
| | Taxes, Licenses and Fees | 2.30% |
| | 1/2 General Expenses | 2.17% |
| | 1/2 Other Acquisition | 3.60% |
| | Total | 20.22% |
| 4. | (2) × (3) | 258,707,082 |
| 5. | Net Subject to Investment (2) - (4) | 1,020,754,253 |
| B. Delayed Remission of Premium (Agents' Balances) | | |
| 1. | Direct Earned Premium (A-1) | 2,466,669,240 |
| 2. | Average Agents' Balances | 0.170 |
| 3. | Delayed Remission (1) × (2) | 419,580,438 |
| C. Loss Reserve | | |
| 1. | Direct Earned Premium (A-1) | 2,466,669,240 |
| 2. | Expected Incurred Losses and Loss Adjustment Expense, (1) × 0.3465 | 854,700,892 |
| 3. | Expected Mean Loss Reserves (2) × 0.361 | 308,547,022 |
| D. | Net Subject to Investment (A-5)-(B-3)+(C-3) | 909,720,837 |
| E. | Average Rate of Return | 3.05% |
| F. | Investment Earnings on Net Subject to Investment (D) × (E) | 27,746,486 |
| G. | Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) | 1.12% |
| H. | Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) × 0.766 | 0.86% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/17 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

| | |
|--|---------------|
| 1. Collected Earned Premium for Calendar Year ended 12/31/17 | 2,466,669,240 |
| 2. Unearned Premium Reserve as of 12/31/16 | 1,252,262,384 |
| 3. Unearned Premium Reserve as of 12/31/17 | 1,306,548,706 |
| 4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$ | 1,279,405,545 |
| 5. Ratio (4) \div (1) | 0.5187 |

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/17.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

| | |
|---|--------|
| 1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina) | 16.66% |
| 2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best) | 1.021 |
| 3. Factor for agents' balances (1) \times (2) | 0.170 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/17.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2017 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

| | |
|--|---------------|
| 1. Incurred Losses for Calendar Year 2017 | 1,227,461,006 |
| 2. Loss Reserves as of 12/31/16 | 444,413,633 |
| 3. Loss Reserves as of 12/31/17 | 398,416,653 |
| 4. Mean Loss Reserve 2017: 1/2 [(2) + (3)] | 421,415,143 |
| 5. Ratio (4) ÷ (1) | 0.343 |
| 6. Ratio of LAE Reserves to Loss Reserves (a) | 0.197 |
| 7. Ratio of Incurred LAE to Incurred Losses (a) | 0.136 |
| 8. Loss and LAE Reserve [(5)×(1.0+(6)))/(1.0+(7))] | 0.361 |

(a) Based on 2017 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

| <u>Year</u> | <u>Net Investment Income Earned</u> | <u>Mean Cash and Invested Assets</u> | <u>Rate of Return</u> |
|-------------|---|--|-----------------------|
| 2017 | 51,111,117 | 1,677,388,358 | 3.05% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

| | <u>Rate of Return</u> | <u>Federal Income Tax Rate</u> |
|--|-----------------------|------------------------------------|
| Net Investment Income Earned | 3.05% | 0.234 |
| The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2017 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8. | | |
| Bonds | | |
| Taxable | 23,383,712 | 0.350 |
| Non-Taxable | 9,714,629 | |
| Sub-Total | 33,098,341 | 0.247 |
| Stocks | | |
| Taxable (a) | 7,611,742 | 0.105 |
| Non-Taxable | 1,789,178 | |
| Sub-Total | 9,400,920 | 0.085 |
| Mortgage Loans | 755,495 | |
| Real Estate | 1,839,630 | |
| Contract Loans | 672 | |
| Cash on Deposit | 980,828 | |
| Short Term Investments | (156,684) | |
| All Other | 10,386,831 | |
| Sub-Total | 13,806,772 | 0.350 |
| Total | 56,306,033 | 0.245 |
| Investment Deductions | 5,186,760 | 0.350 |
| Net Investment Income Earned | 51,119,273 | 0.234 |

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

| | | |
|--|---|---------------|
| A. Unearned Premium Reserve | | |
| 1. | Direct Earned Premium for Accident Year Ended 12/31/16 | 2,380,556,917 |
| 2. | Mean Unearned Premium Reserve, $(1) \times 0.517$ | 1,230,747,926 |
| 3. | Deduction for Prepaid Expenses | |
| | Commission and Brokerage | 11.89% |
| | Taxes, Licenses and Fees | 2.24% |
| | 1/2 General Expenses | 2.19% |
| | 1/2 Other Acquisition | 3.59% |
| | Total | 19.91% |
| 4. | $(2) \times (3)$ | 245,041,912 |
| 5. | Net Subject to Investment $(2) - (4)$ | 985,706,014 |
| B. Delayed Remission of Premium (Agents' Balances) | | |
| 1. | Direct Earned Premium (A-1) | 2,380,556,917 |
| 2. | Average Agents' Balances | 0.163 |
| 3. | Delayed Remission $(1) \times (2)$ | 387,554,666 |
| C. Loss Reserve | | |
| 1. | Direct Earned Premium (A-1) | 2,380,556,917 |
| 2. | Expected Incurred Losses and Loss Adjustment Expense, $(1) \times 0.3498$ | 832,718,810 |
| 3. | Expected Mean Loss Reserves $(2) \times 0.317$ | 263,971,863 |
| D. | Net Subject to Investment $(A-5)-(B-3)+(C-3)$ | 862,123,211 |
| E. | Average Rate of Return | 3.01% |
| F. | Investment Earnings on Net Subject to Investment $(D) \times (E)$ | 25,949,909 |
| G. | Average Rate of Return as a Percent of Direct Earned Premium $(F) / (A-1)$ | 1.09% |
| H. | Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes $(G) \times 0.779$ | 0.85% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/16 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

| | |
|--|---------------|
| 1. Collected Earned Premium for Calendar Year ended 12/31/16 | 2,380,556,917 |
| 2. Unearned Premium Reserve as of 12/31/15 | 1,209,132,555 |
| 3. Unearned Premium Reserve as of 12/31/16 | 1,252,262,384 |
| 4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$ | 1,230,697,470 |
| 5. Ratio (4) \div (1) | 0.5170 |

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/16.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

| | |
|---|--------|
| 1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina) | 15.95% |
| 2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best) | 1.021 |
| 3. Factor for agents' balances (1) \times (2) | 0.163 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/16.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2016 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

| | |
|--|---------------|
| 1. Incurred Losses for Calendar Year 2016 | 1,356,857,801 |
| 2. Loss Reserves as of 12/31/15 | 345,437,165 |
| 3. Loss Reserves as of 12/31/16 | 444,413,633 |
| 4. Mean Loss Reserve 2016: 1/2 [(2) + (3)] | 394,925,399 |
| 5. Ratio (4) ÷ (1) | 0.291 |
| 6. Ratio of LAE Reserves to Loss Reserves (a) | 0.261 |
| 7. Ratio of Incurred LAE to Incurred Losses (a) | 0.158 |
| 8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))] | 0.317 |

(a) Based on 2016 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

| <u>Year</u> | <u>Net Investment Income Earned</u> | <u>Mean Cash and Invested Assets</u> | <u>Rate of Return</u> |
|-------------|---|--|-----------------------|
| 2016 | 48,019,546 | 1,597,608,236 | 3.01% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

| | <u>Rate of Return</u> | <u>Federal Income Tax Rate</u> |
|------------------------------|-----------------------|------------------------------------|
| Net Investment Income Earned | 3.01% | 0.221 |

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2016 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

| | | | |
|------------------------------|-------------|------------|-------|
| Bonds | Taxable | 22,730,939 | 0.350 |
| | Non-Taxable | 10,564,051 | |
| | Sub-Total | 33,294,990 | 0.239 |
| Stocks | Taxable (a) | 7,489,366 | 0.105 |
| | Non-Taxable | 1,972,096 | |
| | Sub-Total | 9,461,462 | 0.083 |
| Mortgage Loans | | 665,613 | |
| Real Estate | | 1,810,152 | |
| Contract Loans | | 780 | |
| Cash on Deposit | | 378,097 | |
| Short Term Investments | | (17,642) | |
| All Other | | 7,536,112 | |
| Sub-Total | | 10,373,112 | 0.350 |
| Total | | 53,129,564 | 0.233 |
| Investment Deductions | | 5,107,215 | 0.350 |
| Net Investment Income Earned | | 48,022,349 | 0.221 |

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

| | | |
|--|---|---------------|
| A. Unearned Premium Reserve | | |
| 1. | Direct Earned Premium for Accident Year Ended 12/31/15 | 2,294,237,985 |
| 2. | Mean Unearned Premium Reserve, $(1) \times 0.5177$ | 1,187,727,005 |
| 3. | Deduction for Prepaid Expenses | |
| | Commission and Brokerage | 12.05% |
| | Taxes, Licenses and Fees | 2.30% |
| | 1/2 General Expenses | 2.43% |
| | 1/2 Other Acquisition | 3.53% |
| | Total | 20.31% |
| 4. | $(2) \times (3)$ | 241,227,355 |
| 5. | Net Subject to Investment $(2) - (4)$ | 946,499,650 |
| B. Delayed Remission of Premium (Agents' Balances) | | |
| 1. | Direct Earned Premium (A-1) | 2,294,237,985 |
| 2. | Average Agents' Balances | 0.158 |
| 3. | Delayed Remission $(1) \times (2)$ | 361,342,483 |
| C. Loss Reserve | | |
| 1. | Direct Earned Premium (A-1) | 2,294,237,985 |
| 2. | Expected Incurred Losses and Loss Adjustment Expense, $(1) \times 0.3435$ | 788,070,748 |
| 3. | Expected Mean Loss Reserves $(2) \times 0.366$ | 288,433,894 |
| D. | Net Subject to Investment $(A-5)-(B-3)+(C-3)$ | 873,591,061 |
| E. | Average Rate of Return | 3.15% |
| F. | Investment Earnings on Net Subject to Investment $(D) \times (E)$ | 27,518,118 |
| G. | Average Rate of Return as a Percent of Direct Earned Premium $(F) / (A-1)$ | 1.20% |
| H. | Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes $(G) \times 0.777$ | 0.93% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/15 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

| | |
|--|---------------|
| 1. Collected Earned Premium for Calendar Year ended 12/31/15 | 2,294,237,985 |
| 2. Unearned Premium Reserve as of 12/31/14 | 1,166,168,203 |
| 3. Unearned Premium Reserve as of 12/31/15 | 1,209,132,555 |
| 4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$ | 1,187,650,379 |
| 5. Ratio (4) \div (1) | 0.5177 |

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/15.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

| | |
|---|--------|
| 1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina) | 15.43% |
| 2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best) | 1.021 |
| 3. Factor for agents' balances (1) \times (2) | 0.158 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/15.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2015 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

| | |
|--|---------------|
| 1. Incurred Losses for Calendar Year 2015 | 1,000,022,353 |
| 2. Loss Reserves as of 12/31/14 | 329,397,212 |
| 3. Loss Reserves as of 12/31/15 | 345,437,165 |
| 4. Mean Loss Reserve 2015: $1/2 [(2) + (3)]$ | 337,417,189 |
| 5. Ratio (4) \div (1) | 0.337 |
| 6. Ratio of LAE Reserves to Loss Reserves (a) | 0.269 |
| 7. Ratio of Incurred LAE to Incurred Losses (a) | 0.167 |
| 8. Loss and LAE Reserve $[(5) \times (1.0 + (6)) / (1.0 + (7))]$ | 0.366 |

(a) Based on 2015 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

| <u>Year</u> | <u>Net Investment Income Earned</u> | <u>Mean Cash and Invested Assets</u> | <u>Rate of Return</u> |
|-------------|---|--|-----------------------|
| 2015 | 49,322,923 | 1,567,822,822 | 3.15% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

| | <u>Rate of Return</u> | <u>Federal Income Tax Rate</u> |
|--|-----------------------|------------------------------------|
| Net Investment Income Earned | 3.15% | 0.223 |
| The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2015 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8. | | |
| Bonds | | |
| Taxable | 22,250,842 | 0.350 |
| Non-Taxable | 11,053,799 | |
| Sub-Total | 33,304,641 | 0.234 |
| Stocks | | |
| Taxable (a) | 7,417,666 | 0.105 |
| Non-Taxable | 1,536,107 | |
| Sub-Total | 8,953,773 | 0.087 |
| Mortgage Loans | 559,969 | |
| Real Estate | 1,696,990 | |
| Contract Loans | 730 | |
| Cash on Deposit | 176,196 | |
| Short Term Investments | 80,094 | |
| All Other | 9,524,324 | |
| Sub-Total | 12,038,303 | 0.350 |
| Total | 54,296,717 | 0.235 |
| Investment Deductions | 4,970,931 | 0.350 |
| Net Investment Income Earned | 49,325,786 | 0.223 |

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA

HOMEOWNERS INSURANCE

AVERAGE NUMBER OF MONTHS FROM OCCURRENCE TO CLAIM SETTLEMENT

(Based on ISO North Carolina experience for accident years 2010-2012)

| (1) | (2) | (3) |
|-----------------------------|----------------|--|
| Average Payment Month | Losses Paid | Portion of All Losses Paid $\frac{(2)}{\text{Total (2)}}$ |
| 1.5 | 809,088,795 | 0.448 |
| 4.5 | 576,023,429 | 0.319 |
| 7.5 | 181,787,206 | 0.101 |
| 10.5 | 101,317,761 | 0.056 |
| 13.5 | 57,445,919 | 0.032 |
| 16.5 | 27,110,391 | 0.015 |
| 19.5 | 13,481,209 | 0.007 |
| 22.5 | 9,555,644 | 0.005 |
| 25.5 | 6,445,796 | 0.004 |
| 28.5 | 5,215,009 | 0.003 |
| 31.5 | 3,863,640 | 0.002 |
| 34.5 | 2,917,265 | 0.002 |
| 37.5 | 3,765,833 | 0.002 |
| 40.5 | 2,217,672 | 0.001 |
| 43.5 | 105,756 | 0.000 |
| 46.5 | 1,314,000 | 0.001 |
| 49.5 | 365,491 | 0.000 |
| 52.5 | 774,124 | 0.000 |
| 55.5 | 842,381 | 0.000 |
| 58.5 | 119,428 | 0.000 |
| 61.5 | 84,894 | 0.000 |
| 64.5 | 140,145 | 0.000 |
| 67.5 | 32,092 | 0.000 |
| 70.5 | 39,292 | 0.000 |
| 73.5 | 55,146 | 0.000 |
| 76.5 | 42,855 | 0.000 |
| | 1,804,151,173 | |

The average number of months to payment from the beginning of the accident year is 4.94, i.e., the sum of [Column (1) × Column (3)].

The average number of months to payment from the average date of occurrence is 3.44.

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2018 AGGREGATE ANNUAL STATEMENT DATA
2018 TOP 50 HOMEOWNERS INSURERS**

| | Net Admitted Assets |
|---|---------------------|
| 1 Bonds (Schedule D) | 152,631,336,000 |
| 2 Stocks (Schedule D): | |
| 2.1 Preferred stocks | 842,908,000 |
| 2.2 Common stocks | 70,509,429,000 |
| 3 Mortgage loans on real estate (Schedule B): | |
| 3.1 First liens | 3,354,746,000 |
| 3.2 Other than first liens | 0 |
| 4 Real estate (Schedule A): | |
| 4.1 Properties occupied by the company (less \$0 encumbrances) | 2,349,574,000 |
| 4.2 Properties held for the production of income (less \$212,000 encumbrances) | 216,953,000 |
| 4.3 Properties held for sale (less \$118,000 encumbrances) | 89,092,000 |
| 5 Cash (-\$1,652,968,000, Schedule E-Part 1), cash equivalents (\$3,651,885,000, Schedule E-Part 2) and short-term investments (\$2,898,830,000, Schedule DA) | 4,897,738,000 |
| 6 Contract loans (including \$0 premium notes) | 0 |
| 7 Derivatives (Schedule DB) | 128,103,000 |
| 8 Other invested assets (Schedule BA) | 16,304,965,000 |
| 9 Receivables for securities | 118,869,000 |
| 10 Securities lending reinvested collateral assets (Schedule DL) | 1,332,743,000 |
| 11 Aggregate write-ins for invested assets | 27,218,000 |
| 12 Subtotals, cash and invested assets (Lines 1 to 11) | 252,803,673,000 |
| 13 Title plants less \$0 charged off (for Title insurers only) | 0 |
| 14 Investment income due and accrued | 1,399,139,000 |
| 15 Premiums and considerations: | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 7,432,807,000 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$74,886,000 earned but unbilled premiums) | 24,240,565,000 |
| 15.3 Accrued retrospective premiums | 64,933,000 |
| 16 Reinsurance: | |
| 16.1 Amounts recoverable from reinsurers | 2,672,554,000 |
| 16.2 Funds held by or deposited with reinsured companies | 73,824,000 |
| 16.3 Other amounts receivable under reinsurance contracts | 31,827,000 |
| 17 Amounts receivable relating to uninsured plans | 7,000 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 617,989,000 |
| 18.2 Net deferred tax asset | 4,649,155,000 |
| 19 Guaranty funds receivable or on deposit | 21,875,000 |
| 20 Electronic data processing equipment and software | 1,783,501,000 |
| 21 Furniture and equipment, including health care delivery assets (\$0) | 769,609,000 |
| 22 Net adjustment in assets and liabilities due to foreign exchange rates | 1,370,000 |
| 23 Receivables from parent, subsidiaries and affiliates | 3,002,592,000 |
| 24 Health care (\$0) and other amounts receivable | 1,147,000 |
| 25 Aggregate write-ins for other than invested assets | 6,106,994,000 |
| 26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 305,673,568,000 |
| 27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 |
| 28 Total (Lines 26 and 27) | 305,673,568,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2019 AGGREGATE ANNUAL STATEMENT DATA
2019 TOP 50 HOMEOWNERS INSURERS**

| | Net Admitted Assets |
|---|---------------------|
| 1 Bonds (Schedule D) | 158,028,639,000 |
| 2 Stocks (Schedule D): | |
| 2.1 Preferred stocks | 945,536,000 |
| 2.2 Common stocks | 81,449,490,000 |
| 3 Mortgage loans on real estate (Schedule B): | |
| 3.1 First liens | 3,588,419,000 |
| 3.2 Other than first liens | 0 |
| 4 Real estate (Schedule A): | |
| 4.1 Properties occupied by the company (less \$0 encumbrances) | 2,278,580,000 |
| 4.2 Properties held for the production of income (less \$9,102,000 encumbrances) | 198,538,000 |
| 4.3 Properties held for sale (less \$0 encumbrances) | 52,555,000 |
| 5 Cash (-\$1,880,606,000, Schedule E-Part 1), cash equivalents (\$4,911,780,000, Schedule E-Part 2) and short-term investments (\$2,075,457,000, Schedule DA) | 5,106,628,000 |
| 6 Contract loans (including \$0 premium notes) | 0 |
| 7 Derivatives (Schedule DB) | 30,589,000 |
| 8 Other invested assets (Schedule BA) | 19,330,662,000 |
| 9 Receivables for securities | 81,603,000 |
| 10 Securities lending reinvested collateral assets (Schedule DL) | 1,481,816,000 |
| 11 Aggregate write-ins for invested assets | 88,040,000 |
| 12 Subtotals, cash and invested assets (Lines 1 to 11) | 272,661,096,000 |
| 13 Title plants less \$0 charged off (for Title insurers only) | 0 |
| 14 Investment income due and accrued | 1,400,525,000 |
| 15 Premiums and considerations: | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 8,343,789,000 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$74,138,000 earned but unbilled premiums) | 24,893,202,000 |
| 15.3 Accrued retrospective premiums | 56,368,000 |
| 16 Reinsurance: | |
| 16.1 Amounts recoverable from reinsurers | 2,862,249,000 |
| 16.2 Funds held by or deposited with reinsured companies | 91,779,000 |
| 16.3 Other amounts receivable under reinsurance contracts | 56,086,000 |
| 17 Amounts receivable relating to uninsured plans | (23,000) |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 354,108,000 |
| 18.2 Net deferred tax asset | 4,324,554,000 |
| 19 Guaranty funds receivable or on deposit | 19,834,000 |
| 20 Electronic data processing equipment and software | 1,764,740,000 |
| 21 Furniture and equipment, including health care delivery assets (\$0) | 783,751,000 |
| 22 Net adjustment in assets and liabilities due to foreign exchange rates | 1,474,000 |
| 23 Receivables from parent, subsidiaries and affiliates | 2,993,061,000 |
| 24 Health care (\$0) and other amounts receivable | 466,000 |
| 25 Aggregate write-ins for other than invested assets | 6,498,101,000 |
| 26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 327,105,155,000 |
| 27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 |
| 28 Total (Lines 26 and 27) | 327,105,155,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2018 AGGREGATE ANNUAL STATEMENT DATA
2018 TOP 50 HOMEOWNERS INSURERS**

| | Liabilities |
|--|-----------------|
| 1 Losses (Part 2A, Line 35, Column 8) | 63,973,944,000 |
| 2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) | 2,057,636,000 |
| 3 Loss adjustment expenses (Part 2A, Line 35, Column 9) | 15,091,594,000 |
| 4 Commissions payable, contingent commissions and other similar charges | 1,501,535,000 |
| 5 Other expenses (excluding taxes, licenses and fees) | 8,020,463,000 |
| 6 Taxes, licenses and fees (excluding federal and foreign income taxes) | 798,680,000 |
| 7.1 Current federal and foreign income taxes (including \$-35,138,000) on realized capital gains (losses) | 222,502,000 |
| 7.2 Net deferred tax liability | 279,951,000 |
| 8 Borrowed money \$1,071,355,000 and interest thereon \$2,912,000 | 1,074,267,000 |
| 9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$25,542,841,000 and including warranty reserves of \$153,188,000 and accrued accident and health experience rating refund including \$0 for medical loss ratio rebate per the Public Health Service Act) | 52,475,229,000 |
| 10 Advance premium | 1,206,930,000 |
| 11 Dividends declared and unpaid: | |
| 11.1 Stockholders | 101,463,000 |
| 11.2 Policyholders | 54,241,000 |
| 12 Ceded reinsurance premiums payable (net of ceding commissions) | 6,318,695,000 |
| 13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) | 333,881,000 |
| 14 Amounts withheld or retained by company for account of others | 2,227,607,000 |
| 15 Remittances and items not allocated | 136,300,000 |
| 16 Provision for reinsurance (Schedule F, Part 7) | 114,295,000 |
| 17 Net adjustments in assets and liabilities due to foreign exchange rates | 38,000 |
| 18 Drafts outstanding | 1,105,176,000 |
| 19 Payable to parent, subsidiaries and affiliates | 1,687,366,000 |
| 20 Derivatives | 59,886,000 |
| 21 Payable for securities | 722,261,000 |
| 22 Payable for securities lending | 2,468,538,000 |
| 23 Liability for amounts held under uninsured plans | 0 |
| 24 Capital notes \$0 and interest thereon \$0 | 0 |
| 25 Aggregate write-ins for liabilities | 3,419,762,000 |
| 26 Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 165,452,237,000 |
| 27 Protected cell liabilities | 0 |
| 28 Total liabilities (Lines 26 and 27) | 165,452,237,000 |
| 29 Aggregate write-ins for special surplus funds | 3,742,094,000 |
| 30 Common capital stock | 174,770,000 |
| 31 Preferred capital stock | 333,000,000 |
| 32 Aggregate write-ins for other than special surplus funds | 18,500,000 |
| 33 Surplus notes | 2,594,591,000 |
| 34 Gross paid in and contributed surplus | 14,984,980,000 |
| 35 Unassigned funds (surplus) | 111,283,863,000 |
| 36 Less treasury stock, at cost: | |
| 36.1 0 Shares common (value included in Line 30 \$0) | 0 |
| 36.2 0 Shares preferred (value included in Line 31 \$0) | 0 |
| 37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) | 133,131,794,000 |
| 38 Totals (Page 2, Line 28, Col. 3) | 298,584,028,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2019 AGGREGATE ANNUAL STATEMENT DATA
2019 TOP 50 HOMEOWNERS INSURERS**

| | Liabilities |
|--|-----------------|
| 1 Losses (Part 2A, Line 35, Column 8) | 65,031,120,000 |
| 2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) | 1,920,786,000 |
| 3 Loss adjustment expenses (Part 2A, Line 35, Column 9) | 15,712,688,000 |
| 4 Commissions payable, contingent commissions and other similar charges | 1,580,509,000 |
| 5 Other expenses (excluding taxes, licenses and fees) | 8,531,441,000 |
| 6 Taxes, licenses and fees (excluding federal and foreign income taxes) | 761,503,000 |
| 7.1 Current federal and foreign income taxes (including \$-17,526,000) on realized capital gains (losses) | 475,586,000 |
| 7.2 Net deferred tax liability | 693,636,000 |
| 8 Borrowed money \$1,086,520,000 and interest thereon \$2,206,000 | 1,088,726,000 |
| 9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$26,926,831,000 and including warranty reserves of \$164,269,000 and accrued accident and health experience rating refund including \$0 for medical loss ratio rebate per the Public Health Service Act) | 54,645,569,000 |
| 10 Advance premium | 1,311,152,000 |
| 11 Dividends declared and unpaid: | |
| 11.1 Stockholders | 101,091,000 |
| 11.2 Policyholders | 50,473,000 |
| 12 Ceded reinsurance premiums payable (net of ceding commissions) | 6,879,668,000 |
| 13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) | 532,039,000 |
| 14 Amounts withheld or retained by company for account of others | 2,437,668,000 |
| 15 Remittances and items not allocated | 129,364,000 |
| 16 Provision for reinsurance (Schedule F, Part 7) | 101,979,000 |
| 17 Net adjustments in assets and liabilities due to foreign exchange rates | 32,000 |
| 18 Drafts outstanding | 1,123,908,000 |
| 19 Payable to parent, subsidiaries and affiliates | 1,722,554,000 |
| 20 Derivatives | 18,038,000 |
| 21 Payable for securities | 709,335,000 |
| 22 Payable for securities lending | 2,946,584,000 |
| 23 Liability for amounts held under uninsured plans | 0 |
| 24 Capital notes \$0 and interest thereon \$0 | 0 |
| 25 Aggregate write-ins for liabilities | 4,939,148,000 |
| 26 Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 173,444,600,000 |
| 27 Protected cell liabilities | 0 |
| 28 Total liabilities (Lines 26 and 27) | 173,444,600,000 |
| 29 Aggregate write-ins for special surplus funds | 4,864,987,000 |
| 30 Common capital stock | 174,966,000 |
| 31 Preferred capital stock | 350,000,000 |
| 32 Aggregate write-ins for other than special surplus funds | 18,500,000 |
| 33 Surplus notes | 2,590,621,000 |
| 34 Gross paid in and contributed surplus | 15,197,452,000 |
| 35 Unassigned funds (surplus) | 123,217,559,000 |
| 36 Less treasury stock, at cost: | |
| 36.1 0 Shares common (value included in Line 30 \$0) | 0 |
| 36.2 0 Shares preferred (value included in Line 31 \$0) | 0 |
| 37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) | 146,414,084,000 |
| 38 Totals (Page 2, Line 28, Col. 3) | 319,858,686,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2018 AGGREGATE ANNUAL STATEMENT DATA
2018 TOP 50 HOMEOWNERS INSURERS**

2018 STATEMENT OF INCOME

| UNDERWRITING INCOME | |
|--|-----------------|
| 1 Premiums earned (Part 1, Line 35, Column 4) | 123,049,400,000 |
| DEDUCTIONS: | |
| 2 Losses incurred (Part 2, Line 35, Column 7) | 76,805,366,000 |
| 3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 12,415,523,000 |
| 4 Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 32,390,197,000 |
| 5 Aggregate write-ins for underwriting deductions | 3,048,000 |
| 6 Total underwriting deductions (Lines 2 through 5) | 121,614,140,000 |
| 7 Net income of protected cells | 0 |
| 8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) | 1,435,263,000 |
| INVESTMENT INCOME | |
| 9 Net investment income earned (Exhibit of Net Investment Income, Line 17) | 8,058,148,000 |
| 10 Net realized capital gains (losses) less capital gains tax of \$282,611,000 (Exhibit of Capital Gains (Losses)) | 419,378,000 |
| 11 Net investment gain (loss) (Lines 9 + 10) | 8,477,525,000 |
| OTHER INCOME | |
| 12 Net gain (loss) from agents' or premium balances charged off (amount recovered \$59,908,000 amount charged off \$417,475,000) | (357,562,000) |
| 13 Finance and service charges not included in premiums | 595,120,000 |
| 14 Aggregate write-ins for miscellaneous income | 49,084,000 |
| 15 Total other income (Lines 12 through 14) | 286,636,000 |
| 16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15) | 10,199,422,000 |
| 17 Dividends to policyholders | 1,234,409,000 |
| 18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 8,965,014,000 |
| 19 Federal and foreign income taxes incurred | 846,614,000 |
| 20 Net income (Line 18 minus Line 19) (to Line 22) | 8,118,400,000 |
| CAPITAL AND SURPLUS ACCOUNT | |
| 21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 130,530,497,000 |
| 22 Net income (from Line 20) | 8,118,400,000 |
| 23 Net transfers (to) from Protected Cell accounts | 0 |
| 24 Change in net unrealized capital gains or (losses) less capital gains tax of -\$754,549,000 | (1,615,484,000) |
| 25 Change in net unrealized foreign exchange capital gain (loss) | (87,479,000) |
| 26 Change in net deferred income tax | 102,371,000 |
| 27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) | (116,322,000) |
| 28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | (6,060,000) |
| 29 Change in surplus notes | (8,204,000) |
| 30 Surplus (contributed to) withdrawn from protected cells | 0 |
| 31 Cumulative effect of changes in accounting principles | (7,888,000) |
| 32 Capital changes: | |
| 32.1 Paid in | 11,979,000 |
| 32.2 Transferred from surplus (Stock dividend) | 0 |
| 32.3 Transferred to surplus | 0 |
| 33 Surplus adjustments: | |
| 33.1 Paid in | 487,130,000 |
| 33.2 Transferred to capital (Stock dividend) | 0 |
| 33.3 Transferred from capital | 0 |
| 34 Net remittances from or (to) Home office | 0 |
| 35 Dividends to stockholders | (4,153,119,000) |
| 36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) | 0 |
| 37 Aggregate write-ins for gains and losses in surplus | (124,030,000) |
| 38 Change in surplus as regards policyholders for the year (Lines 22 through 37) | 2,601,303,000 |
| 39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 133,131,794,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2019 AGGREGATE ANNUAL STATEMENT DATA
2019 TOP 50 HOMEOWNERS INSURERS**

2019 STATEMENT OF INCOME

| UNDERWRITING INCOME | |
|--|-----------------|
| 1 Premiums earned (Part 1, Line 35, Column 4) | 127,930,173,000 |
| DEDUCTIONS: | |
| 2 Losses incurred (Part 2, Line 35, Column 7) | 78,441,292,000 |
| 3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 12,889,618,000 |
| 4 Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 33,274,230,000 |
| 5 Aggregate write-ins for underwriting deductions | 5,106,000 |
| 6 Total underwriting deductions (Lines 2 through 5) | 124,610,249,000 |
| 7 Net income of protected cells | 0 |
| 8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) | 3,319,925,000 |
| INVESTMENT INCOME | |
| 9 Net investment income earned (Exhibit of Net Investment Income, Line 17) | 7,896,017,000 |
| 10 Net realized capital gains (losses) less capital gains tax of \$491,013,000 (Exhibit of Capital Gains (Losses)) | 1,079,617,000 |
| 11 Net investment gain (loss) (Lines 9 + 10) | 8,975,632,000 |
| OTHER INCOME | |
| 12 Net gain (loss) from agents' or premium balances charged off (amount recovered \$51,772,000 amount charged off \$428,082,000) | (376,310,000) |
| 13 Finance and service charges not included in premiums | 575,881,000 |
| 14 Aggregate write-ins for miscellaneous income | 214,277,000 |
| 15 Total other income (Lines 12 through 14) | 413,845,000 |
| 16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15) | 12,709,405,000 |
| 17 Dividends to policyholders | 1,796,318,000 |
| 18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 10,913,091,000 |
| 19 Federal and foreign income taxes incurred | 1,061,528,000 |
| 20 Net income (Line 18 minus Line 19) (to Line 22) | 9,851,564,000 |
| CAPITAL AND SURPLUS ACCOUNT | |
| 21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 132,564,070,000 |
| 22 Net income (from Line 20) | 9,851,564,000 |
| 23 Net transfers (to) from Protected Cell accounts | 0 |
| 24 Change in net unrealized capital gains or (losses) less capital gains tax of \$1,068,843,000 | 8,531,739,000 |
| 25 Change in net unrealized foreign exchange capital gain (loss) | 49,584,000 |
| 26 Change in net deferred income tax | 184,316,000 |
| 27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) | (166,974,000) |
| 28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | 12,318,000 |
| 29 Change in surplus notes | (3,469,000) |
| 30 Surplus (contributed to) withdrawn from protected cells | 0 |
| 31 Cumulative effect of changes in accounting principles | 201,218,000 |
| 32 Capital changes: | |
| 32.1 Paid in | 18,700,000 |
| 32.2 Transferred from surplus (Stock dividend) | 0 |
| 32.3 Transferred to surplus | 0 |
| 33 Surplus adjustments: | |
| 33.1 Paid in | 286,889,000 |
| 33.2 Transferred to capital (Stock dividend) | 0 |
| 33.3 Transferred from capital | 0 |
| 34 Net remittances from or (to) Home office | 0 |
| 35 Dividends to stockholders | (4,619,484,000) |
| 36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) | 0 |
| 37 Aggregate write-ins for gains and losses in surplus | (496,379,000) |
| 38 Change in surplus as regards policyholders for the year (Lines 22 through 37) | 13,850,015,000 |
| 39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 146,414,084,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2018 AGGREGATE ANNUAL STATEMENT DATA
2018 TOP 50 HOMEOWNERS INSURERS**

PART II - 2018 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners Multiple Peril

| | |
|---|----------------|
| 1 Premiums Written | 40,947,588,000 |
| 2 Premiums Earned | 39,931,432,000 |
| 3 Dividends to Policyholders | 376,554,000 |
| 4 Incurred Loss | 25,845,462,000 |
| 5 Defense and Cost Containment Expenses Incurred | 490,364,000 |
| 6 Adjusting and Other Expenses Incurred | 2,921,578,000 |
| 7 Unpaid Losses | 8,647,561,000 |
| 8 Defense and Cost Containment Expenses Unpaid | 800,892,000 |
| 9 Adjusting and Other Expenses Unpaid | 1,588,945,000 |
| 10 Unearned Premium Reserves | 21,546,205,000 |
| 11 Agents' Balances | 7,164,305,000 |
| 12 Commission and Brokerage Expenses Incurred | 4,279,184,000 |
| 13 Taxes, Licenses & Fees Incurred | 1,198,468,000 |
| 14 Other Acquisitions, Field Supervision, and Collection Expenses Incurred | 3,741,533,000 |
| 15 General Expenses Incurred | 1,710,287,000 |
| 16 Other Income Less Other Expenses | 144,276,000 |
| 17 Pre-Tax Profit or Loss Excluding All Investment Gain | (487,727,000) |
| 18 Investment Gain on Funds Attributable to Insurance Transactions | 777,118,000 |
| 19 Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus | 289,391,000 |
| 20 Investment Gain Attributable to Capital and Surplus | 1,629,901,000 |
| 21 Total Profit or Loss | 1,919,293,000 |

**NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2019 AGGREGATE ANNUAL STATEMENT DATA
2019 TOP 50 HOMEOWNERS INSURERS**

PART II - 2019 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners Multiple Peril

| | |
|---|----------------|
| 1 Premiums Written | 42,946,838,000 |
| 2 Premiums Earned | 41,829,017,000 |
| 3 Dividends to Policyholders | 541,544,000 |
| 4 Incurred Loss | 25,558,462,000 |
| 5 Defense and Cost Containment Expenses Incurred | 604,355,000 |
| 6 Adjusting and Other Expenses Incurred | 2,998,933,000 |
| 7 Unpaid Losses | 9,033,842,000 |
| 8 Defense and Cost Containment Expenses Unpaid | 837,387,000 |
| 9 Adjusting and Other Expenses Unpaid | 1,683,782,000 |
| 10 Unearned Premium Reserves | 22,650,436,000 |
| 11 Agents' Balances | 7,637,229,000 |
| 12 Commission and Brokerage Expenses Incurred | 4,232,087,000 |
| 13 Taxes, Licenses & Fees Incurred | 1,199,235,000 |
| 14 Other Acquisitions, Field Supervision, and Collection Expenses Incurred | 3,933,861,000 |
| 15 General Expenses Incurred | 1,914,008,000 |
| 16 Other Income Less Other Expenses | 143,639,000 |
| 17 Pre-Tax Profit or Loss Excluding All Investment Gain | 990,166,000 |
| 18 Investment Gain on Funds Attributable to Insurance Transactions | 828,259,000 |
| 19 Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus | 1,818,430,000 |
| 20 Investment Gain Attributable to Capital and Surplus | 1,830,992,000 |
| 21 Total Profit or Loss | 3,649,420,000 |

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A CERTIFICATION OF COMPLIANCE WITH THEM
- (a) ISO Personal Lines Statistical Plan (Other than Automobile)
ISO Personal Lines Statistical Agent Plan (Other than Automobile)
ISO 2018 Call for Homeowners Statistics
ISO 2018 Call for Homeowners Statistical Agent Plan Statistics
ISS Personal Lines Statistical Plans - All Coverages
ISS 2018 Homeowners Call
AAIS Personal Lines Statistical Plan
AAIS 2018 Call for Homeowners Statistics
NISS Statistical Plan - All Coverages - Part IV, North Carolina
NISS 2018 Quarterly Call
NISS 2018 Calendar Year Annual Statement
NISS 2018 Financial Reconciliation Call
Annual Statement for Calendar Year 2018
Insurance Expense Exhibit for Calendar Year 2018
RB Calls for 2018 North Carolina Expense Experience
- (b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of P. Anderson, P. Ericksen and M. Berry.
- (c) The attached Exhibit (11)(c) contains general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.

NORTH CAROLINA**HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105**ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Homeowners, Form 3, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Statutory Page 14 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified, and results are verified by checking back to the source data.

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

NORTH CAROLINA**HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105**ISS Editing Procedures (continued)Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Statutory Page 14 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

NORTH CAROLINA**HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105**ISS Editing Procedures (continued)

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

4. Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This involves balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

NORTH CAROLINA**HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105**NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data submitted via the NISS website.
- b. Individual company submissions are balanced to the company letter of transmittal to ensure that all data have been received and processed. After all data has been received, the company reports are reconciled to the Annual Statement Statutory Page 14 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current year data to the previous year. This comparison is performed and analyzed by grouping data.
- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

AAIS Editing Procedures

The American Association of Insurance Services functions as an official statistical agent in the State of North Carolina for a number of lines of insurance, including Homeowners. In this capacity, it provides for the administration of statistical programs in accordance with approved statistical plans on behalf of the Commissioner of Insurance. These plans, which were filed according to the requirements of the State of North Carolina, serve to ensure a high quality of data reliability.

1. All statistical plans constitute permanent calls for data, which is due at AAIS within 60 days following the close of the period covered by the report.
2. The AAIS data collection procedure consists of several consecutive steps in order to further verify receipt of accurate and complete data from each company and ultimately aggregate the data into the final experience format.

NORTH CAROLINA**HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105**AAIS Editing Procedures (continued)

3. The data collection procedure begins with the company uploading their data file into the AAIS secure online Statistical Data Management Application (SDMA). The SDMA verifies certain key fields, calculates transmittal totals for verification, and houses the edit program. The key fields are company number, line of insurance, transaction code and report period (quarter and year). All invalid key fields must be corrected before the data proceeds to the next step. Once all key fields have been validated, the data moves on to the edit program.
4. The edit program has several functions and reports. They are:
 - a. Data is balanced to transmittal totals and submitting companies are verifying this upon submission of their data using our Statistical Data Management Application (SDMA).
 - b. Each statistical field is edited to the valid codes in the statistical plan for the line being processed. Many fields are also cross edited. An example is deductible type and amount. All invalid codes are identified with an asterisk to the right of the code.
 - c. Edit reports consist of a listing of invalid records, error summary report, month report, state report and field error detail report.
 - d. Data distributions are monitored by the Statistical Reporting staff in conjunction with AAIS Actuaries. Material quality problems are logged by the Data Governance Steering Committee and the offending affiliate is notified of the error.
 - e. Along with the edit and distribution reports, there are additional review procedures in place to identify procedural reporting errors that may exist (e.g., cancellations and coverage changes). A great deal of time is spent on this item because of its importance to the validity of the reported data.
 - f. The Statistical Data Management Application (SDMA) performs analysis of a company's data and provides the company with a customized letter stating that their data was accepted by AAIS. Throughout the submission and editing process, the SDMA provides a status for the submission indicating the type of action required. Depending on the severity of errors, companies are requested to make corrections or resubmit data.
5. AAIS provides assistance to all of its affiliated companies to ensure a continued high level of data quality. Statistical coding seminars designed to instruct company coders and respond to questions are scheduled annually. In addition to the seminars, AAIS has developed Statistical Training Manuals for some lines and pre-edit programs for company in-house use. Technical Services staff is available to train company personnel in all aspects of data collection, coding, statistical reporting and data processing.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provision contained in the filing, the pro forma statutory return on net worth (equity capital) of 7.35% is shown in the filing and the pre-filed testimony of G. Zanjani. Also shown therein is the ratio of net worth to surplus of 1.127. Accordingly, the corresponding return on statutory capital and surplus would be 8.28% for Homeowners insurance. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of surplus to assets is .372. Accordingly, the corresponding return on assets would be 3.08% for Homeowners insurance.

See also pre-filed testimony of G. Zanjani and J. Vander Weide.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

**13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS
WITHOUT ENDANGERING THE SOLVENCY OF MEMBER COMPANIES**

- (a) The weighted average premium to surplus ratios (weighted by North Carolina Homeowners Direct Premiums Written) for the calendar years 2009-2018 for the company groups which wrote North Carolina Homeowners insurance in each of those years:

| Year | Ratio |
|-------------|--------------|
| 2018 | 1.02 |
| 2017 | 0.98 |
| 2016 | 0.98 |
| 2015 | 0.98 |
| 2014 | 0.98 |
| 2013 | 0.98 |
| 2012 | 1.04 |
| 2011 | 1.07 |
| 2010 | 0.99 |
| 2009 | 1.03 |

Note: These data are based on statutory filings as compiled by the NAIC.

- (b) The estimate of the future premium to surplus ratio is based on the 10-year average of the past premium to surplus ratios. See the pre-filed testimony of G. Zanjani.
- (c) The necessary level of capital and surplus to support particular coverages varies by line, and the Rate Bureau regards the ratios shown in (a) as indicative of levels typical within the industry for the lines of business covered by this filing. The actual level of capital and surplus needed to support premium writings without endangering the solvency of a company is dependent upon (among others) the financial structure and investments unique to each company, the relationship of the company with affiliated companies as a group (and the experience of the affiliated companies), the mix of business of each company, and the conditions of the economy as they affect each company's individual circumstances. The Rate Bureau is advised that the National Association of Insurance Commissioners, as one of several criteria, generally considers that a premium to surplus ratio for an individual company of 3 to 1 warrants close regulatory attention and monitoring with respect to the company's solvency position.
- (d) The Rate Bureau has determined the premium to surplus ratio for homeowners insurance in North Carolina based on the weighted average premium to surplus ratios for insurance groups writing homeowners insurance in North Carolina, where the weights are the actual premiums written for homeowners insurance. The premium to surplus ratios of the insurers actually writing this business in North Carolina is representative of the leverage relevant for this line and state. The Rate Bureau has not further allocated surplus within these insurers across lines and states in this or other filings in North Carolina.

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

14 (a) See pre-filed testimony of P. Anderson, M. Berry, P. Ericksen, S. Fiete, M. Mao, J. Vander Weide and G. Zanjani.

14 (b) See attached exhibit 14 (b).

14 (c) See attached exhibit 14 (c).

14 (d) See attached exhibit 14 (d).

Governing Committee

Meeting Agenda

Date: July 21, 2020

Time: 10:00AM (ET)

Web Conference

Join Zoom Meeting: <https://ncrb.zoom.us/j/3393338757>

Call in: (929) 205-6099 / (877) 853-5257 Meeting ID: 339 333 8757

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1 – 3)
4. Report of Staff
 - a. Organization Update
 - b. Operations Update
 - c. Finance Update
5. Report of Counsel
6. Report of Committees
 - a. **Workers Compensation Committee**

NCCI will present the 2020 Workers Compensation Rate/Loss Cost Review (Exhibits 4 and 5)
The committee will be asked to consider a recommendation from the Workers Compensation Committee related to the Workers Compensation rate review.
 - b. **Automobile Committee**
 - i. **On-Demand Delivery Services**

The use of vehicles to provide delivery and courier services are rapidly gaining popularity. Examples of such services include, but are not limited to, UberEats, Instacart, GrubHub, and Postmates. On-demand delivery services potentially create new exposures that may not be contemplated at the inception of the auto policy, particularly for risks that are yet appropriately classified and rated. The Automobile Committee is considering exclusionary language for delivery services and delivery network platforms in the Automobile policy along with three coverage buy back endorsements: one for on-demand buyback, a second for delivery in general buy back, and a third includes full buyback. There would be an update to the TNC endorsement (PP 55 45) language to coordinate with the on-demand delivery revisions. This is an update topic only; no forms or rates are being presented at this time.

The Committee will be asked to consider recommendations from the Automobile Committee outlined below:

ii. **Co-Habitation/Financially Interdependent Relationships and Trust Endorsement** (Exhibits 6 & 7)
Adopt the proposed Trust Endorsement and update the Automobile Manual rule (Eligibility and SDIP) to accommodate the Trust Endorsement and Co-Habitation/Financially Interdependent Relationships.

iii. **Peer to Peer Vehicle Sharing** (Exhibit 8)
Add an exclusion for peer to peer vehicle sharing in Part A - Liability of the Automobile Policy.

c. Property Committee

i. Status of Homeowner, Dwelling, and Mobile Home Rate Reviews

The rate reviews are underway and a meeting to consider a recommendation from the Property Committee regarding these reviews is needed in September to complete these filings in November/December 2020. The Committee will be asked to consider a meeting on September 15, 16, or 17.

The Committee will be asked to consider recommendations from the Property Committee outlined below:

ii. **Optional Blanket Coverage B endorsement for Homeowner Program** (Exhibit 9)
Increase coverage B amount.

iii. **Minimum Deductible for Dwelling earthquake coverage** (Rule 509) (Exhibit 10)
Language to clarify that the dwelling EQ deductible is \$500 deductible.

iv. **Golf Carts for Homeowner Program** (Exhibit 11)
Revision to the Homeowner rate page to make it clear that the rate is per \$500. Rule 525.

v. **Update Homeowner, Dwelling, and Mobile Home Policy Language to define Actual Cash Value (ACV)** (Exhibit 12)
Amend the Homeowner, Dwelling, and Mobile Home Policy language to define ACV.

7. Appointment of Nominating Committee

A Nominating Committee consisting of three Governing Committee members is needed to develop a recommendation at the Annual Meeting of member companies to be nominated to fill vacancies on the Governing Committee for the 2020-2021 term.

There are four companies whose terms expire this year:

| | |
|---------------------------------|-------------------------------------|
| American Home Assurance Company | Erie Insurance Exchange |
| Travelers Indemnity Company | Nationwide Mutual Insurance Company |

Of these companies, American Home Assurance Company and Nationwide Mutual Insurance Company will not be eligible for re-election since those companies will be completing a second successive three-year term.

8. Upcoming Meetings

| | | |
|----------------------|----------|--|
| September 2020 – TBD | 10:00 am | Homeowner and Dwelling rate reviews for filing consideration |
| October 13, 2020 | 8:30 am | Annual Meeting (virtual) |
| December 1, 2020 | 10:00 am | 2021 Budget Discussion |

9. Other Business

10. Adjournment

MINUTES OF THE WEB CONFERENCE OF THE GOVERNING COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD JULY 21, 2020

MEMBERS PRESENT

American Home Assurance Company

National General Insurance Company

Liberty Mutual Insurance Company
Erie Insurance Exchange
NC Farm Bureau Mutual Insurance Company
Progressive Casualty Insurance Company

Nationwide Mutual Insurance Company
The Members Insurance Company
Hartford Fire Insurance Company
The Travelers Indemnity Company
United Services Automobile Association
Builders Mutual Insurance Company

Others Present

Young Moore and Henderson, P.A.

Milliman

National Council on Compensation Insurance (NCCI)

Staff

REPRESENTED BY

Ira Feuerlicht
Clyde Seseri
Art Lyon
Rick Pierce
Mark Ford
Jon Bloom
Roger Batdorff
Kevin McGee
Rebecca Reed
Christine Hague
Jim McCafferty
Eric Mize
Bob Aaron
Dave Case
Chris Wetzel

Mickey Spivey

Mark Mulvaney

Brett Foster

Joanna Biliouris
Jarred Chappell
Terry Collins
Edith Davis
Ray Evans
Keri Johnson
Andy Montano
Alison Smart
Natasha Sumter
Rebecca Williams

The meeting convened as scheduled, Ms. Hague of Nationwide Mutual Insurance Company, Chair of the Governing Committee, presiding. Attention was directed to the Rate Bureau's Antitrust, Conflict of Interest, and Code of Ethics and Standards of Conduct Statements.

1. Report of Staff

Mr. Evans outlined the Bureau's business continuity plans related to COVID-19, noting that (1) all staff transitioned to working from home in mid-March; (2) business operations are more efficient and

staff are productive; and (3) the Bureau has hired new staff including two interns in continuation of our summer internship program.

Ms. Davis reported that (1) the Bureau is 3% over budget through February due to timing of some payments; (2) the Bureau transitioned to electronic invoices for assessments, IDC, and workers compensation fines; (3) the Bureau and companies are utilizing ACH due to the pandemic; and (5) Finance projects include evaluation of a new accounting system.

Mr. Chappell provided an update on year-to-date activities including (1) the Bureau's Manage Data application went live in April with further enhancements in progress; (2) an outline of COVID-19 filings related to workers compensation; (3) ManageAR application enhancements; (4) conversion to a fully paperless environment; (5) property filings for 2020 are on schedule for November and December; and (6) website enhancements are in progress.

2. Report of Counsel

Mr. Spivey reported that (1) the Bureau did not make an automobile filing this year in accordance with the terms of the 2019 settlement; (2) the Reinsurance Facility filed a 3.1% increase for Other than Clean private passenger rates and a commercial rate review indicated a 23% increase which the Board of Governors has delayed filing; (3) in recent meetings with the Department of Insurance, the DOI has indicated significant interest in companies adopting the Bureau's flood program; (4) several bills potentially affecting the Bureau are eligible for consideration in the Legislature's short session but have not advanced; (5) the Bureau has been apprised of potential future legislation pertaining to real-time auto insurance information for DMV; (6) per the instruction of the Governing Committee, an amicus brief was filed by the Rate Bureau in the *Ha v. Nationwide* case, and oral arguments for that case included consideration given to the points presented in the brief; (7) the *Accardi v. Hartford* case appellate ruling held that it is proper to include depreciation of labor in calculating actual cash value; (8) there is a new case filed which seeks to establish a class action regarding payments that exclude the 3% highway use tax when calculating actual cash value on auto physical damage total loss claims; and (9) a state of disaster was declared in North Carolina for COVID-19 in March, that the Commissioner of Insurance had invoked his power under those circumstances to allow deferral of premium payments on insurance policies, and that this order expired in late May.

3. 2020 Workers Compensation Prospective Loss Cost and Residual Market Rate Review

Mr. Foster summarized the selections and recommendations of the Workers Compensation Committee for both the prospective loss cost review and the assigned risk rate review. He reported that (1) the Committee recommended continuing the methodology used in the previous filings of using an average of paid and paid plus case indications; (2) revisions were last effective April 1, 2020; (3) three years of experience were reviewed and the Committee recommends using the experience of the two most recent policy years to develop the indications; and (4) based on the experience and various selections by the Committee, the overall indication for the voluntary market loss costs is -3.9% and for the residual market rates is -2.5%, with both to be effective April 1, 2021. Mr. Foster reported that the Workers Compensation Committee discussed at length the potential impact of COVID-19 prior to making its selections and recommendations. Mr. Foster also reviewed various methodology items and calculations that differed from prior reviews.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendations of the Workers Compensation Committee and instruct staff to prepare filings to be submitted on or before September 1, 2020.

4. Automobile Committee

Mr. Montano reported that (1) the Automobile Committee is preparing changes to the Automobile program for delivery services which preliminarily include exclusionary language for delivery services and delivery network platforms in the automobile policy and three coverage buy-back endorsements: one for on-demand buy-back, a second for delivery in general buy-back, and a third for full buy-back; (2) an update to the TNC endorsement (PP 55 45) language will be needed to coordinate with the on-demand delivery revisions.

Mr. Montano presented two recommendations from the Automobile Committee for consideration. He noted that the effective dates of the proposed changes will be determined later.

Mr. Montano presented the first recommendation and referred the committee to Exhibits 6 and 7 included with the agenda which reflected changes to the eligibility rules to accommodate (1) cohabitation and financially interdependent relationships for private passenger automobiles owned by residents in the same household; and (2) proposed language that accommodated various situations involving vehicles held in trust, including situations in which the trust is the only named insured listed on the declarations page.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Automobile Committee and instruct staff to prepare filings for the eligibility rule and the new trust endorsement.

Mr. Montano presented the second recommendation and referred the committee to Exhibit 8 included with the agenda which reflected changes to the automobile policy to add exclusions for peer-to-peer vehicle sharing.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Automobile Committee and instruct staff to prepare a filing to add exclusionary language for peer-to-peer vehicle sharing to the automobile policy.

5. Property Committee

Mr. Montano reported that the Property Committee is actively working on rate reviews for the Homeowner, Dwelling, and Mobile Home programs and that the indications from the reviews for Dwelling and Homeowner are expected to be ready for presentation in mid-September. The committee decided that it would meet on September 17, 2020 at 9:00am to consider recommendations from these rate reviews.

Mr. Montano presented four recommendations from the Property Committee for consideration. He noted that the effective dates of these proposed changes will be determined later.

Mr. Montano presented the first recommendation and referred the committee to Exhibit 9 included with the agenda which presented an Optional Coverage B endorsement to increase the coverage B amount. He noted that the rates for this endorsement will be presented at a later date.

Mr. Montano presented the second recommendation and referred the committee to Exhibit 10 included with the agenda which presented a change to Rule 509 to correct a clerical oversight and reflect that the Dwelling earthquake minimum deductible is \$500.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Property Committee and instruct staff to prepare a filing to change the language of Rule 509.

Mr. Montano presented the third recommendation and referred the committee to Exhibit 11 included with the agenda which presented changes to Rule 525 to clarify that the golf cart rate is per \$500 of coverage.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Property Committee and instruct staff to prepare a filing to change the language of Rule 525.

Mr. Montano presented the fourth recommendation and referred the committee to Exhibit 12 included with the agenda which presented a definition for actual cash value to be included with the Homeowner, Dwelling, and Mobile Home policy language. He explained that this recommendation is consistent with the court rulings in the Accardi v. Hartford case, which held that the calculation of actual cash value properly included depreciation of labor.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Property Committee and instruct staff to prepare filings to add the definition of Actual Cash Value to the Homeowner, Dwelling, and Mobile Home policies.

6. Appointment of Nominating Committee

Ms. Hague reported that a Nominating Committee is needed for the Governing Committee elections that will be held at the Annual Meeting. She noted that this committee would recommend member companies to fill vacancies on the Governing Committee for the 2020-2021 term as well as nominate a Chair and Vice Chair for the Governing Committee. National General Insurance Company, American Home Assurance Company, and Liberty Mutual Insurance Company volunteered to serve on the Nominating Committee.

7. 2020 Meeting Schedule

The schedule of Governing Committee meetings for the remainder of 2020 was reviewed, and it was noted that the next meeting is scheduled on September 17, 2020 and the Bureau's Annual Meeting will be held virtually on October 13, 2020.

8. Other Business

Mr. Spivey reported that the cost of a Motor Vehicle Report (MVR) increased by \$0.75 effective July 1, 2020. He reported that this was due to the enactment of SB 411 in 2018, which in part rewrote G.S. 20-4.02 and provided that, beginning on July 1, 2020 and every 4 years thereafter, DMV shall adjust various fees for inflation using the CPI.

9. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,



Joanna Biliouris
Chief Operating Officer
North Carolina Rate Bureau

JB:ko
GC-20-7
8/20/20

MINUTES OF THE WEB CONFERENCE OF THE GOVERNING COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD SEPTEMBER 17, 2020

MEMBERS PRESENT

American Home Assurance Company

National General Insurance Company

Liberty Mutual Insurance Company
Erie Insurance Exchange
NC Farm Bureau Mutual Insurance Company
Progressive Casualty Insurance Company

Nationwide Mutual Insurance Company
The Members Insurance Company
Hartford Fire Insurance Company
The Travelers Indemnity Company
United Services Automobile Association
Builders Mutual Insurance Company

Others Present

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Ira Feuerlicht
Clyde Seseri
Art Lyon
Rick Pierce
Mark Ford
Jon Bloom
Roger Batdorff
Kevin McGee*
Rebecca Reed
Christine Hague
Jim McCafferty
Eric Mize
Brian Bethel
David Case
Chris Wetzel

Mickey Spivey
Brian Beverly*
Joanna Billouris
Jarred Chappell
Edith Davis
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

*Attended portion of meeting.

The meeting convened as scheduled, Ms. Hague of Nationwide Mutual Insurance Company, Chair of the Governing Committee, presiding. Attention was directed to the Rate Bureau's Antitrust, Conflict of Interest, and Code of Ethics and Standards of Conduct Statements.

1. Report of Staff

Mr. Evans gave a brief update on Bureau activities noting that (1) staff will continue to work remotely until January 2021 and are meeting all of their goals and objectives; (2) business operations are efficient and staff are productive; (3) Bureau staff is evaluating future staffing and space needs for 2021 in light of remote work capabilities; (4) Bureau staff is preparing for the Annual Meeting and 2021 budget presentation; and (5) former Commissioner Goodwin's wife passed away on September 1, 2020.

2. Automobile Committee

Mr. Montano presented four recommendations from the Automobile Committee for consideration. He noted that the effective dates of the proposed changes will be determined later.

Mr. Montano presented the first recommendation and referred the committee to Exhibit 4 included with the agenda which reflected changes to the Automobile policy to add exclusionary language for delivery services and delivery network platforms along with an optional coverage buy back endorsement, as well as revisions to the Personal Auto Manual outlining the rate for the coverage buy back endorsement.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Automobile Committee and instruct staff to prepare filings to add exclusionary language to the Automobile policy for delivery services, to introduce the new buy back endorsement, and to revise the Personal Auto Manual for the buy back endorsement rate.

Mr. Montano presented the second recommendation, and referred the committee to Exhibit 5 included with the agenda. He then led a discussion with regard to changes to the Personal Auto Manual to revise Rule 4.F. related to unlicensed insureds and the inexperienced operator surcharge.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Automobile Committee and instruct staff to prepare a filing to revise Rule 4.F. of the Personal Auto Manual.

Mr. Montano presented the third recommendation and referred the committee to Exhibit 6 included with the agenda which reflected changes to the Personal Auto Manual to revise Rule 16 related to named non-owner policies. The committee requested that the language pertaining to minimum earned premium be removed.

Mr. Montano presented the fourth recommendation and referred the committee to Exhibit 7 included with the agenda which reflected an editorial correction to the Personal Auto Manual Rule 19.A.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Automobile Committee and instruct staff to prepare a filing to correct Rule 19.A of the Personal Auto Manual as presented.

Mr. Montano advised the committee that an effective date was needed for the various automobile policy and manual revisions that have been previously approved, including (1) committed relationships/co-habitation eligibility rule changes, (2) the Trust endorsement and rules, (3) peer-to-peer exclusionary language in the Automobile policy, (4) delivery services exclusion in the Automobile policy, (5) the delivery service coverage buy back endorsement and applicable rate and rule, (6) the Inexperienced Operator Rule 4.F revision, (7) the Rule 16 Named Non-Owner revision (without the minimum earned premium language), and (8) correction to Rule 19.A Miscellaneous Types.

Following discussion, a motion was made, seconded and passed unanimously to adopt an effective date of June 1, 2021 for the described items.

3. Property Committee

Mr. Montano presented a recommendation from the Property Committee and referred the committee to Exhibit 8 included with the agenda which introduces an optional endorsement and applicable rates under the Homeowner Policy program to allow the selection of an increased limit for Coverage B - Other Structures under a Homeowners policy. He noted that the current limit is 10% of the Coverage A limit and that the new optional endorsement, HO 32 03, Coverage B - Other Structures Increased Limit – North Carolina, would provide flexibility on increasing the limit for Coverage B.. A question was raised regarding the language in the manual rule for the new

endorsement. It was agreed that the language will be researched further and will be presented to the committee at a later date.

Mr. Montano advised the committee that the following property rules have been previously approved: (1) revisions to Rule 509 to correct a clerical oversight and reflect that the Dwelling earthquake minimum deductible is \$500; (2) revisions to Rule 525 to clarify that the golf cart rate is per \$500 of coverage; and (3) a definition for actual cash value to be included with the Homeowner, Dwelling, and Mobile Home policy language.

Following discussion, a motion was made, seconded and passed unanimously to file the revisions to Rules 509 and 525 with an effective date of August 1, 2021 and to file the definition for actual cash value with the Homeowner, Dwelling, and Mobile Home policy language to allow implementation upon approval by the Commissioner of Insurance but no later than August 1, 2021.

4. Homeowner Rate Level Review

Attention was directed to Exhibit 9 provided with the agenda reflecting the Homeowner rate level indications. Ms. Williams reviewed the indication exhibit in detail advising among other things that (1) this review is based on 5 accident-years of data ending 12/31/2018; (2) trended exposures were used for modeling and modeled losses are no longer trended; (3) the loss trend procedure introduced a change in methodology; and (4) the excess procedure introduced a change in methodology that limited the procedure to 30 years of experience. She also pointed out the primary drivers of the changes in the indications from the previous filing. Ms. Williams further reported that the recommendation also includes an update to the Homeowner program to add age of construction factors.

Ms. Williams then presented the committee with possible options for capping the indications to limit policyholder impact by territory.

Following discussion, a motion was made, seconded and passed to prepare and submit a Homeowner rate filing based on the indications as presented, to include caps by territory of 25%, to be effective August 1, 2021.

The committee requested that the Dwelling rate review be presented at a later date. The committee agreed to schedule a meeting on September 21, 2020 at 9:00am to review the Dwelling rate review and proposed deductible options.

5. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,



Joanna Biliouris
Chief Operating Officer
North Carolina Rate Bureau

JB:ko
GC-20-9
10/5/20

Governing Committee

Meeting Agenda

Date: September 17, 2020

Time: 9:00 AM (ET)

Web Conference

Join Zoom Meeting: <https://ncrb.zoom.us/j/3393338757>

Call in: (929) 205-6099 / (877) 853-5257 Meeting ID: 339 333 8757

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. Report of Staff
5. Automobile Committee
The committee will be asked to consider recommendations from the Automobile Committee on the following topics:
 - a. Delivery Services (Exhibit 4)
Proposed forms, rules, and rates for exclusionary language for delivery services and delivery network platforms in the Automobile policy along with an optional coverage buy back endorsement.
 - b. Unlicensed Insured (Exhibit 5)
Proposed revisions to Rule 4.F. in the Personal Automobile Manual related to unlicensed insureds and the inexperienced operator surcharge.
 - c. Named Non-Owner Policy (Exhibit 6)
Proposed revisions to Rule 16 in the Personal Automobile Manual related to named non-owners. This proposed language is being reviewed by the Department of Insurance.
 - d. Editorial Change to Personal Auto Manual Rule 19 (Exhibit 7)
Proposed editorial correction to Rule 19 in the Personal Automobile Manual.
6. Property Committee
The committee will be asked to consider recommendations from the Property Committee on the following topics:
 - a. Coverage B Blanket Endorsement (Exhibit 8)
Introduction of an optional endorsement and applicable rates under the Homeowners Policy Program to allow the selection of an increased limit for Coverage B - Other Structures under a Homeowners

policy. The new endorsement, HO 32 03, Coverage B - Other Structures Increased Limit – North Carolina, would provide flexibility on increasing the limit for Coverage B. The current limit is 10% of the Coverage A limit.

b. Homeowner Rate Level Review (Exhibit 9)

The committee will be asked to consider a recommendation from the Property Committee related to the Homeowner rate level review. Capping scenarios will also be discussed.

c. Dwelling Rate Level Review (Exhibit 10)

The committee will be asked to consider a recommendation from the Property Committee related to the Dwelling rate level review. Capping scenarios will also be discussed.

d. Review Additional Deductible Options for the Homeowner and Dwelling Programs (Exhibit 11)

7. Upcoming Meetings

| | | |
|------------------|---------|---|
| October 13, 2020 | 9:00 am | NC Rate Bureau Annual Meeting (webinar) |
| December 1, 2020 | 10:00am | 2021 Budget Discussion |

8. Other Business

9. Adjournment

JB:ko
GC-20-9
9/11/20

Property Committee

Agenda

Date: July 14, 2020

Time: 1:00 PM (ET)

Virtual Meeting

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone:1-929-205-6099 Meeting ID: 864 408 3402#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Actual Cash Value (ACV) – Counsel’s memo to the Property Forms Subcommittee regarding the *Accardi v. Hartford* opinion and the actual cash value issue is included here for your information and use (**Exhibit 4**). Note that it is **privileged and confidential** and please handle it accordingly.

The Property Forms Subcommittee is recommending that we add a definition of ACV to the Bureau’s property forms. For example, this would be added to For the Homeowner policy, for of the Homeowners policy. Please see **Exhibit 5** for the recommended language. We would also like the Committee to consider adding this language to our Dwelling and Mobile Home programs.
5. Optional Blanket Coverage B endorsement – proposal to increase coverage B amount (**Exhibit 6**).
6. Minimum deductible for Dwelling earthquake coverage (Rule 509) – proposal to clarify that the minimum deductible for dwelling EQ coverage is \$500 (**Exhibit 7**).
7. Golf Cart – proposal to edit the Homeowner rate page to make it clear that the rate is per \$500. Rule 525 (**Exhibit 8**).
8. Optional endorsements for Fortified Roof (to match the Beach Plan)* – a proposal to include this endorsement as an option. In the event of a qualifying roof loss, this endorsement allows a “better” roof to match the IBHS “fortified” standards (**Exhibit 9**)*.

9. Optional Evacuation Homeowners Coverage – proposal to provide additional living expenses in the event of a mandatory evacuation of a community in a wind-related event*.
10. State National proposal to add an endorsement for *Trade or Economic Sanctions* – Per the member company’s proposal, this form is to clarify that no coverage will be provided, make payment of any claim, or provide any benefit that would expose the Company to a violation of any applicable trade or economic sanctions, laws or regulations (**Exhibit 10**)*.
11. Report of Staff and Counsel
12. Adjournment

*Please see the **NCRB Proposal Guidelines** for Agenda topics 8-10. The Committee will use these guidelines to determine if we should move forward with these items.

AM: ko
PC-20-1
7/9/20

MINUTES OF THE TELEPHONE CONFERENCE OF THE PROPERTY COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD JULY 14, 2020

MEMBERS PRESENT

Allstate Insurance Company
Amica Mutual Insurance Company
Erie Insurance
Hartford Fire Insurance Company
The Members Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
Penn National Insurance Company
State Farm Mutual Automobile Insurance Co
Travelers Indemnity Company
Unitrin Auto and Home Insurance Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Jim Sherring
Darren Birtciel
Eric Mize
Jason Ivers
Nick Sizemore
Holly Reston
Teresa Burroughs
Bob Messier
Lois Cappellano
Robert Zarter
Albert Soto

OTHERS PRESENT

Young Moore and Henderson, P.A.

Insurance Services Office
Staff

REPRESENTED BY

Brian Beverly
Mickey Spivey
Chuck Schlager
Joanna Biliouris
Jarred Chappell
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

The telephone conference commenced at approximately 1:00 P.M., Mr. Messier presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct, which were previously distributed.

1. Actual Cash Value

Mr. Montano opened discussion and gave a brief summary of the decisions to be made at this meeting. Mr. Montano also gave some history of the committees' consideration of the actual cash value topic and advised that the committees waited on the decision handed down from the Accardi v. Hartford case before proceeding with consideration of adding a definition.

Attention was directed to a privileged and confidential memorandum prepared by counsel and previously provided with the agenda with regard to the actual cash value issues. Mr.

Beverly reviewed the issues, along with details from the Accardi v. Hartford case, which concerned the depreciation of labor costs used in calculating actual cash value. Mr. Beverly also noted that an important factor in the Accardi decision was a notice attached to the Hartford policy which provided information on how actual cash value would be calculated. Mr. Montano continued with the presentation, reporting that the Property Forms Subcommittee had reviewed the matter in detail, had considered various verbiage options, and recommended adding the definition of actual cash value shown in Exhibit 5 to the homeowners policy forms. In addition, Mr. Montano advised the Committee that they might want to consider adding the definition of actual cash value to the dwelling and mobile home forms, as well as to homeowners forms.

After discussion, a motion was seconded and carried to recommend that the Governing Committee adopt and file the definition of actual cash value as presented and to include this definition in the homeowners, dwelling, and mobile home programs.

2. Optional Blanket Coverage B Endorsement

Mr. Montano opened discussion and advised the Committee that a member company has made a request to the Rate Bureau to offer an optional blanket coverage endorsement for increased limits for Coverage B. He noted that the Homeowners program currently has an endorsement which allows scheduling specific other structures and purchasing higher limits for such specified structures, and that this form would remain available for use.

Attention was then directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda regarding the blanket coverage endorsement increased limits on Coverage B. Mr. Schlager reviewed the exhibit in detail. Mr. Schlager and Mr. Montano then fielded various questions from the Committee. Mr. Montano also advised that ISO would develop rating for this endorsement if the Committee would like to pursue the topic further.

Following discussion, a motion was seconded and carried to recommend the endorsement to the Governing Committee in the form presented and then to the Property Rating Subcommittee for rating.

3. Minimum Deductible for Earthquake Dwelling Rule 509

Mr. Montano opened discussion and advised the Committee that, in a past rate review, the minimum deductible for Earthquake coverage in the Dwelling program changed from \$250 to \$500, but that this change was not made in the manual.

Attention was then directed to an exhibit prepared by ISO and previously distributed with the agenda with regard to the editorial correction. Mr. Montano reviewed the change and advised that it would be filed with the Department of Insurance if approved by the Committee.

Following discussion, a motion was seconded and carried to recommend that the Governing Committee adopt and file the editorial correction to Rule 509 as presented.

4. Golf Cart Rule 525

Mr. Montano opened discussion, stating that the Rate Bureau has received several member company requests to clarify the rating of golf carts in the Homeowners Manual rule.

Attention was then directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda with respect to Rule 525. Mr. Montano reviewed the change, which clarifies that the rate is per \$500.

Following discussion, a motion was seconded and carried to recommend that the Governing Committee adopt and file the change to Rule 525 as presented.

5. Optional Endorsements for Fortified Roof

Mr. Montano opened discussion and advised that a member company has brought this coverage to the attention of the Rate Bureau for consideration in the property programs. Mr. Montano further advised that the Beach Plan currently has an endorsement for this coverage in their program free of charge.

Attention was then directed to an exhibit prepared by the Beach Plan and distributed with the agenda regarding an optional endorsement for fortified roof coverage. Mr. Montano reviewed the exhibit in detail, explaining that the endorsement will, under certain circumstances, replace a damaged roof with a roof that meets IBHS Fortified Roof standards. Mr. Messier expanded on the topic, advising that the Beach Plan developed the endorsement with the expectation that fortified roofs will result in less damage or no damage during future weather events. Mr. Montano further advised that the endorsement would carry a premium charge if it were to be approved for Rate Bureau programs.

Following discussion, the Committee agreed to refer the matter to the Property Rating Subcommittee to review the rating for the endorsement. The Committee also agreed to continue discussions on this topic at a future meeting.

6. Optional Evacuation Homeowners Coverage

Mr. Montano opened discussion and reviewed the basic coverage offering for an optional endorsement that provides certain benefits during mandatory evacuations. Mr. Montano noted that the Committee may consider offering this coverage on the Rate Bureau's property programs. Mr. Schlager stated that ISO does not currently have this coverage. Mr. Spivey also highlighted some coverage issues for the Committee to consider.

Following discussion, the Committee directed staff to work with ISO on endorsement language and rating for further consideration at a future meeting.

7. Trade or Economic Sanctions Endorsement

Mr. Montano opened discussion and advised that a member company has submitted a proposal to add mandatory endorsements to the Rate Bureau property programs with respect to coverage when an insured has OFAC trade or economic sanctions.

Attention was then directed to an exhibit prepared by the member company and previously sent with the agenda. Ms. Bell reviewed the exhibit in detail, which included the company's written response to the Rate Bureau's proposal guidelines, an advisory notice, and related endorsements which bar coverage for insureds who are subject to trade or economic sanctions. It was noted that the endorsements would clarify that there is no coverage for these insureds. Mr. Montano then fielded questions from the Committee.

Following discussion, the Committee came to a consensus that the endorsements were not necessary as the law would apply regardless of their addition to the policy.

8. Report of Staff

Mr. Beverly reported that 1) the Rate Bureau had filed a private passenger automobile rate review for 2020 per the settlement agreement with the Department of Insurance (Department) in 2019; 2) that the Facility had filed an Other Than Clean rate filing for +3.1% overall for liability, to be effective October 1, 2020; 3) that the Rate Bureau had submitted a homeowners filing which settled at 4% to be effective May 1, 2020, a dwelling filing which settled at 4% to be effective July 1, 2020, an MH(C) filing which settled for 4.3% and an MH(F) filing which settled for 6.6%, both to be effective June 1, 2020; 5) that the Rate Bureau is in the early stages of rate reviews for all property lines, with the expectation to submit any resulting filings in late 2020 and early 2021; and 6) that the private flood program was approved and is effective immediately.

Mr. Beverly further stated 1) that the legislature is currently in its short session and working on Covid-19 related issues; 2) that the Department has created a task force made up of Department staff and member companies to consider possible legislation addressing various insurance matters, but that this task force has been unable to meet due to Covid-19; 3) that the Ha v. Nationwide case, which concerns procedures for canceling a homeowners policy and for which the Rate Bureau submitted an amicus brief, was argued in the Supreme Court last month; 4) that a recent case has been filed in Durham County, North Carolina seeking to establish a class action lawsuit regarding the calculation of actual cash value in an auto total loss case; 5) that a state of emergency had been declared for the entire state in March due to Covid-19, which then allowed the Commissioner of Insurance to issue an order imposing stays on proofs of loss for property insurance claims and allowing the deferral of premium payments on all insurance policies; and 6) that those restrictions had since been lifted.

Mr. Montano advised that the Auto Committee is working on a number of topics, including the exclusion of coverage for delivery services and the coverage buy-back options, updating eligibility rules with respect to cohabitation and vehicles held in trust, and the exclusion of coverage for peer to peer vehicle sharing.

Ms. Williams reported that the Rate Bureau had received the catastrophe modeling results back and will meet with the Property Rating Subcommittee next week to continue work on the property rate reviews. Finally, Ms. Williams advised that the deadline for Mobile Home data call responses is approaching and that it is expected that the Committee will meet later to review the results of the rate reviews.

9. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PC-20-1
10/19/20

Property Committee Agenda

Date: September 9, 2020

Time: 10:00 AM (ET)

Zoom Teleconference

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone:1-929-205-6099 Meeting ID: 864 408 3402 #

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Meeting Summary

Rate Bureau staff will present a summary of the topics for discussion at the meeting, which include the homeowners and dwelling rate indications and miscellaneous items related to property.

5. Review Homeowners Rate Level Indication and recommendations from the Property Rating Subcommittee. ISO will present (**Exhibit 4**).

The Committee will be asked to make a recommendation on the homeowners rate review to the Governing Committee.

6. Review Dwelling Rate Level Indication and recommendations from the Property Rating Subcommittee. ISO will present (**Exhibit 5**).

The Committee will be asked to make a recommendation on the dwelling rate review to the Governing Committee.

7. Review Additional Deductible Options (**Exhibit 6***)

- a. Homeowners
- b. Dwelling

The Committee will be asked to make a recommendation on the selections made by the Property Rating Subcommittee to the Governing Committee.

***Exhibit 6** will be distributed to this Committee after the Property Rating Subcommittee makes selections in their meeting on 9/4/20.

8. Coverage B Blanket Endorsement

We are introducing an optional endorsement under the Homeowners Policy Program to allow the selection of an increased limit for Coverage B - Other Structures under a Homeowners policy.

The new endorsement, HO 32 03, Coverage B - Other Structures Increased Limit - North Carolina, will allow the current limit of 10% of the Coverage A limit to be increased to the limit of liability for the coverage indicated under the endorsement.

ISO will present **Exhibit 7**, which includes the proposed endorsement and rating rules.

The Committee will be asked to make a recommendation to the Governing Committee on the endorsement and rating rules for Coverage B.

9. Status on Fortified Roof and Evacuation Coverage

Rate Bureau staff will update the Committee on the status of these two items. This is informational only.

10. Other Business

11. Report of Staff and Counsel

12. Adjournment

AM: ko

PC-20-2 Agenda

9/2/2020

MINUTES OF THE TELEPHONE CONFERENCE OF THE PROPERTY COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD SEPTEMBER 9, 2020

MEMBERS PRESENT

Allstate Insurance Company
Erie Insurance
Hartford Fire Insurance Company
The Members Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
Penn National Insurance Company
State Farm Mutual Automobile Insurance Co
Unitrin Auto and Home Insurance Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Darren Birtciel
Eric Mize
Jason Ivers
Christine Hague
Holly Reston
Justin Hays
Bob Messier
Robert Zarter
Albert Soto

OTHERS PRESENT

Young Moore and Henderson, P.A.

Insurance Services Office

Milliman
Staff

REPRESENTED BY

Brian Beverly
Mickey Spivey
Steve Conover
Paul Eriksen
Chuck Schlager
Paul Anderson
Joanna Biliouris
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

The telephone conference commenced at approximately 10:00 A.M., Mr. Messier presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct, which were previously distributed.

1. Meeting Summary

Mr. Montano opened discussion, giving a brief summary of previous decisions made by the Subcommittee which have been approved by the Governing Committee. Mr. Montano then advised on the topics to be discussed at this meeting and noted the decisions to be made. Ms. Williams advised that the compensation for assessment risk (CAR) provision had just

recently been updated with the 2019 premium as intended and that the provision and the indications included in the agenda materials would decrease around 0.1% to reflect the change to this provision.

2. Homeowners Rate Level Indication

Attention was directed to an exhibit prepared by Insurance Services Office (ISO) previously distributed with the agenda regarding the homeowners rate level indications. Mr. Conover reviewed the exhibits in detail, reminding the Committee that the indications would drop slightly once the updated CAR is incorporated. Mr. Conover noted several changes in methodology, including 1) limiting the excess wind procedure to a 30-year history; 2) trending the exposures used in hurricane model; and 3) using internal trend data to select loss trend factors rather than the indexes from the Bureau of Labor Statistics. Mr. Conover then reviewed a comparison of selections made by the Property Rating Subcommittee for this review with those selected in the previous review. Mr. Conover continued with the presentation, which included exhibits for the owners statewide indications. Mr. Conover advised that the drivers of the change in indications were worsening experience in 2017 and 2018, along with the methodology change to the excess wind procedure and the increase in loss trend. Mr. Conover reviewed the age of construction factors and advised that there are credits for up to 15 years of age based on a discount factor of 1.5%, which resulted in an average drop of approximately 1% in premium overall. Mr. Conover then reviewed the tenants statewide indications, advising that the primary drivers of the change in indication were the increase in loss trend and an increase in fixed expenses. Mr. Conover continued his review with the indications for condos, which had the most pronounced worsening of experience in addition to an increase in loss trend. Mr. Conover then completed his review of the homeowners indications with the overall indicated territory rate level changes for owners, tenants and condos, noting that the inland territories saw a sharp increase. Ms. Williams advised that coastal increases continue to be indicated, but that the increases inland are more notable when looking at indications statewide.

After discussion, a motion was seconded and carried to accept the homeowners rate level indications for an August 1, 2021 effective date with a slight adjustment for the CAR provision and to recommend them to the Governing Committee.

3. Dwelling Rate Level Indication

Ms. Williams advised that the adjustment for CAR would also apply to the dwelling rate level indications and that the plan is to make a dwelling rate filing, if so instructed, in December 2020, for a September 1, 2021 effective date.

Attention was then directed to an exhibit prepared by ISO and previously distributed with the agenda with regard the dwelling rate level indications. Mr. Conover advised that the same methodology changes in homeowners were also used for dwelling. Mr. Conover then presented a summary of the dwelling filing made in 2019 and a summary of the 2020 indicated rate level changes. Mr. Conover reviewed the statewide dwelling fire indication and advised that the drop in the indication was mostly driven by the decrease in loss trend. Mr. Conover continued with the statewide indication for dwelling extended coverage, advising that the drivers of the indication were worse than average experience for 2018, the increase in loss trend, the increase in total fixed expense ratio, slight drops in the Net Cost of Reinsurance and the modeled losses, and changes in distribution due to the removal of the NISS data. Mr. Conover then presented the territory rate level changes for fire and

extended coverage. Ms. Williams reminded the Committee that over half the premium for extended coverage is being written in the beach and coastal territories. Mr. Conover then reviewed the age of construction factors and advised that, like homeowners, there are credits for up to 15 years of age, but that the discount factor for dwelling is 1.0%. He also noted that age of construction factors had been included in the previous filing but had not been approved.

After discussion, a motion was seconded and carried to accept the dwelling fire and dwelling extended coverage indications with a slight adjustment for the change to the compensation for assessment risk provision and to recommend the indications to the Governing Committee.

4. Deductible Options

Ms. Williams opened discussion, advising that ISO had performed an analysis of the homeowners and dwelling deductibles in order to modernize the homeowners and dwelling programs. She noted that the homeowner deductible relativities are very outdated and that updating them would cause a lot of disruption in the market. She further noted that, as a result, the analysis presented to them is an effort to develop additional deductible options for the homeowners and dwelling programs to provide more flexibility and customer choice without disruption to the market.

Attention was then directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda with respect to additional deductible options for homeowners and dwelling. Ms. Williams reviewed the exhibits in detail, presenting options first for homeowners and then for dwelling. The Committee discussed the practical problems related to needing to update the outdated homeowners deductible relativities at the same time that rate increases are needed to address the rate inadequacy.

After discussion, a motion was seconded and carried to accept the additional options for homeowners and dwelling deductibles as presented and to recommend them to the Governing Committee.

5. Coverage B Blanket Endorsement

Mr. Montano opened discussion and reported that additional work has been done on the endorsement, rule and rate following the Committee's recommendation in its last meeting to adopt an endorsement for blanket increased limits for Coverage B.

Attention was then directed to an exhibit prepared by ISO and previously distributed with the agenda regarding the rate, rule and endorsement for blanket increased limits for Coverage B. Mr. Montano reviewed the exhibits in detail. Mr. Schlager also advised that the Property Rating Subcommittee added the stipulation that the limit chosen cannot exceed that of Coverage A.

After discussion, a motion was seconded and carried to adopt the rate, rule and endorsement for blanket increased limits for Coverage B as presented and to recommend them to the Governing Committee.

6. Status on Fortified Roof and Evacuation Coverage

Mr. Montano opened discussion, noting that the Rate Bureau is waiting on information from the Beach Plan in order to proceed on the Fortified Roof proposal. Mr. Montano advised that staff will follow up on this information and bring this topic back to the Committee for

further review. Mr. Montano further advised that ISO recently developed an endorsement for evacuation coverage for the Committee's consideration.

Attention was then directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to evacuation coverage. Mr. Schlager reviewed the exhibit in detail, which included a draft of the proposed evacuation coverage endorsement. Mr. Montano advised that there is currently no corresponding rate for this coverage, as the Committee will need to first advise if they would like to continue pursuing the coverage. The Committee then reviewed the endorsement as presented, discussed various issues and potential problems, and requested several changes to the draft for continued review. Mr. Montano advised that this topic would be referred to the Property Rating Subcommittee to develop a proposed rate for review by this Committee.

7. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PC-20-
10/19/20

Property Rating Subcommittee

Agenda

Date: April 14, 2020

Time: 10:00 AM (ET)

Web Teleconference Meeting

Join the meeting and be automatically dialed.

<https://my.intercall.com/aMontano>

Phone access: (877) 320-0056

Code: 8869040467#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. Homeowners Rate Filing Plan
The Committee will discuss the upcoming Homeowners filing. ISO will present a book of business report for review **(Exhibit 4)**.

Committee feedback will be requested on the following rating relativities:

- Homeowners Deductibles
- Homeowners Territories, including zip code
- Age of Construction
- Frame vs. Masonry Construction

Committee feedback will also be requested on the following rules/ forms items:

- Manual Rule 525, Golf Carts
- Rolling the 32 32 form into the base policy

5. Dwelling Rate Filing Plan
The Committee will discuss the upcoming Dwelling filing.
 - Rolling 32 32 into base policy
6. Mobile Home Data Collection
The Committee will be asked to review the Rate Bureau's request for Mobile Home data. This exhibit will come directly from counsel.

7. Report of Staff and Counsel

8. Other Business

9. Adjournment

AM: ko

PRS-20-1 Agenda

4/8/2020

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD APRIL 14, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Ins Co of Florida
American Modern Home Ins Co
Farmers Insurance Exchange
Horace Mann Insurance Company

Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Brian Gill
Diana Matalka
Julie McAuliffe
Brad Melton
Chris Skorcz
Sara Behrend
Roger Batdorff
Julie Cruice
Lois Cappellano
Andie Fullerton

OTHERS PRESENT

Insurance Services Office

Milliman
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Stephen Conover
Paul Ericksen
Chuck Schlager
Paul Anderson
Brian Beverly
Mickey Spivey
Joanna Biliouris
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Homeowners and Dwelling Rate Filing Plan

Mr. Montano opened discussion, advising that the Rate Bureau is in the planning stages for the homeowners and dwelling property rate reviews and that the Subcommittee is asked to review and determine which elements to consider for these filings. Ms. Williams advised that the Rate Bureau staff is working with Insurance Services Office (ISO) on book of business reports, which are providing insight on which segments may need attention. Ms. Williams also advised that staff is looking into approaching trend selection in a different way based on committee and consultant feedback. Further, Ms. Williams advised that

staff is looking to update the rate filing process and to be more proactive in planning these reviews.

Attention was then directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to homeowners and dwelling rate reviews. Mr. Conover reviewed the exhibit in detail, which included various views of the Homeowners book. Mr. Conover highlighted age of construction factors and the base Coverage A limit for Condominiums as potential items to address in the upcoming rate review. Next, Mr. Conover reviewed the exhibits for Dwelling, noting that the age of construction rating variable and the amount of insurance curves are potential items to consider reviewing in the upcoming rate review. Mr. Conover continued with the presentation, noting a number of additional property-related items that the Subcommittee may want to consider, including revising territory definitions from county boundaries to zip codes and reevaluating deductible relativities. Mr. Conover advised that the Subcommittee may also want to consider whether a review of construction type is needed.

After discussion, for Homeowners, the Subcommittee agreed to review 1) age of construction credits, 2) Coverage A base amount of insurance for condos, 3) deductible structure and relativities, and 4) construction type relativities. For Dwelling, the Subcommittee agreed to review 1) age of construction credits, 2) amount of insurance relativities, 3) deductible structure and relativities, and 4) construction type relativities.

Mr. Montano advised that the Rate Bureau has received requests from member companies regarding several items in the manual as well as the possibility of rolling the HO 32 32 and DW 32 32 policy forms into the base policies. Mr. Schlager discussed the exhibit regarding several manual and policy form items. Mr. Schlager opened discussion with the HO 32 32 and DW 32 32 and advised the Subcommittee of the pros and cons with respect to rolling the language from these endorsements into their base policy forms. Mr. Schlager continued with the exhibit with respect to golf cart rating in the Homeowners Manual, advising that some of the wording there may need to be revised. Finally, Mr. Schlager addressed the topic of increased limits for Coverage B and noted that, currently, increased limits for Coverage B are not on a blanket basis and must be scheduled. Mr. Montano described various options the Subcommittee could consider with respect to Coverage B changes.

After discussion, the Subcommittee agreed to leave the HO 32 32 and DW 32 32 endorsements as is and to revise the wording in the manual with respect to golf carts. In addition, the Subcommittee directed staff to develop a blanket coverage endorsement regarding increased limits for Coverage B and to refer this matter to the Property Forms Subcommittee for review and recommendation.

2. Mobile Home Data Collection

Mr. Montano opened discussion, advising that the Mobile Home Subcommittee is looking into a full data call to be issued by the Rate Bureau. Mr. Montano and Ms. Williams then reviewed several pros and cons with respect to performing the data call and advised that the Rate Bureau is bringing the topic to this Subcommittee for consideration and comment.

After discussion, the Subcommittee agreed to defer to the Mobile Home Subcommittee on the matter, but suggested that a few additional months between the Mobile Home and the Dwelling and Homeowners rate reviews may be appropriate.

3. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-1
5/4/20

Property Rating Subcommittee

Agenda

Date: April 29, 2020

Time: 10:00 AM (ET)

Web Teleconference Meeting

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/94469801447?pwd=eFNCK2k2bitibzc0M05MV2RqU3QzZz09>

Meeting ID: 944 6980 1447

Password: 475367

Teleconference Phone:1-929-205-6099 Meeting ID:94469801447# Password:475367#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Homeowners Trend Packages - The Committee will review the trend package and make selections for the upcoming Homeowners Rate Filings (**See Exhibits 4A, 4B, 4C and 4D**):
 - a. **Exhibit 4A** – Traditional trend package - loss trend, premium trend, and expense trend.
 - b. **Exhibit 4B** – Alternative loss trend option – this approach involves selecting annual loss trends for a “historical” time period and a “prospective time period.
 - c. **Exhibit 4C** – Exposure trend factors
 - d. **Exhibit 4D** – Excess loss factors – We included a few different scenarios for the number of years relied on for purposed of selecting the long-term provision for excess losses (also included is an excel file to review scenarios).
5. Dwelling Trend packages – The Committee will review the trend package and make selections for the upcoming Dwelling Rate Filing (**See Exhibits 5A, 5B, 5C and 5D**):
 - a. **Exhibit 5A** – Traditional trend package - loss trend, premium trend, and expense trend.
 - b. **Exhibit 5B** – Alternative loss trend option – this approach involves selecting annual loss trends for a “historical” time period and a “prospective time period.
 - c. **Exhibit 5C** – Exposure trend factors
 - d. **Exhibit 5D** – Excess loss factors – We included a few different scenarios for the number of years relied on for purposed of selecting the long-term provision for excess losses (also included is an excel file to review scenarios).
6. Report of Staff and Counsel
7. Adjournment

AM: ko

PRS-20-2

4/23/2020

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD APRIL 29, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Modern Home Ins Co
Farmers Insurance Exchange
Foremost Insurance Company
Horace Mann Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Diana Matalka
Christopher Wolowski
Julie McAuliffe
Brad Melton
Sara Behrend
Roger Batdorff
Julie Cruice
Lois Cappellano
Matt Veibell

OTHERS PRESENT

Insurance Services Office

Milliman
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Stephen Conover
Paul Ericksen
Paul Anderson
Brian Beverly
Mickey Spivey*
Joanna Biliouris
Keri Johnson
Andy Montano
Rebecca Williams

*Attended a portion of the meeting

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Homeowners and Dwelling Rate Reviews

Mr. Montano opened discussion, advising that the goal of the meeting was to select trends for the homeowners and dwelling rate reviews. He advised that, as a result of previous discussions and feedback, Insurance Services Office has developed an alternative loss trend option for the Subcommittee to consider in this year's rate review and that the alternative approach involves selecting loss trends separately for the historical and prospective time periods.

Attention was then directed to exhibits prepared by Insurance Services Office (ISO) and previously distributed with the agenda with respect to homeowners trend selections. Mr. Conover and Mr. Ericksen reviewed the exhibits for premium, loss, and expense trends.

The Subcommittee discussed and made selections for homeowners premium trend and expense trend. The Subcommittee then discussed the loss trend exhibits for the usual methodology and the alternative methodology. Mr. Ericksen noted that this year's property reviews did not include any 2020 experience, since the data is not available at this time, and therefore did not reflect the impacts of the Covid-19 pandemic. The Subcommittee agreed to discuss Covid-19 potential impact when the data is available. It was noted that any change in rates as a result of this review would likely be effective in late 2021 and 2022. Following individual analysis and discussion, the Subcommittee made homeowners loss trend selections using the new methodology.

Mr. Conover and Mr. Ericksen then presented the various trend exhibits for the dwelling rate review. The Subcommittee discussed and made selections for dwelling premium trend and agreed to select the same expense trend as for homeowners. For loss trend, the Subcommittee focused its attention on the exhibits for the new methodology, and Mr. Ericksen described those exhibits and the differences from homeowners exhibits. It was noted that, as with homeowners, the loss trends would be applied to the non-hurricane losses. Following individual analysis and discussion, the Subcommittee made dwelling loss trend selections using the new methodology.

Attention was then directed to Exhibits 4C and 5C on exposure trends. Mr. Ericksen reviewed the data and noted that the selected trends would be used just for the prospective trend of exposures. It was also noted that exposure trends should be greater than the premium trends selected earlier. Following discussion, the Subcommittee made exposure trend selections for both homeowners and dwelling.

Ms. Williams then opened discussion regarding the excess wind procedure, advising that the Subcommittee previously considered shortening the time period used in the calculations. Mr. Conover described the historical data for both homeowners and dwelling and the manner it has been used in the past. Mr. Ericksen advised the committee that he has often seen and used 20 years for the excess wind procedure. It was noted that the last mobile home filing had used 15 years, as that was all that was available for mobile home, and also that the Bureau had a history of using all the years available for homeowners and dwelling, which was now up to 63 years. Following discussion, the Subcommittee selected 30 years as a balance and a conservative selection for use in the excess wind calculations.

Ms. Williams then presented a compilation of all the trend selections by the Subcommittee for the homeowners rate review. A motion was seconded and passed to adopt the homeowners trend selections as compiled and presented.

Ms. Williams then presented a similar compilation of all the trend selections by the Subcommittee for the dwelling rate review. A motion was seconded and passed to adopt the dwelling trend selections as compiled and presented.

2. Report of Counsel and Staff

Mr. Spivey advised 1) the Commissioner of Insurance has recently extended an order that addresses items such as stays on proofs of loss and deferral of premium payment obligations and cancellations and non-renewals, under his authority as a result of the statewide state of disaster declared in response to the Covid-19 situation; 2) that the legislature has begun its short session; 3) that the Ha v. Nationwide case is now before

the Supreme Court and that the Rate Bureau has filed an amicus brief with respect to that case; and 4) that the Accardi decision on which counsel had previously reported has been affirmed by the North Carolina Supreme Court, confirming that depreciation on actual cash value claims includes depreciation of labor costs.

Mr. Montano advised 1) that the private flood program filed by the Bureau was recently settled and approved, and that the Rate Bureau is not yet aware of what companies are choosing to adopt it; 2) that an information only rate review was submitted by February 1, 2020 for voluntary private passenger auto business; and 3) that the Reinsurance Facility had recently submitted a rate filing for other than clean risks ceded to the Facility, with an effective date of October 1, 2020. Ms. Williams advised the Subcommittee of next steps for the homeowners and dwelling rate reviews, noting that the necessary information would be provided to Aon for it to run the catastrophe models. Ms. Williams further advised that the Subcommittee will hold future meetings to discuss the net cost of reinsurance and profit and to review the final indications resulting from the rate reviews.

3. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-2
May 11, 2020

Property Rating Subcommittee

Agenda

Date: July 10, 2020

Time: 10:00 AM (ET)

Virtual Meeting

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone:1-929-205-6099 Meeting ID: 864 408 3402#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. LAE Cat discussion – Information will be presented on the Homeowners and Dwelling LAE load for catastrophe losses for the committee’s consideration and decision (**Exhibit 4**).
5. Net Cost of Reinsurance – Information will be presented on the net cost of Reinsurance for Homeowners and Dwelling for the committee’s consideration and decision (**Exhibit 5**). (The exhibit for this agenda item will be sent separately on July 7, 2020 PM.)
6. Report of Staff and Counsel
7. Adjournment

AM: ko
PRS-20-3
7/6/20

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD JULY 10, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Ins Co of FL

American Modern Home Ins Co
Farmers Insurance Exchange
Horace Mann Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
United Services Automobile Association

OTHERS PRESENT

Insurance Services Office

Milliman
Aon

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Matthew Berry
Brian Gill*
Jason Powell
Diana Matalka
Pam Burrell
Chris Skorcz
Kathy Owsiany
Roger Batdorff
Julie Cruice
Matt Veibell

REPRESENTED BY

Stephen Conover
Paul Ericksen
Jared Smollik
Paul Anderson
Amy Bush*
Steve Fiete
Katie Shukla
Veronica Van Dyke
George Zanjani
Brian Beverly
Mickey Spivey
Joanna Biliouris
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

*Partial attendance

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Catastrophe LAE Discussion

Ms. Williams opened discussion, advising that the Subcommittee needs to make a selection for the loss adjustment expense (LAE) load for catastrophe losses as part of the homeowners and dwelling rate reviews.

Attention was then directed to exhibits prepared by Aon and previously distributed with the agenda regarding the catastrophe LAE selection. Mr. Fiete reviewed the exhibit in detail, advising that Aon made an initial selection of 6%, which is no change from the prior rate reviews.

After discussion, the Subcommittee agreed to select 6% for the catastrophe LAE load for both the homeowner and dwelling rate reviews.

2. Net Cost of Reinsurance

Mr. Berry and Ms. Williams opened discussion, noting the importance of the net cost of reinsurance (NCOR) component in the homeowner and dwelling rate reviews. Ms. Williams further advised that this meeting was only to review the methodology and that the exhibits reflecting the calculation of NCOR would be presented at the next meeting of the Subcommittee.

Attention was then directed to an exhibit prepared by Aon and previously distributed with the agenda regarding the methodology for NCOR. Mr. Fiete presented the exhibit in detail, reviewing the basic components of a typical reinsurance purchase, and he described the manner in which the attachment and exhaustion return periods are determined and the manner in which the pricing is determined. Mr. Fiete advised that a purchase is broken up into layers or tranches to optimize the reinsurance structure. Mr. Fiete further advised that Aon performed a nationwide analysis and a southeastern region analysis using each catastrophe model and took straight averages of the results. He also described how the reinsurance premium is determined and allocated, and he provided illustrative examples of various steps in the overall process of determining the net cost of reinsurance.

Following discussion, the Subcommittee agreed with the approach proposed by Aon for the net cost of reinsurance.

3. Compensation for Assessment Risk/Other Business

Ms. Williams opened discussion, advising that due to changes to the licensing agreements used by various catastrophe modelers, the Rate Bureau would be unable to get the usual level of detailed information from the Beach Plan for the current rate reviews. Ms. Williams advised that this would have an impact on the compensation for assessment risk component of the rates. Mr. Anderson then gave a brief overview of compensation for assessment risk and the methodology used to calculate the provision. Mr. Anderson then presented a new proposed approach taking the data that is publicly available and applying an exposure-based trend to make the calculation current. Mr. Anderson further advised that Milliman is on target to finish this analysis for the next meeting of the Subcommittee.

After discussion, staff was directed to provide more detailed information to the Subcommittee for further consideration in the next meeting.

4. Report of Counsel and Staff

Mr. Beverly advised 1) the Rate Bureau settled the private passenger auto filing with the Department of Insurance (Department) last year for +1.6% overall and a rate filing will not be made in 2020 per that settlement agreement; 2) that the previous homeowners filing

was for +17.4% and was settled for +4% to be effective May 1, 2020; 3) that the Rate Bureau rate filing for the MH(C) program was for +19%, which settled for +4.3%, and the rate filing for the MH(F) program was for +19.9%, which settled for +6.6%, both to be effective June 1, 2020; 4) that the rate filing for the dwelling program was for +19.2%, which settled at +4%, to be effective July 1, 2020; 5) that the private flood program is now in place.

Mr. Beverly further advised that 1) that the Department has created a task force comprised of Department staff and member companies, which has been unable to meet due to Covid-19; 2) that Ha v. Nationwide, which involves homeowner cancellation procedures, was argued in the Supreme Court no decision has been issued yet; 3) that Accardi v. Hartford, which involved a challenge regarding depreciation of labor in determining actual cash value, resulted in a favorable decision for the company; 4) that as a result of this decision, the committees are considering a definition of actual cash value to be added to the property lines policies; 5) that a state of emergency had been declared due to Covid-19 and that the Commissioner had issued an order regarding stays on proof of loss and allowing premium payment deferrals; and 6) that the Commissioner's order has expired and those restrictions have been lifted.

Mr. Montano advised that the Property Forms Subcommittee made a recommendation to the Property Committee regarding the definition of actual cash value. Mr. Montano further advised that several other topics are under consideration, some of which would be brought to this committee for consideration, including a rate for higher limits for Coverage B on the homeowner policy.

5. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-3
10/19/20

Property Rating Subcommittee

Agenda

Date: July 24, 2020

Time: 10:00 AM (ET)

Virtual Meeting

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone:1-929-205-6099 Meeting ID: 864 408 3402#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Net Cost of Reinsurance – Aon will review the Net Cost of Reinsurance provision (**Exhibit to be sent before the meeting**).
5. Compensation for Assessment Risk – Milliman will review Compensation for Assessment Risk provision (**Exhibit will be sent before the meeting**).
6. Profit – Mr. Zanjani will review an exhibit regarding the Profit provision.
7. Report of Staff and Counsel
8. Adjournment

AM: ko
PRS-20-4
7/17/2020

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD JULY 24, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Co of FL
American Modern Home Insurance Co
Farmers Insurance Exchange
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers Insurance Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Jason Powell
Natalie Kleinfelter
Pam Burrell
Roger Batdorff
Julie Cruice
Lois Capellano
Matt Veibell

OTHERS PRESENT

Insurance Services Office

Milliman
Aon

Consultant
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Stephen Conover
Paul Ericksen
Jared Smollik
Paul Anderson
Amy Bush
Steve Fiete
Veronica Van Dyke
George Zanjani
Brian Beverly
Mickey Spivey
Joanna Biliouris
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

*Partial attendance

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct that were previously distributed.

1. Net Cost of Reinsurance

Before the discussion of the net cost of reinsurance, Ms. Williams advised that there was a newly discovered issue with data received from NISS. Ms. Williams further advised that staff had learned that this data was primarily non-Rate Bureau activity and suggested that it be

excluded from the dwelling rate review. After discussion, the Subcommittee agreed to move forward with the suggested approach and to continue their work on the dwelling rate review at a future meeting.

Attention was then directed to an exhibit prepared by Aon and previously distributed with the agenda with respect to the net cost of reinsurance (NCOR) for homeowners. Mr. Fiete reviewed the exhibit in detail, reviewing the modeling options that had been previously selected and describing the reinsurance program attachment point, exhaustion point, and reinsurance layers that Aon recommended. He also described the resulting reinsurance costs under that recommended program, and he described the year-to-year changes as compared to the reinsurance program and resulting reinsurance costs from the Bureau's last homeowners filing.

After discussion, the Subcommittee agreed to move forward with the reinsurance program and NCOR analysis for the homeowners rate review as presented.

2. Compensation for Assessment Risk

Ms. Williams gave a brief recap of the Subcommittee's previous discussion of the issues presented by changes to the licensing agreements used by the catastrophe modelers and consequent proposed slight change to the methodology for the calculation of the compensation for assessment risk.

Attention was then directed to privileged and confidential materials regarding those issues and to an exhibit prepared by Milliman with respect to compensation for assessment risk, both previously distributed. Mr. Anderson reviewed all of these materials in detail, which included an overview of the prior analyses, the change to the methodology this year, and the results of the analysis this year. Mr. Anderson then fielded various questions from the Subcommittee.

After discussion, the Subcommittee agreed to proceed with the approach and analysis presented by Milliman for the compensation for assessment risk.

3. Profit

Dr. Zanjani opened discussion, giving an overview of the profit model, noting that it is rooted in an accounting approach. Dr. Zanjani further advised of several changes from the previous reviews, including a decrease in investment yields and a decrease in the target cost of equity provided by Dr. Vander Weide. He then presented arrays, for the homeowners and dwelling rate reviews, of potential underwriting profit provisions that generate returns on equity spanning the cost of equity range provided by Dr. Vander Weide. Dr. Zanjani then fielded various questions from the Subcommittee.

After discussion, the Subcommittee made an underwriting profit provision selection of 9% for the homeowners rate review and 8.5% for the dwelling fire and extended coverage rate reviews.

4. Report of Staff

Mr. Montano advised that several topics are being reviewed by the various property committees, including an editorial change to the minimum deductible on earthquake in the dwelling manual, and a change to clarify rating for golf carts in the homeowners manual. He also advised that the committees are considering language for a definition of actual cash value to be added to property policies.

5. Report of Counsel

No report at this time.

6. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-4
10/19/20

Property Rating Subcommittee

Agenda

Date: August 7, 2020

Time: 10:00 AM (ET)

Zoom Teleconference

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone: 1-929-205-6099 Meeting ID: 864 408 3402#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Homeowners and Dwelling Relativity factors - Construction
The Committee will be asked to review Construction Type and Age of Construction factors (**Exhibit 4**) for both the Homeowners and Dwelling programs.
5. Homeowners and Dwelling Deductible factors
The Committee will be asked to review the Homeowners and Dwelling Deductible relativities (**Exhibit to follow**).
6. Dwelling topics
 - a. The Committee will be asked to review the Dwelling Amount of Insurance (**Exhibit 5**).
 - b. The Committee will be asked to review the selected dwelling trends (**Exhibit to follow**).
7. Homeowner topics (**Exhibit 6**)
 - a. The Committee will be asked to review changing the base Coverage A amount for Condominiums (Form HO 6) to \$5,000 and to determine whether optional coverage amounts (\$1,000, etc) should be offered.
 - b. The Committee will be asked to review the proposed rating methodology for the blanket Coverage B endorsement.
 - c. The Committee will also be asked to review rating methodology for the Fortified roof endorsement.

8. Other Business

9. Report of Staff and Counsel

10. Adjournment

AM: ko

PRS-20-5

8/3/20

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD AUGUST 7, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Co of FL
American Modern Home Insurance Co

Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers Insurance Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Brian Gill
Natalie Kleinfelter
Diana Matalka
Sara Behrend
Roger Batdorff
Julie Cruice
Lois Capellano
Matt Veibell

OTHERS PRESENT

Insurance Services Office

Milliman
Young, Moore and Henderson, P.A.

Staff

REPRESENTED BY

Stephen Conover
Paul Ericksen
Jared Smollik *
Paul Anderson
Brian Beverly
Mickey Spivey
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

*Partial attendance

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct, which were previously distributed.

1. Homeowners and Dwelling Relativity Construction Factors

Attention was directed to an exhibit prepared by ISO (Insurance Services Office) and previously distributed with the agenda with respect to homeowners and dwelling construction factors. Mr. Conover reviewed the exhibit in detail, giving a brief background on the construction groups that are currently being used, and the components of these groups. Mr. Conover advised that the Subcommittee requested a review of construction relativities to determine if masonry veneer should be rated the same as frame construction. Mr. Conover continued his review of the exhibits, which included an analysis for both homeowners and dwelling, and advised that the results of the analysis did not give a clear indication that the factor for masonry veneer should be changed. The

Subcommittee discussed, and agreed to leave the type of construction factors unchanged.

Mr. Conover then reviewed the exhibits for the Age of Construction relativity analysis. He noted that the homeowners program currently has credit factors for age of construction up to age 6, and he noted that age of construction factors had been proposed for both dwelling and mobile homes in last year's filings but that those had not been approved in the settlement of those filings. Mr. Conover reviewed the methodology for the analysis, which included five years of data through 2018. Mr. Conover then reviewed various discounts and their overall impacts for both homeowners and dwelling.

After discussion, the Subcommittee recommended a uniform discount factor of 1.5% with a base age of construction of 15 years for homeowners. For the dwelling program, the Subcommittee elected to move forward with a discount factor of 1.0% for both fire and extended coverage, also using a base age of construction of 15 years.

2. Homeowners and Dwelling Deductible Factors

Attention was directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to the homeowners and dwelling deductible factors. Mr. Conover reviewed the exhibits in detail. Mr. Conover indicated that deductibles were updated for the Dwelling program in 2016, but no updates have been made in the homeowners program for more than 20 years. Mr. Conover then reviewed the methodology for both modeled and non-modeled perils. Based on Subcommittee discussion, an approach to minimize the impact to the market was requested. The Subcommittee further requested that ISO provide additional deductible options and additional amount of insurance brackets for Homeowners, but not to change the factors underlying the current deductible relativities. In the Dwelling program, the Subcommittee requested a similar approach.

3. Dwelling Amount of Insurance Relativity

Attention was directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to the amount of insurance (AOI) relativity for dwelling. ISO advised that the AOI changes were included as part of last year's filing, but those changes were not approved as a part of the settlement agreement for that filing. Mr. Conover reviewed the exhibit in detail, stating that the AOI was rebased to \$100,000. Mr. Conover then reviewed the minimum and maximum impacts that would result from the proposed changes. The Subcommittee discussed and agreed that they would not pursue these changes so as to avoid too much disruption to the market.

4. Adjournment

Due to time constraints, the Subcommittee agreed to discuss the additional topics on the agenda at a future meeting. The meeting was then adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-5
10/19/20

Property Rating Subcommittee

Agenda

Date: August 21, 2020

Time: 10:00 AM (ET)

Zoom Teleconference

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/7195708522>

Meeting ID: 719 570 8522

Teleconference Phone:1-929-205-6099 Meeting ID: 719 570 8522#

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements
(Exhibits 1, 2, 3)
4. Review Dwelling Assumptions
 - a. Trends **(Exhibit 4)**

ISO will present an exhibit with respect to dwelling trends. The Subcommittee will be asked to make selections on the above trends for the dwelling rate indications.
 - b. Net Cost of Reinsurance for Dwelling **(Exhibit 5)**

Aon will present an exhibit regarding the Net Cost of Reinsurance for dwelling. The Subcommittee will be asked to make a selection for Net Cost of Reinsurance for the dwelling rate indications.
 - c. Expense Selections **(Exhibit 6)**

ISO will present and exhibit with respect to expenses. The Subcommittee will be asked to make an expense selection for the dwelling rate indications.
 - d. Dividends **(Exhibit 7)**

ISO will present an exhibit with respect to dividends. The Subcommittee will be asked to make a selection for dividends for the dwelling rate indications.
 - e. Deviations **(Exhibit 8)**

ISO will present an exhibit with respect to deviations. The Subcommittee will be asked to make a selection for deviations for the dwelling rate indications.

5. Review Homeowners assumptions and Indications
 - a. Expense Selections (**Exhibit 9**)

ISO will present an exhibit with respect to expenses. The Subcommittee will be asked to make an expense selection for the homeowners rate indications.
 - b. Dividends (**Exhibit 10**)

ISO will present an exhibit with respect to dividends. The Subcommittee will be asked to make a selection for dividends for the homeowners rate indications.
 - c. Deviations (**Exhibit 11**)

ISO will present an exhibit with respect to deviations. The Subcommittee will be asked to make a selection for deviations for the homeowners rate indications.
 - d. Overall Rate Level change (**Exhibit 12, Exhibit 13**)

ISO will present exhibit for the overall rate level change. The Subcommittee will be asked to make a recommendation to the Property Committee on the rate level change.
6. Homeowners – Miscellaneous Items (**Exhibit 14**)
 - a. Rebase Condominiums

The Subcommittee will be asked to review changing the base Coverage A amount for Condominiums (Form HO 6) to \$5,000 and to determine whether optional coverage amounts (\$1,000, etc) should be offered. The Subcommittee will be asked to make a recommendation to the Property Committee on these items.
 - b. Blanket Coverage B endorsement

The Subcommittee will be asked to review the proposed rating methodology for the blanket Coverage B endorsement and make a recommendation to the Property Committee on this endorsement.
7. Other Business
8. Report of Staff and Counsel
9. Adjournment

AM: ko
PRS-20-6
8/17/20

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD AUGUST 21, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Co of FL
American Modern Home Insurance Co
Horace Mann Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers Insurance Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Brian Gill
Diana Matalka
Chris Skorcz
Roger Batdorff
Julie Cruice
Lois Capellano
Andie Fullerton

OTHERS PRESENT

Aon

Insurance Services Office

Milliman
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Amy Bush
Steve Fiete
Stephen Conover
Paul Ericksen
Paul Anderson
Brian Beverly
Mickey Spivey
Joanna Billiouris*
Keri Johnson
Rebecca Williams

*Partial attendance

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Review of Dwelling Assumptions

Ms. Williams opened discussion with a brief summary of the Subcommittee's continued review of the dwelling rate level indications and advised that this meeting was to finalize the trend selections for the dwelling rate review, with the plan being to review the rate level indications at the next meeting.

Mr. Conover noted that the dwelling trend exhibits had been re-run with the change in the data. He further noted that the new exhibits were not included in the package, and he reviewed the new exhibits in detail on screen and fielded various questions from the Subcommittee. After discussion, the Subcommittee selected loss and premium trends

fordwelling fire and extended coverage and decided to stay with the exposure trends that had been previously selected.

Attention was then directed to an exhibit prepared by Aon and previously submitted with the agenda with respect to the net cost of reinsurance. Mr. Fiete reviewed the exhibit in detail, giving a summary of the proposed reinsurance structure, including the proposed attachment and exhaustion points and the proposed treaty layers, and the analysis of the cost of reinsurance. Mr. Fiete also reviewed the year over year changes from the analysis in the previous review. After discussion, the Subcommittee agreed to proceed with the recommended reinsurance program and the analysis of the net cost of reinsurance as presented.

Attention was then directed to exhibits prepared by ISO and previously distributed with the agenda regarding expenses, dividends, deviations and contingencies for dwelling fire and extended coverage. Ms. Williams reviewed the exhibits in detail, advising that the data presented is compiled from the Rate Bureau annual data calls and includes 2019 expense experience. The Subcommittee requested additional detail on the general and other acquisition expenses, noting the large increase in 2019. After discussion, the Subcommittee made selections for expenses, dividends, deviations and contingencies, subject to change after further review of the fixed expense data. It was agreed that the 1% provision selected for contingencies would apply also to the homeowner review. In response to a question related to one of the filing requirements, the Subcommittee discussed how long member companies would need to implement a rate change if the effective date were to be changed.

2. Review of Homeowners Assumptions and Indications

Attention was directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to the homeowners expenses, dividends, and deviations. Mr. Conover reviewed the exhibits in detail, noting small revisions in the underlying data which had very small impacts. After discussion, the Subcommittee selected the indicated ratios for expenses and also made selections for dividends and deviations. Mr. Conover continued his overview of the rate level review and summary of the previous rate filing. Mr. Conover then reviewed the assumption changes used in the 2020 review, and specifically noted limiting the experience period to 30 years for the excess wind procedure and the revised loss trend procedure. Mr. Conover further advised that modeled losses are no longer trended, because exposures are trended as an input to the model. Mr. Conover then provided a summary of owners statewide indications, noting that the primary drivers of the changes in indications were the increase in loss trend, the change in the excess procedure which resulted in fewer wind losses being removed, and the slight decreases in modeled losses and net cost of reinsurance. Mr. Conover continued his review with statewide indications for tenants and condos, noting that the primary drivers of the changes in indications were the increase in loss trend and the increase in fixed expenses for tenants and the worsening experience for condos. Mr. Conover also reviewed the territory indications, noting the different distribution of changes to the territories. After discussion, the Subcommittee requested that staff work with ISO to provide additional detail on the changes by territory for further consideration at the next meeting.

3. Homeowners Miscellaneous Items

Attention was directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to miscellaneous homeowners items. Mr. Conover reviewed the exhibits related to the optional endorsement for increasing the limits for Coverage B without

having to schedule specific structures, along with the corresponding manual rule. After discussion, the Subcommittee agreed to move forward with the changes as presented.

Mr. Conover continued his review, advising that the Subcommittee had requested more information for consideration of rebasing the base limit for Coverage A on Condo forms. Mr. Conover reviewed the exhibit in detail and fielded various questions from the Subcommittee regarding the possible changes. After discussion, the Subcommittee agreed not to move forward with rebasing the base limit at this time.

4. Report of Staff and Counsel

Ms. Williams reported that the organizations continue to work remotely, that the office would not be repopulating until 2021, and that all meetings will remain virtual until at least that time.

Mr. Spivey provided an update on the Ha v. Nationwide case, which addresses processes surrounding notice of cancellation of homeowners policies and the “mailbox rule.” He noted that the Rate Bureau had submitted an amicus brief in the appeal to the North Carolina Supreme Court, that the Supreme Court had recently vacated the Court of Appeals decision and remanded the case back to the Court of Appeals for further review, and that the ruling was a win for the industry.

5. Adjournment

There being no other business, the meeting was then adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-6
10/19/20

Property Rating Subcommittee

Agenda

Date: September 4, 2020

Time: 10:00 AM (ET)

Zoom Teleconference

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone:1-929-205-6099 Meeting ID: 864 408 3402 #

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Review Homeowners Rate Level Indication (**Exhibit 4**) and the following supporting exhibits:
 - a. Supporting Review Package (**Exhibit 4a**)
 - b. Overview of Territory Changes (**Exhibit 4b**)
 - c. Territory Reconciliation (**Exhibit 4c**)
 - d. Impact of Excess Wind (**Exhibit 4d**)
 - e. Updated Excess Procedure (**Exhibit 4e**)

The Subcommittee will be asked to make a recommendation on the homeowners rate review to the Property Committee.

5. Review Dwelling Rate Level Indication (**Exhibit 5**) and the following supporting exhibits:
 - a. Supporting Review Package (**Exhibit 5a**)
 - b. Reconciliation Current vs Prior (**Exhibit 5b**)

The Subcommittee will be asked to make a recommendation on the dwelling rate review to the Property Committee.

6. Review Additional Deductible Options **(Exhibit 6)**

- a. Homeowners
- b. Dwelling

The Subcommittee will be asked to select additional deductible options for recommendation to the Property Committee for homeowners and dwelling.

7. Mobile Home Exposure Trend **(Exhibit 7)**

The Subcommittee will be asked to select the exposure trend for the mobile home rate reviews.

8. Other Business

9. Report of Staff and Counsel

10. Adjournment

AM: ko

PRS-20-7 Agenda

9/1/2020

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD SEPTEMBER 4, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Co of FL
American Modern Home Insurance Co
Horace Mann Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers Insurance Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Brian Gill
Diana Matalka
Chris Skorcz
Kathy Owsiany
Roger Batdorff
Julie Cruice
Lois Capellano
Matt Veibell*

OTHERS PRESENT

Insurance Services Office

Milliman

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Stephen Conover
Paul Ericksen
Paul Anderson
Eric Krafcheck
Brian Beverly
Mickey Spivey
Joanna Billiouris
Keri Johnson
Andy Montano
Rebecca Williams

*Partial attendance

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct, which were previously distributed.

1. Review of Homeowners Rate Level Indication

Ms. Williams opened discussion with a brief summary of the Subcommittee's continued review of the homeowners rate level indications. She noted the differences in the territory indications from those in the previous filing and the primary drivers of those differences. She also noted that Rate Bureau staff has worked with Insurance Services Office (ISO) to provide some additional materials on these differences for the Subcommittee's review.

Attention was then directed to exhibits prepared by Insurance Services Office and previously distributed with the agenda regarding the homeowners rate review. Mr. Conover provided a brief summary of the exhibits, which included an overall summary of the rate review, indications for owners, tenants and condos, and an exhibit for age of construction, which included the cap on credits at 15 years and the 1.5% discount factor that was previously agreed upon by the Subcommittee, and he described the changes from the prior homeowners indications package. Mr. Conover also reviewed the territory indications, noting a shift in pattern, with increased indications for inland territories and decreases for the beach and coast territories. Mr. Conover then reviewed the reasons for the shift, which included among other things the worsening experience in some territories, the change to the excess wind procedure, the changes in loss trend, and the changes in application of LAE. Finally, Mr. Conover reviewed the territory reconciliation exhibits. Mr. Spivey reported on discussions with the Bureau consultants regarding the provisions for profit, net cost of reinsurance, and compensation for assessment risk in the rate review and the fact that these have been contentious issues in past filings.

After discussion, a motion was seconded and carried to recommend to the Property Committee the homeowners indications as presented.

2. Review of Dwelling Rate Level Indication

Attention was directed to an exhibit prepared by ISO and previously distributed with the agenda with respect to the dwelling rate level indications. Mr. Conover reviewed the exhibit in detail, which included a summary of the 2019 dwelling filing and a comparison of the current selections to those in the previous dwelling filing. Ms. Williams advised that staff had performed more review on the expense ratios and found that there was a single company that reported large general expenses due to start-up costs. Mr. Conover then went over exhibits for expenses, dividends, profits and contingencies, along with exhibits for the statewide indications for dwelling fire and dwelling extended coverage. Mr. Conover noted that removing the NISS data from the rate review did not make a noticeable impact to fire but did change the extended coverage indication. Mr. Conover gave a summary of the statewide indications, advising that there was worse than average experience in 2018 and that there is a sizeable increase in loss trend. Finally, Mr. Conover reviewed an exhibit for the indicated territory rate level changes.

After discussion, the Subcommittee agreed to remove the company with the large startup expenses from the expense analysis, and requested that staff provide the updates to the Subcommittee. Then, a motion was seconded and carried to recommend the dwelling indications, based on the update of the adjusted expense ratios, to the Property Committee.

3. Review of Additional Deductible Options

Ms. Williams opened the discussion, advising that the Subcommittee previously directed staff and ISO to develop additional deductible options for the homeowners and dwelling programs for their review. Attention was directed to an exhibit prepared by ISO and previously distributed with the agenda regarding additional deductible options for homeowners and dwelling. Ms. Williams reviewed the exhibits in detail, noting that additional options were offered for all perils, wind, and named storm deductibles for homeowners. Ms. Williams noted that the potential additional options for the all perils deductibles included additional dollar deductibles, along with a 1% deductible. On the higher wind deductibles, she noted that the potential additional options included additional dollar and percentage options. Ms. Williams continued her review with an exhibit for the amount of insurance groups, noting that

the potential additional options just subdivided the current top group and advising that these would add columns to the deductible table. Ms. Williams then described the similar deductible options for tenants and condos. Finally, Ms. Williams reviewed the potential additional deductible options for dwelling fire and dwelling extended coverage, noting that the exhibit showed mostly the same options taking a similar approach to homeowners. After discussion, there was a consensus on which additional deductibles to include for the homeowners and dwelling programs. Ms. Williams advised that staff would come back to the Subcommittee with the final tables, to include proposed factors, in early October. She also noted that the changes to the AOI groupings and the other deductible changes would be made in a separate filing and would have no rate level impact.

4. Mobile Home Exposure Trend

Ms. Williams opened discussion, advising that the Subcommittee would review the exposure trends for mobile home, and that their selections would be sent to the Mobile Home Subcommittee for review.

Attention was then directed to an exhibit prepared by Milliman and previously distributed with the agenda with respect to the mobile home exposure trends. Mr. Anderson reviewed the exhibit in detail, noting the changes to the data collection procedure in this review. Mr. Anderson advised that Milliman will provide additional summary detail at a future meeting, but the exposure trends need to be selected in order for Aon to run the catastrophe models. Mr. Anderson then reviewed exhibits pertaining to MH(F) and MH(C) exposure trends. After discussion, there was a consensus to select the six year exposure trends for MH(C) for all coverages and MH(F) for the Owners forms, and the two year trends for MH(F) for the Tenants forms.

5. Report of Staff and Counsel

There was no report.

6. Adjournment

There being no other business, the meeting was then adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-7
10/19/20



Property Rating Subcommittee

Agenda

Date: October 28, 2020

Time: 10:00 AM (ET)

Zoom Teleconference

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Meeting ID: 864 408 3402

Teleconference Phone:1-929-205-6099 Meeting ID: 864 408 3402 #

1. *Welcome*
2. *Roll Call*
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. *Minutes Revision (Exhibit 4)*. Staff will present a proposed amendment on the minutes for the 9-24-20 meeting of the Subcommittee.

The Subcommittee will be asked approve the proposed change to the minutes.
5. *Reserve Strengthening and Expense Cutting Letters (Exhibit 5)*. Staff will present these letters from the top 10 Homeowners writers.

The Subcommittee will be asked to review the letters presented and take action if needed.
6. *Deductible Options for Homeowners and Dwelling (Exhibit 6)*. ISO will present additional deductible options for the homeowners and dwelling programs.

The Subcommittee will be asked to make a recommendation to the Property Committee on the additional deductible options.
7. *Mobile Home Trend Selections (Exhibit 7)*. Staff will present the mobile home trend selections previously made by the Mobile Home Subcommittee.

The Subcommittee will be asked to review and confirm the proposed trend selections.

8. *Mandatory Evacuation Coverage (Exhibit 8)* ISO will present the endorsement, rule and rates for this coverage.

The Subcommittee will be asked to make a recommendation to the Property Committee on this coverage.

9. *Fortified Roof (Exhibit 9)* ISO will present the rating methodology for Fortified Roof along with the endorsement and the rule. Note, the endorsement and rule information will be sent in a separate email.

The Subcommittee will be asked to make a recommendation to the Property Committee on this coverage.

10. *Other Business*

11. *Report of Staff and Counsel*

12. *Adjournment*

AM: ko
PRS-20-8
10/21/20

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD OCTOBER 28, 2020

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Ins Co of FL
American Modern Home Ins Co
Foremost Insurance Company
Farmers Insurance Exchange

Horace Mann Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers Insurance Company
United Services Automobile Association

OTHERS PRESENT

Insurance Services Office

Milliman
Young Moore and Henderson, P.A.
Staff

*Partial attendance

The meeting commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Minutes Revision

Ms. Williams advised that a minor correction was needed to the meeting minutes for the Subcommittee meeting on September 24, 2020. Ms. Williams advised that the revision would clarify that the deductible changes being discussed would be submitted in filings separate from the rate filings.

REPRESENTED BY

Matthew Berry
Brian Gill
Diana Matalka
Julie McAuliffe
Pam Burrell
Christopher Wolowski
Chris Skorcz
Sara Behrend*
Roger Batdorff
Julie Cruice
Lois Cappellano
Matt Veibell

REPRESENTED BY

Stephen Conover
Chuck Schlager
Isaac Wash
Paul Ericksen
Paul Anderson
Brian Beverly
Joanna Biliouris
Keri Johnson
Andy Montano
Rebecca Williams

After discussion, a motion was seconded and passed to accept the proposed revision to the minutes as presented.

2. Reserve Strengthening and Expense Cutting Letters

Ms. Williams opened discussion, advising that the Subcommittee reviews the reserve strengthening and expense cutting letters provided by the top ten homeowners writers in the state. Ms. Williams further advised that the letters are a regulatory requirement and are included in the homeowners rate filing.

After review and discussion, including discussion of the information provided in the letter from Erie Insurance Group, the Subcommittee agreed that there were no needed adjustments to the homeowners filing based on the letters.

3. Deductible Options for Homeowners and Dwelling

Attention was directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda with regard to additional deductible options for the homeowners and dwelling program. Mr. Conover advised that the Subcommittee requested to review the relativities for additional options and also requested that the options be tempered to limit disruption in the marketplace. Mr. Conover then reviewed the exhibit in detail, noting the proposed additional options, and fielded various questions from the Subcommittee.

After review, the Subcommittee found that there were no concerns with the options as presented.

4. Mobile Home Trend Selections

Ms. Williams opened the discussion, noting that this Subcommittee reviewed the full package in the past. However, this year, the newly formed Mobile Home Subcommittee reviewed the full package and made selections to be recommended to this Subcommittee for review. Attention was then directed to exhibits prepared by ISO and Rate Bureau staff and previously distributed with the agenda with regard to the mobile home trend selections. Ms. Williams reviewed the selections, advising that they are based on the usual historical and prospective trend methodology. Ms. Williams further advised that the Mobile Home Subcommittee still needs to review the model outputs, along with the net cost of reinsurance, profit, and compensation for assessment risk components.

After discussion, a motion was seconded and passed to accept the trend selections for mobile home as presented.

5. Mandatory Evacuation Coverage

Mr. Montano opened discussion, advising that the Property Committee asked this Subcommittee to develop and review rates for Mandatory Evacuation Coverage. Attention was then directed to an exhibit prepared by ISO and previously submitted with the agenda that included the draft rule, rate and endorsement for optional Mandatory Evacuation Coverage. Mr. Schlager reviewed the exhibit in detail and fielded questions from the Subcommittee. Mr. Conover then advised the Subcommittee on the approach and underlying assumptions used for pricing. The Subcommittee then considered various components of the coverage endorsement and considered pricing on extending the coverage from 7 days to 10 days.

After discussion, the Subcommittee made a number of suggested changes to the coverage endorsement, which would be sent to the Property Forms Subcommittee for further review. In addition, a motion was seconded and passed to accept the pricing for the coverage, which included an extension of coverage to 10 days rather than 7.

6. Fortified Roof Coverage

Mr. Montano opened discussion, advising that the Property Committee asked this Subcommittee to develop and review rates for Fortified Roof. Attention was then directed to an exhibit prepared by ISO and previously distributed with respect to the draft rule, rate and endorsement for the optional Fortified Roof Coverage. Mr. Conover reviewed the exhibit in detail with respect to pricing, advising that Coverage A was based on data from an ISO countrywide study ranging from 2009 to 2018 and that roof losses came from Verisk Xactware data and sample estimates given to them by the Insurance Institute for Business and Home Safety (IBHS).

After discussion, a motion was seconded and passed to recommend the pricing to the Property Committee as presented.

7. Report of Staff and Counsel

Mr. Montano reported that Rate Bureau staff recently met with Department of Insurance representatives to preview the homeowners and dwelling rate filings and that these filings are expected to be submitted later this year. Ms. Williams advised that a meeting of this Subcommittee to review the full mobile home indication and rate review would be scheduled in early December of this year.

Mr. Beverly advised that the industry received a favorable ruling in the Ha v. Nationwide case, which has now gone back to the Court of Appeals for further review. Counsel will monitor the filing and keep the Subcommittee apprised of any developments.

8. Adjournment

There being no other business, the meeting was then adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-20-8
11/9/20

Rate Bureau payments to consultants with respect to the current and previous filings:

2020 Homeowners Rate Filing

Insurance Services Office: \$479,988

Young Moore and Henderson, P.A.: \$46,000

Milliman USA: \$76,099

Aon: \$50,000

Financial Strategy Associates: \$3,450

George Zanjani: \$4,568

2018 Homeowners Rate Filing

Insurance Services Office: \$800,878

Young Moore and Henderson, P.A.: \$595,126

Milliman USA: \$220,239

Aon: \$275,000

Financial Strategy Associates: \$12,488

Other: \$34,850

The following are changes in methodology or presentation used in this filing as compared to the methodologies or presentation used in the December 20, 2018 filing:

1. In this filing, the exposures that were used in the hurricane model runs were first trended to the period the rates will be in effect (i.e., six months beyond the assumed effective date of 8/1/2021). No trend was applied to the modeled hurricane losses. In the previous filing, trend was applied to the modeled losses and not the exposures.
2. In this filing, historical and prospective annual loss trends were selected to trend the losses to the period the rates will be in effect (i.e., one year beyond the assumed effective date). In previous filings, this was accomplished using Current Cost Factors and Loss Projection Factors based on external indices and Loss Trend Adjustment Factors reflecting the differences between the historical experience and the external indices.
3. In this filing, the number of years used in the excess wind procedure was reduced to 30 years in order to be more responsive to the more recent loss experience for the various types of non-hurricane wind storms and hail storms. In the previous filing, 61 years of loss experience, which was all of the available experience, was used.
4. In this filing, for the rate level calculations by territory, the Non-Hurricane Base Class Loss Costs by territory were trended to the period the rates will be in effect and loaded for LAE in order to match the Modeled Hurricane Base Class Loss Costs. In the rate level calculation by territory in the previous filing, the Non-Hurricane Base Class Loss Costs were trended to the latest year of the review, the Modeled Hurricane Base Class Loss Costs were not trended, and neither loss costs were loaded for LAE. In both filings, trend and LAE are reflected in the Indicated Base Class Loss Costs by territory (Column (9) on pages C-7, C-9, and C-11) by distributing the Indicated Statewide Base Class Loss Cost (which is trended and loaded for LAE) to each territory.
5. In this filing, the projected Beach and FAIR Plan hurricane losses used in the Compensation for Assessment Risk analysis were determined by using the Beach and FAIR Plans' modeled losses for the previous storm season (the 2019 storm season) and adjusting those losses to the 2020 storm season based on the impact of changes in the underlying exposures and the hurricane models, because the modeled losses for the 2020 storm season were not available. In the previous filing, the modeled losses for the then-current storm season were available and were used.
6. In this filing, the proforma profit analysis reflects investment income on reinsurance balances. In the previous filing, this adjustment was not included.

See also the prefiled testimony of P. Anderson, M. Berry, P. Ericksen, S. Fiete, M. Mao, and G. Zanjani.

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION F - REVISED RATING FACTORS

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NORTH CAROLINA
HOMEOWNERS INSURANCE
OVERVIEW

This filing proposes expanded Age of Construction rating factors for the Owners forms. The proposed relativities are being implemented on a revenue-neutral basis through the application of territorial off-balance factors.

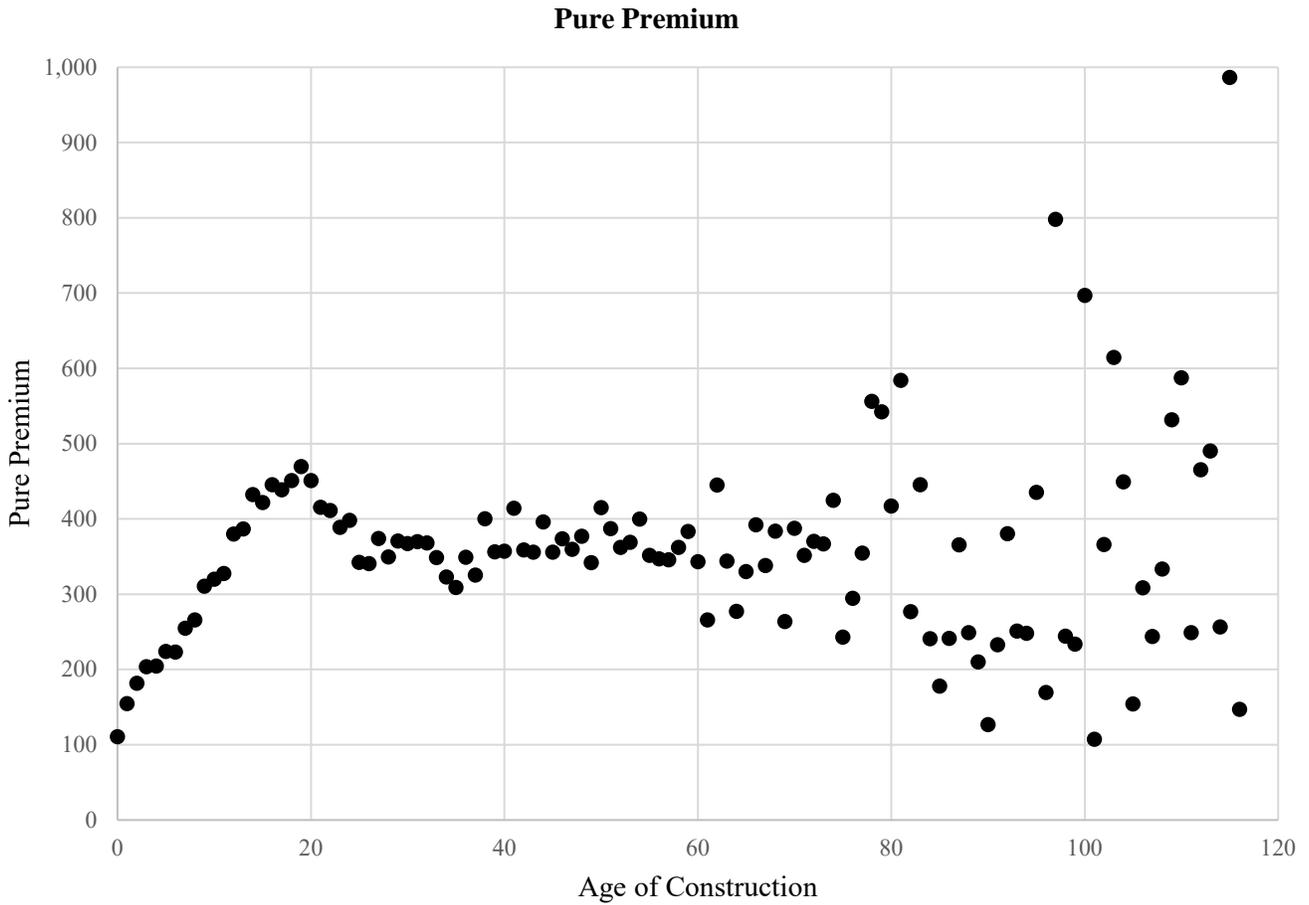
Data Used

The Age of Construction rating factor analysis is based upon five accident years of North Carolina data ending 12/31/2018. Only data reported to Insurance Services Office (ISO) and Independent Statistical Services (ISS) was used in the analysis. Data reported to National Independent Statistical Services (NISS) was excluded because the loss records lacked sufficient detail. Data reported under the "pre-1960" statistical plan code was also removed.

NORTH CAROLINA
HOMEOWNERS INSURANCE
AGE OF CONSTRUCTION ANALYSIS

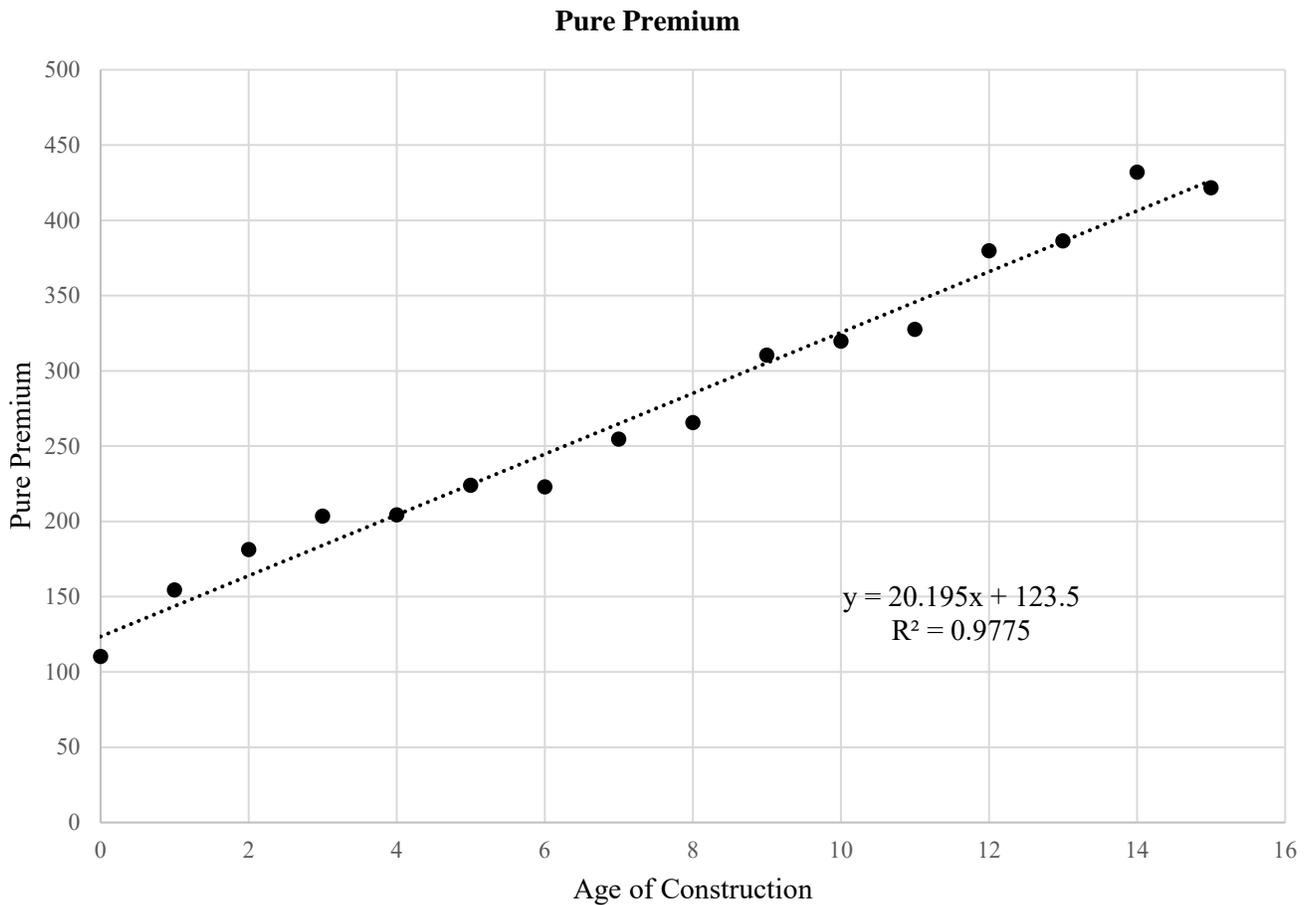
Methodology

The indicated Age of Construction rating factors are the result of applying a one-way pure premium methodology to the five years of North Carolina experience ending 12/31/2018. The reported losses used were developed to ultimate and adjusted to the base value for all rating variables. Average pure premiums were then calculated by dividing the adjusted losses by earned house years:



NORTH CAROLINA
HOMEOWNERS INSURANCE
AGE OF CONSTRUCTION ANALYSIS

Next, the cutoff age for receiving a credit was selected such that the pure premium at the cutoff age was roughly equal to average pure premium for all dwellings older than that age. Using this criterion, 15 years was selected to be the cutoff age for credits. Finally, the indicated relativities were calculated by fitting a straight line to the pure premiums from ages 0 to 15:



NORTH CAROLINA

HOMEOWNERS INSURANCE

AGE OF CONSTRUCTION ANALYSIS

The indicated Age of Construction relativities show significant credits for newer homes. In order to temper the impacts that the indicated changes would have on policyholders, the proposed factors were calculated by applying a constant discount factor of 1.5% for each year of decrement from the base age of 15 years:

| Proposed Age of Construction Rating Factors | | | |
|---|----------------|------------------|-----------------|
| Age of Construction | Current Factor | Indicated Factor | Proposed Factor |
| 0 | 0.820 | 0.290 | 0.797 |
| 1 | 0.850 | 0.337 | 0.809 |
| 2 | 0.880 | 0.384 | 0.822 |
| 3 | 0.910 | 0.432 | 0.834 |
| 4 | 0.940 | 0.479 | 0.847 |
| 5 | 0.970 | 0.526 | 0.860 |
| 6 | 1.000 | 0.574 | 0.873 |
| 7 | 1.000 | 0.621 | 0.886 |
| 8 | 1.000 | 0.668 | 0.900 |
| 9 | 1.000 | 0.716 | 0.913 |
| 10 | 1.000 | 0.763 | 0.927 |
| 11 | 1.000 | 0.811 | 0.941 |
| 12 | 1.000 | 0.858 | 0.956 |
| 13 | 1.000 | 0.905 | 0.970 |
| 14 | 1.000 | 0.953 | 0.985 |
| 15+ | 1.000 | 1.000 | 1.000 |

NORTH CAROLINA
HOMEOWNERS INSURANCE
OFF-BALANCE FACTORS

In order to implement the revised rating factors on a statewide (and territory) revenue-neutral basis, it is necessary to incorporate an "off-balance" factor in the calculation of the revised base class rates by territory.

The off-balance factor represents the rate level effect that would result if the revised factors were to be implemented without any adjustment to the current base class rates. Hence, by dividing out the off-balance factor in the calculation of the revised base class rates, the revised rating factors will have no effect on the average rate for all insureds. The off-balance factor by territory is calculated by re-rating the underlying policies using the revised factors and taking the ratio of the revised premium-at-present-rate to the original premium-at-present-rate.

The maximum decrease and increase for policyholders were also calculated by territory. These maximum changes reflect the revised factors as well as the application of the off-balance factor.

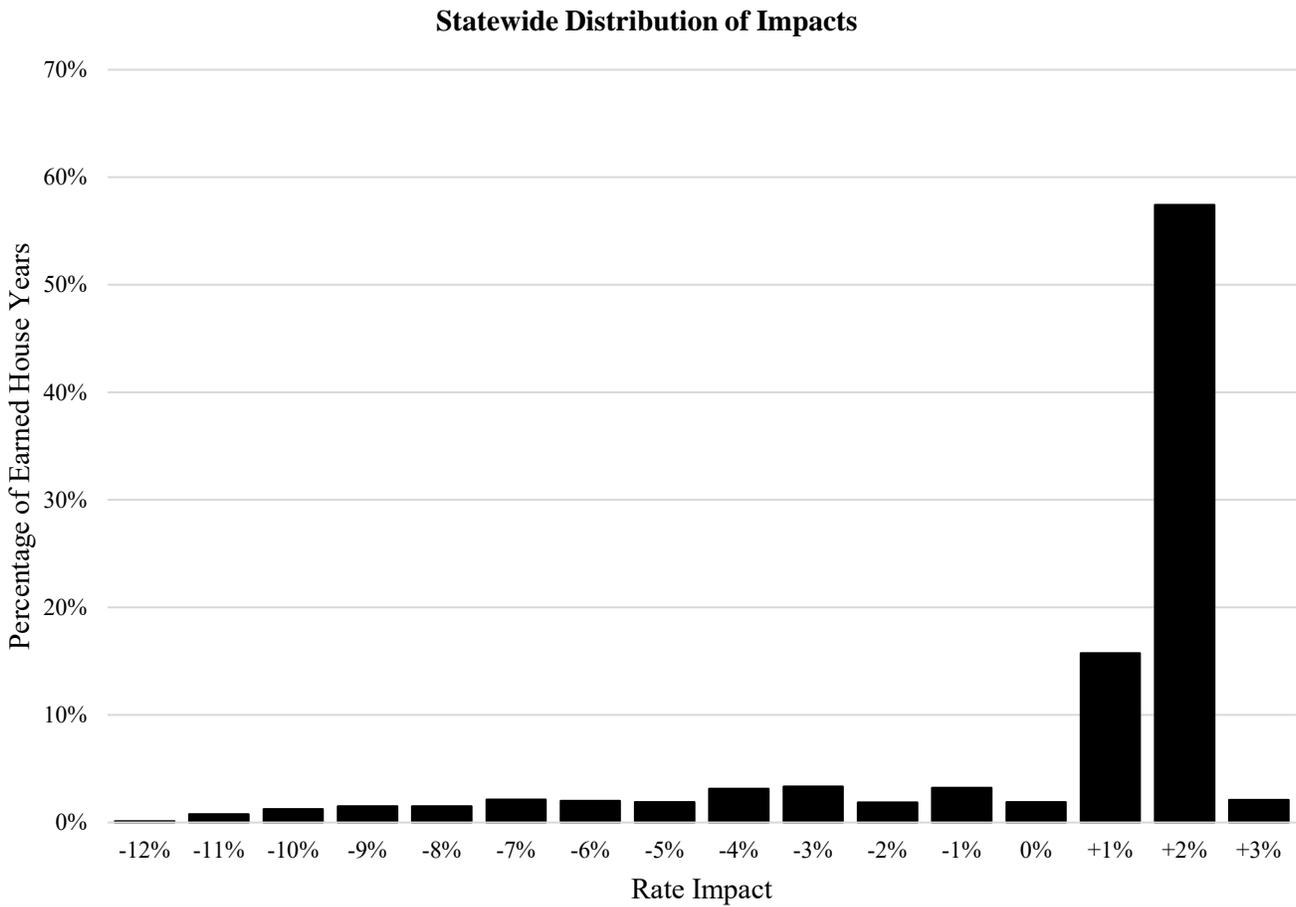
The data used in the calculation of the off-balance factors is based upon the combined accident year ending 12/31/2018 data of companies writing homeowners insurance in North Carolina and reporting their data to Insurance Services Office (ISO), Independent Statistical Service, Inc. (ISS), or National Independent Statistical Service (NISS).

NORTH CAROLINA
HOMEOWNERS INSURANCE
OFF-BALANCE FACTORS

| Territory | Off-Balance Factor | Maximum Decrease | Maximum Increase |
|-----------|--------------------|------------------|------------------|
| 110 | 0.989 | -11.7% | +1.1% |
| 120 | 0.984 | -11.3% | +1.6% |
| 130 | 0.981 | -11.0% | +1.9% |
| 140 | 0.978 | -10.7% | +2.2% |
| 150 | 0.983 | -11.2% | +1.7% |
| 160 | 0.969 | -9.9% | +3.2% |
| 170 | 0.985 | -11.4% | +1.5% |
| 180 | 0.984 | -11.3% | +1.6% |
| 190 | 0.989 | -11.7% | +1.1% |
| 200 | 0.989 | -11.7% | +1.1% |
| 210 | 0.990 | -11.8% | +1.0% |
| 220 | 0.983 | -11.2% | +1.7% |
| 230 | 0.989 | -11.7% | +1.1% |
| 240 | 0.977 | -10.6% | +2.4% |
| 250 | 0.970 | -10.0% | +3.1% |
| 260 | 0.982 | -11.1% | +1.8% |
| 270 | 0.977 | -10.6% | +2.4% |
| 280 | 0.979 | -10.8% | +2.1% |
| 290 | 0.981 | -11.0% | +1.9% |
| 300 | 0.991 | -11.9% | +0.9% |
| 310 | 0.987 | -11.6% | +1.3% |
| 320 | 0.984 | -11.3% | +1.6% |
| 330 | 0.990 | -11.8% | +1.0% |
| 340 | 0.981 | -11.0% | +1.9% |
| 350 | 0.985 | -11.4% | +1.5% |
| 360 | 0.985 | -11.4% | +1.5% |
| 370 | 0.986 | -11.5% | +1.4% |
| 380 | 0.985 | -11.4% | +1.5% |
| 390 | 0.983 | -11.2% | +1.7% |

NORTH CAROLINA
HOMEOWNERS INSURANCE
DISTRIBUTION OF IMPACTS

The following histogram displays the estimated impacts to policyholders that would result from the filed rating factor changes on a statewide basis. These impacts also reflect the effects of the updates to the base rates that result from the off-balance factors.





Notice to Manualholders

PERSONAL LINES

HOMEOWNERS POLICY PROGRAM MANUAL – MULTISTATE RULES

NOTICE HO-MU-2011-RU-001

CAUTION

Refer to state Notices for announcement of the use of this revision in individual jurisdictions.

INSTRUCTIONS TO MANUALHOLDERS

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

EFFECTIVE DATE

Refer to individual state Notices for effective date language.

CHANGE(S)

This notice presents the 2011 revisions to the Homeowners Policy Program Manual – General Rules. The following rules were revised:

- Rule **102**. Description Of Coverages has been revised to more closely reflect coverages provided by the individual Homeowners policy forms.
- Rule **104**. Eligibility, Paragraph **H**. Residence Held In Trust has been revised to provide that a Homeowners policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or condominium unit when legal title to the dwelling or unit is held in trust and one of the occupants is the grantor/settlor of the trust.
- Rule **106**. Protection Classification Information has been revised to refer manual users to the ISO Community Mitigation Classification (CMC) Manual when determining the ISO public protection classification information.
- Rule **210**. Refer To Company has been revised to introduce a facultative reinsurance rule.
- Rule **409**. Replacement Cost Loss Settlement For Certain Non-building Structures has been revised to indicate that replacement cost loss settlement applies to certain inground or semi-inground swimming pools, therapeutic baths and hot tubs, and to introduce a new rating factor for this option.
- Rule **410**. Building Code Effectiveness Grading has been revised to include references to the Community Mitigation Classification Manual.
- Rule **503**. Business Property – Increased Limit, Paragraph **B**. Off-premises, has been revised to reflect an increase in coverage for property away from the residence premises used primarily for business purposes from \$500 to \$1,500.
- Rule **511**. Supplemental Loss Assessment Coverage has been revised to add "supplemental" to the title of the rule.
- Rule **515**. Personal Property has been revised to reflect the introduction of Paragraph **C**. Increased Limit – Self-storage Facilities and the new description of limits for Electronic Apparatus in Paragraph **E**. Increased Special Limits Of Liability.
- Rule **521**. Limited Water Back-up And Sump Discharge Or Overflow Coverage has been revised to reflect that increased limits of coverage are now available.
- Rule **526**. Residence Held In Trust has been revised to reflect changes as a result of the introduction of new Trust Endorsement **HO 06 15**.

- Rule **610**. Personal Injury Coverage has been revised to accommodate a new Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 24 10** and to specify that Personal Injury Coverage Endorsement **HO 24 82** provides coverage with a limit of liability on an "any one offense" basis.
- Rule **611**. Incidental Low Power Recreational Motor Vehicles has been revised to delete text in Paragraph **A.** that is reflected in the policy and recognize the newly added reference to coverage not applying to motorized scooters in Incidental Low Power Recreational Motor Vehicle Endorsement **HO 24 13**.
- Rule **616**. Optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages has been revised to reflect changes in the standards for lead safe level and remove reference to Rating Information For Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Endorsement **HO 05 83**.

The following rules are being introduced :

- Rule **531**. Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction is being introduced to accommodate new Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction Endorsement **HO 06 07**.
- Rule **617**. Canine Liability Exclusion is being introduced to accommodate new Canine Liability Exclusion Endorsement **HO 24 77**.

The following rule was withdrawn:

- Rule **529**. Modified Other Insurance And Service Agreement Condition was withdrawn to complement the withdrawal of Unit-owners Modified Other Insurance And Service Agreement Condition Endorsement **HO 17 34**.

Additional Rules were previously filed and implemented on an individual state basis for eventual multistate application. Now that the Additional Rules apply in most states, they are being relocated to the following General Rules:

- Rule **305**. Loss History Rating Plan
- Rule **529**. Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
- Rule **530**. Identity Fraud Expense Coverage

Exceptions to the General Rules were previously filed and implemented on an individual state basis for eventual multistate application. Now that the exceptions apply in most states, they are being relocated to the following General Rules:

- Rule **303**. Ordinance Or Law Coverage, Paragraph **2**.
- Rule **406**. Deductibles, multistate text in Paragraphs **A.** through **C.3**.
- Rule **505**. Earthquake Coverage, Paragraphs **D.6.** and **D.7**.
- Rule **513**. Ordinance Or Law Increased Amount Of Coverage, Paragraph **B**.

The following rules have been revised to make minor editorial revisions:

- Rule **101**. Limits Of Liability And Coverage Relationships
- Rule **204**. Multiple Company Insurance
- Rule **407**. Additional Amount Of Insurance
- Rule **518**. Sinkhole Collapse Coverage
- Rule **527**. Student Away From Home
- Rule **528**. Home Business Insurance Coverage
- Rule **605**. Other Structures Rented To Others – Residence Premises

COMPANION REVISION

We are simultaneously revising our forms, which are being distributed under a separate Notice.

REVISED PAGE(S)

HO-i thru HO-xii

HO-1 thru HO-43

PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- Refer to individual state notices for the approval/implementation circular references.
- LI-HO-2010-076 (04/16/2010) Homeowners 2011 Multistate Rules Revision To Be Submitted

Filing Reference(s):

- HO-2010-RRU10

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**HOMEOWNERS POLICY PROGRAM MANUAL
PAGE CHECKLIST – MULTISTATE**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST PAGE INFORMATION AS OF **5-11**.

NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.

IF YOUR MANUAL PAGES DO NOT COINCIDE WITH THIS LISTING, CONTACT THE CUSTOMER SUPPORT CENTER FOR THE NECESSARY MATERIAL TO UPDATE YOUR MANUAL.

| PAGE NUMBER | EDITION | | PAGE NUMBER | EDITION | |
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**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**PART I
COVERAGE AND DEFINITION TYPE RULES**

**RULE 100.
INTRODUCTION**

A. About The Homeowners Manual

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the company for each coverage shall govern in all cases not specifically provided for in this Manual.

B. Manual Structure

1. Contents

The Manual is divided into two primary sections, multistate general rules and state rules and rates.

2. General Rules

These rules are grouped into the following categories:

- a. Part I – Coverage And Definition Type Rules,
- b. Part II – Servicing Type Rules,
- c. Part III – Base Premium Computation Rules,
- d. Part IV – Adjusted Base Premium Computation Rules,
- e. Part V Section I – Property – Additional Coverages And Increased Limits Rules,
- f. Part VI Section II – Liability – Additional Coverages And Increased Limits Rules, and
- g. Part VII Section II – Liability – Other Exposures Increased Limits Rules.

3. State Rules And Rates

These rules are grouped into the following categories:

- a. Exceptions and Additional Rules,
- b. Special State Requirements,
- c. Territory Definitions,
- d. Base Class Premium Tables,
- e. Classification and Key Factor Tables, and
- f. Rates, Charges and Credits.

Also, where ISO does not publish any state pages containing premiums, rates, charges and credits expressed in dollars and cents, each company using this Manual should furnish its manualholders with the state rate pages containing this information.

4. Form References

The Manual refers to Forms **HO 00 02, HO 00 03, HO 00 04, HO 00 05, HO 00 06** and **HO 00 08**. These Form references are identified as follows:

- a. Homeowners 2 Broad Form **HO 00 02,**
- b. Homeowners 3 Special Form **HO 00 03,**
- c. Homeowners 4 Contents Broad Form **HO 00 04,**
- d. Homeowners 5 Comprehensive Form **HO 00 05,**
- e. Homeowners 6 Unit-Owners Form **HO 00 06** and
- f. Homeowners 8 Modified Coverage Form **HO 00 08.**

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS**

A. Limits

The limits of liability required under the Homeowners Policy are as follows:

1. Section I – Property Damage

| Coverage A – Dwelling | |
|--|--|
| HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06 | Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A. |
| Coverage B – Other Structures | |
| HO 00 02, HO 00 03, HO 00 05 or HO 00 08 | 10% of A (One- and two-family dwelling) 5% of A (Three- and four-family dwelling) |
| Coverage C – Personal Property | |
| HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06 | 50% of A (One- and two-family dwelling) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling) Refer to Rule 301. in the state classification pages. |
| Coverage D – Loss Of Use | |
| HO 00 02, HO 00 03 or HO 00 05 HO 00 04 HO 00 06 HO 00 08 | 30% of A 30% of C 50% of C 10% of A |

Table 101.A.1. Property Damage Limits

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**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS (Cont'd)**

2. Section II – Liability (All Forms)

| |
|---|
| Coverage E – Personal Liability And Coverage F – Medical Payments* |
|---|

| |
|--|
| Refer to Rule 301. in the state classification pages. |
|--|

| |
|---|
| * Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis. |
|---|

Table 101.A.2. Liability Limits

B. All Forms

The limit of liability for Coverages **C** or **D** of Section **I** and **E** or **F** of Section **II** may be increased.

C. Form HO 00 02, HO 00 03 Or HO 00 05

Under Coverage **B** of Section **I**, an additional amount of insurance may be written on a specific structure.

Under Coverage **C** of Section **I**, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one- and two-family dwelling; 20% of the limit of a three-family dwelling; and 15% of the limit of a four-family dwelling.

D. Form HO 00 06

The limit of liability for Coverage **A** of Section **I** may be increased.

E. Form HO 00 08

1. Section I

The following are the only Section **I** options available with this form:

- a. \$100 Section **I** Deductible,
- b. Higher Optional Deductibles,
- c. On- and Off-premises Theft Coverage Increase,
- d. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and
- e. Reduced Coverage **C** Limits.

2. Section II

All options available for Form **HO 00 02** are available for Form **HO 00 08**.

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**RULE 102.
DESCRIPTION OF COVERAGES**

The following is a general description of the coverages provided by the individual Homeowners Policy forms. The policy should be consulted for exact contract conditions.

A. Section I – Property – Perils Insured Against

| Perils | HO 00 02 | HO 00 03 | HO 00 04 And HO 00 06 | HO 00 05 | HO 00 08 |
|---|----------|----------|-----------------------------|----------|----------|
| Fire or Lightning | Yes | Yes* | Yes | Yes** | Yes |
| Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke | Yes | Yes* | Yes | Yes** | Yes |
| Vandalism or malicious mischief | Yes | Yes* | Yes | Yes** | Yes |
| Theft | Yes | Yes* | Yes | Yes** | Yes |
| Volcanic eruption | Yes | Yes* | Yes | Yes** | Yes |
| Falling objects, Weight of ice, snow or sleet, Accidental discharge or overflow of water or steam, Sudden and accidental tearing apart of a heating system or appliance for heating water, Freezing, Sudden and accidental damage from artificially generated electrical current. | Yes | Yes* | Yes | Yes** | No |
| Additional risks with certain exceptions | No | Yes*** | No | Yes**** | No |
| * Special Coverage (Coverages A and B), Named Peril (Coverage C) | | | | | |
| ** Special Coverage (Coverages A , B and C) | | | | | |
| *** Special Coverage (Coverages A , B and D) | | | | | |
| **** Special Coverage (Coverages A , B , C and D) | | | | | |

Table 102.A. Perils Insured Against

B. Section II – Liability – All Forms

1. Coverage E – Personal Liability

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

2. Coverage F – Medical Payments To Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

**RULE 103.
MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections **I** and **II** of the Homeowners Policy.

**RULE 104.
ELIGIBILITY**

A. All Forms Except HO 00 04 And HO 00 06

A Homeowners Policy may be issued:

1. To the owner-occupant(s) of a one-, two-, three- or four-family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs **F.** and **H.**). A one-family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a two-, three- or four-family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement – **HO 04 41**; or

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**RULE 104.
ELIGIBILITY (Cont'd)**

3. To the occupant of a dwelling under a life estate arrangement when the Coverage **A** amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.
5. When two or more apartment units in a two-, three- or four-family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy **HO 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

B. Form HO 00 04

A Homeowners Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph **A**.

provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph **F.**). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

C. Form HO 00 06

A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs **F.** and **H.**). The unit may not be occupied by more than one additional family or two boarders or roomers.

D. Seasonal Dwelling

Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.

E. Mobile Home, Trailer Home Or House Trailer

A Homeowners Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph **B**.

F. Permitted Business Occupancies

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rules **509.** and **510.** for Section **I** Coverage and Rules **607.** and **608.** for Section **II** Coverage. When it is conducted from an Other Residence, only Section **II** Coverage is available. Refer to Rules **607.** and **608.**

G. Farm Property

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company, except as noted in following Paragraphs **1.** and **2.:**

1. Section I – Property – Livestock Collision

Coverage may be provided for loss due to collision which results in the death of covered livestock owned by an insured and kept either on or away from the residence premises as specified in Rule **520.**

2. Section II – Liability Coverage

Certain farm liability exposures may be covered. Refer to Rules **614.** and **615.**

H. Residence Held In Trust (All Forms Except HO 00 04)

A Homeowners Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph **F.**; and
3. No trustee of the trust is:
 - a. A partnership or joint venture;
 - b. A corporation;
 - c. A limited liability company;

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GENERAL RULES**

**RULE 104.
ELIGIBILITY (Cont'd)**

- d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
- e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph e. does not apply to an individual who is a relative of the grantor/settlor of the trust.

Refer to Rule **526**. for the rule of application.

**RULE 105.
SECONDARY RESIDENCE PREMISES**

A. Application

Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.

B. Premium Adjustment

When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made:

1. Reduce the Base Premium for the policy covering the secondary residence by the company credit;
2. Refer to state company rates for credit; and
3. Add the charge for Other Insured Location Occupied by Insured, developed from Rule **602.**, to the policy covering the initial residence.

**RULE 106.
PROTECTION CLASSIFICATION INFORMATION**

Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classifications (CMC) Manual, applicable to the municipality or classified area where the insured property is located.

**RULE 107.
CONSTRUCTION DEFINITIONS**

A. Frame

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible

Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

2. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in Paragraph C.) and floors and roof of metal or other non-combustible materials.

3. Fire Resistive

Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

**RULE 108.
SEASONAL DWELLING DEFINITION**

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

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**RULE 109.
SINGLE AND SEPARATE BUILDINGS DEFINITION**

A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
 - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
 - b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

**RULES 110. – 200.
RESERVED FOR FUTURE USE**

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PART II SERVICING TYPE RULES

RULE 201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.
- B. Three years prepaid at three times the annual premium.
- C. Three years in annual installments. Each annual installment shall be the annual premium then in effect for the company. Use Deferred Premium Payment Endorsement **HO 04 18**.
- D. Less than one year or less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

RULE 202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

RULE 203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
 1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

RULE 204. MULTIPLE COMPANY INSURANCE

A. Application

1. Section I Property

- a. When the companies agree to do so, insurance under Section I may be divided among two or more companies on a percentage basis.
- b. The same form, Section I endorsements and deductibles, must apply to all policies.
- c. All Section I Coverages must be divided.
- d. Scheduled Personal Property Coverages may be divided.

2. Section II Liability

Insurance under Section II shall not be divided among two or more companies.

B. Endorsement

Use Multiple Company Insurance Endorsement **HO 04 78**.

C. Premium

1. Compute the premium for the Total Coverage **A** limit of liability and additional Section I Coverages, if any, from the manual of each company.
2. Each company subtracts the credit for deleting Section II Coverage from the premium computed as instructed in Paragraph 1.
3. Refer to state company rates for the Section II credit.
4. Allocate to each company their percentage participation of the net total premium under Paragraph 2.
5. The company retaining the Section II Coverages receives, in addition to the percentage share of its premium under Paragraph 4., the amount subtracted from its premium under Paragraph 2. plus any premium for additional Section II limits and exposures.

D. Example

1. The example following Paragraph 4. illustrates two companies equally sharing the Section I Property Coverages and Limits, with one company, Company B, retaining all the Section II Liability Coverages and Limits.
2. Company A and B each enter:
 - a. On their respective policy Declarations, the actual limits for Section I Coverages **A, B, C** and **D** for which they are responsible; and
 - b. On Multiple Company Insurance Endorsement **HO 04 78**, the total limits that apply to each of the Section I Coverages.

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GENERAL RULES**

**RULE 204.
MULTIPLE COMPANY INSURANCE (Cont'd)**

3. Company B also enters, on its policy Declarations, the total limits that apply to Section II Coverages E and F.
4. Premiums shown are for illustration only and are not actual premiums.

| Each Company's: | Company A | Company B |
|----------------------------------|-----------|-----------|
| Percentage share | 50% | 50% |
| Premium for \$100,000 Cov. A | \$ 620 | \$ 606 |
| Section II Credit | 18 | 18 |
| Net Premium for \$100,000 Cov. A | 602 | 588 |
| Net Premium for \$50,000 Cov. A | 301 | 294 |
| Premium for: | | |
| Section II Coverage | — | 18 |
| Watercraft Option | — | 36 |
| Each Company's Policy Premium | 301 | 348 |

Table 204.D.4. Example

**RULE 205.
MINIMUM PREMIUM**

- A. For prepaid policies a minimum **annual** premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. Refer to state company rates for the minimum premium.

**RULE 206.
TRANSFER OR ASSIGNMENT**

Subject to the consent of the company, all the rules of this Manual and any necessary adjustment of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

**RULE 207.
WAIVER OF PREMIUM**

- A. When a policy is endorsed after the inception date, an amount of additional or return premium may be waived.
- B. Refer to state company rates for premium.

**RULE 208.
WHOLE DOLLAR PREMIUM RULE**

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**RULE 209.
RESTRICTION OF INDIVIDUAL POLICIES**

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

**RULE 210.
REFER TO COMPANY**

Refer to company for:

- A. Rating or classifying any risk for which there is no manual rate.
- B. Situations where a portion of the property and/or liability coverage is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

1. Manual rules and rates shall apply to the portion of the property and/or liability limit(s) of liability retained by the company.
2. For any portion of the limit(s) of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50% of the facultative cost.

With respect to premium developed in accordance with this Paragraph 2., the company is responsible for maintaining complete files, including all details relating to selection of the premium charge.

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing or disclosure requirements.

Note

Rates shall not be inadequate, excessive or unfairly discriminatory.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 211.
ADDITIONAL INTEREST**

- A.** In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is **not** provided to such persons or organizations under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **D**.
- B.** Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C.** No additional charge is made for use of this endorsement.
- D.** Use Additional Interest Residence Premises Endorsement **HO 04 10**.

**RULES 212. – 300.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 301.
BASE PREMIUM COMPUTATION**

The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

A. All Forms Except HO 00 04 And HO 00 06

1. One And Two Family Dwelling

- a. From the company Base Class Premium Table, select the **HO 00 03** premium for the territory that applies.
- b. From the Classification Tables in this Manual, select the Form and Protection – Construction Classification Factors that apply.
- c. Multiply the company Base Class Premium by the Form Factor and round to the nearest whole dollar.
- d. Multiply this result by the Protection – Construction Classification Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
- e. From the Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
- f. Multiply the Key Premium from Paragraph d. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

2. Three And Four Family Dwelling

Multiply the One and Two Family Dwelling Base Premium by the three and four family factor from the Classification Tables in this Manual to arrive at the Base Premium.

B. Form HO 00 04 Or HO 00 06

1. From the company Base Class Premium Table, select the **HO 00 04** or **HO 00 06** premium for the territory that applies.
2. From the Form **HO 00 04** or **HO 00 06** Classification Table in this Manual, select the Protection – Construction Classification Factor that applies.
3. Multiply the company Base Class Premium by the Protection – Construction Classification Factor and round to the nearest whole dollar to arrive at the Key Premium.
4. From the Form **HO 00 04** or **HO 00 06** Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
5. Multiply the Key Premium from Paragraph 3. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

C. Interpolation Example

1. When the desired limit of liability is **less** than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:

- a. \$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.
- b. For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .100 \div 5 = .02 \end{array}$$

- c. Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$

- d. The result, 2.897, is the Key Factor for this example.
2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this Manual.

**RULE 302.
LOSS SETTLEMENT OPTIONS**

A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option.

**HOMEOWNERS POLICY PROGRAM MANUAL
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**RULE 302.
LOSS SETTLEMENT OPTIONS (Cont'd)**

4. Endorsement

Use Functional Replacement Cost Loss Settlement Endorsement **HO 05 30**.

B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

The premium is computed by multiplying the Base Premium by the appropriate factor from the following table:

| Coverage A Limit Of Liability Equals Less Than ____% Of Replacement Value | Factor |
|---|--------|
| 80%, but not less than 50% | 1.05 |
| Less than 50% | 1.10 |

Table 302.B.3. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

| % Of Replacement Value | Factor |
|------------------------|--------|
| 50% | 1.60 |
| 60% | 1.33 |
| 70% | 1.14 |

Table 302.C.3.a. Factors

- b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in preceding Paragraph **a**.

- c. Multiply the premium determined in preceding Paragraph **b**. by the appropriate factor from the following table:

| % Of Replacement Value | Factor |
|------------------------|--------|
| 50% | .96 |
| 60% | .97 |
| 70% | .98 |

Table 302.C.3.c. Factors

4. Endorsement

Use Special Loss Settlement Endorsement **HO 04 56**.

**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HO 00 08**

A. Basic Limit

The policy automatically provides up to 10% of the Coverage **A** limit of liability (or for Form **HO 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount Of Coverage

1. Description

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph **2**. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

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**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HO 00 08 (Cont'd)**

2. Premium Determination

a. Forms HO 00 02, HO 00 03 And HO 00 05

To develop the Base Premium multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

| Percentage Of Coverage A | | Factors |
|------------------------------------|--------------|---------|
| Increase In Amount | Total Amount | |
| 15% | 25% | 1.03 |
| 40% | 50% | 1.07 |
| 65% | 75% | 1.11 |
| 90% | 100% | 1.15 |
| For each add'l 25% increment, add: | | .04 |

Table 303.B.2.a. Factors

b. Forms HO 00 04 And HO 00 06

See Rule 513. for rating instructions.

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HO 04 77**.

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

A. Coverage Description

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.
2. This option may only be used when:
 - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
 - b. For Form **HO 00 06**, the condominium or cooperative unit is owner occupied and not rented to others.

B. Premium Computation

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule 301. by 1.40.

C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**RULE 305.
LOSS HISTORY RATING PLAN**

A. Introduction

The Loss History Rating Plan recognizes the loss history of an insured or applicant, for both property and liability coverages, in determining the appropriate premium for a new or renewal policy.

B. Eligibility

A loss shall be considered eligible for rating under this Plan if:

1. The loss occurred during the three years immediately preceding the date of application for a new policy or the preparation of the renewal policy;
2. The loss occurred with respect to a risk eligible for coverage under the Homeowners Policy Program or Mobilehome Supplement to the Homeowners Policy Program;
3. The loss was sustained with respect to the property or liability of an insured under the policy being rated; and
4. The combined claim payments generated for the loss equal or exceed \$500.

C. Exceptions

The following shall not be considered eligible for rating under the Plan:

1. A loss resulting from windstorm or hail.
2. A loss resulting from earthquake, mine subsidence or sinkhole collapse.
3. A loss for which payment occurred only with respect to Medical Payments To Others or similar coverage.
4. A loss to a dwelling currently owned by an insured or applicant which occurred prior to ownership.

D. Refund Of Increased Premium

If, after an increased premium is generated based on the requirements of this Plan, it is determined that a loss does not meet the requirements of this Plan, the insurer shall refund the increased portion of the premium attributable to such loss as generated by the Plan.

E. Administration Of Loss History Rating Plan

Information necessary to determine the loss history of the named insured or applicant shall be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A loss history or claims history database.
3. A company's internal records.

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**RULE 305.
LOSS HISTORY RATING PLAN (Cont'd)**

F. Premium Computation

Multiply the Base Premium by the appropriate factor from the following table:

| Number Of Eligible Losses | Factor |
|----------------------------------|---------------|
| 0 | 1.000 |
| 1 | 1.200 |
| 2 | 1.300 |
| 3 | 1.400 |
| 4 or More | 1.500 |

Table 305.F. Premium Computation

**RULES 306. – 400.
RESERVED FOR FUTURE USE**

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**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 401.
SUPERIOR CONSTRUCTION**

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry Base Premium for a comparable dwelling or apartment unit by a factor of .85.

**RULE 402.
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT
HO 00 04 And HO 00 06**

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

| Total No. Of Individual Family Units Within The Fire Division* | Protection Class | |
|--|------------------|----------|
| | 1–8 | 9 & Over |
| 1 Or 2 Family Dwelling | | |
| 1 & 2 | 1.00 | 1.00 |
| 3 & 4 | 1.10 | 1.15 |
| 5 – 8 | 1.25 | 1.30 |
| 9 & Over | Refer to company | |
| 3 Or 4 Family Dwelling | | |
| 5 – 8 | 1.15 | 1.20 |
| 9 & Over | Refer to company | |

* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

Table 402. Townhouse And Row House Factors

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis.

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

E. Scheduled Personal Property (With Agreed Value Loss Settlement)

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

F. Premium Determination

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

- 1. 1.15 for all forms except **HO 00 04** and **HO 00 06**.
- 2. 1.35 for Forms **HO 00 04** or **HO 00 06**.

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**RULE 404.
PROTECTIVE DEVICES**

A. Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors from the following table:

Protective Devices Factors

| Type Of Installation* | Factor |
|---|-------------|
| Central Station Reporting Burglar Alarm | .95 to 1.00 |
| Central Station Reporting Fire Alarm | .95 to 1.00 |
| Police Station Reporting Burglar Alarm | .97 to 1.00 |
| Fire Department Reporting Fire Alarm | .97 to 1.00 |
| Local Burglar and/or Fire Alarm | .98 |
| Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures | .87 to 1.00 |
| Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector | .92 to 1.00 |
| * Refer to company for eligibility, types of systems and devices, installations, and available credits. | |

Table 404.A. Protective Devices Factors

B. Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 405.
INFLATION GUARD – ALL FORMS EXCEPT HO 00 04
AND HO 00 06**

A. Coverage Description

The policy may be endorsed to provide annual increases of the Section I Limits of Liability as selected by the insured.

B. Premium Computation

1. The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

| Amount Of Annual Increase | Factor |
|----------------------------|--------|
| 4% | 1.02 |
| 6% | 1.03 |
| 8% | 1.04 |
| Each Add'l 4% over 8% add: | .02 |

Table 405.B.1. Inflation Guard Factors

2. The premium for a 3 year policy is 3.2 times the annual policy premium.

C. Endorsement

Use Inflation Guard Endorsement **HO 04 46**.

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule **505**.

A. Base Deductible

\$500 Deductible.

B. Optional Lower Deductibles

1. Additional Premium Charge

- a. The options in Paragraphs **2.** and **3.** are subject to a minimum and maximum additional premium charge.
- b. Refer to the state company rates for these charges.

2. \$100 And \$250 All Perils Deductibles

To compute the premium for these options, multiply the Base Premium by the factor selected from the state exception pages.

3. \$100 All Perils/\$250 Theft Deductible

This option applies to all forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage Endorsement and **HO 00 06** with Unit-owners Coverage **C** (Special Coverage) Endorsement.

- a. The \$250 Theft Deductible applies to Coverage **C** – Personal Property and is available only when:
 - (1) A \$100 deductible applies to All Other Perils; or
 - (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.

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**RULE 406.
DEDUCTIBLES (Cont'd)**

- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor selected from the state exception pages.

- c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors in the state exception pages for the Windstorm or Hail Deductibles.

C. Optional Higher Deductibles

1. All Perils Deductible

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the state exception pages.

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Endorsement

An endorsement is not required.

c. Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

d. Deductible Application

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Use Of Factors

The factors for Form **HO 00 04** and Form **HO 00 06** Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

f. Deductible Factors

(1) Form HO 00 04

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the state exception pages.

(2) City And Other Than City Territories (Form HO 00 04 Only)

Refer to state Territory Pages, Paragraph **2.A.** for a listing of City Territories and **2.B.** for Other Than City Territories.

(3) Form HO 00 06

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the state exception pages.

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, 5%, 7.5% and 10% of the Coverage **A** limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12.**

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

(a) Deductible – Windstorm or Hail 1% of Coverage **A** limit and \$500 for All Other Perils.

(b) Deductible – Windstorm or Hail 2% of the Coverage **A** limit, \$500 for Theft of Personal Property and \$100 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

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**RULE 406.
DEDUCTIBLES (Cont'd)**

(5) Use Of Factors

The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Peril Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the state exception pages.

b. Higher Fixed-dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$500 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the state exception pages.

**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverages **A**, **B**, **C**, and **D** when loss, to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy Declarations.

C. Options Available

When either of the following options is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. Specified Additional Amount Of Insurance For Coverage A Only

- a. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.

The additional amount **cannot** be applied to any other coverage nor does it increase the Coverage **A** limit.

- b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

| Additional Amount Options | Factor |
|----------------------------------|---------------|
| 25% | 1.03 |
| 50% | 1.06 |

Table 407.C.1.b. Additional Amounts Of Insurance Factors

- c. Use Specified Additional Amount Of Insurance For Coverage **A** Endorsement **HO 04 20**.

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**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05 (Cont'd)**

**2. Additional Limits Of Liability For Coverages
A, B, C, And D**

- a. This option differs from Paragraph C.1., in that the Coverage **A** limit of liability is increased, after a loss, to the amount necessary to repair or replace the damaged or destroyed property. The limits of liability for Coverages **B**, **C**, and **D** will also be increased by the same percentage applied to the Coverage **A** limit.

When the loss to such property, exceeds the Coverage **A** limit, the policy is endorsed, retroactive to the date of loss, to the limit needed to settle the loss.

- b. The premium is computed by multiplying the Base Premium by a factor of 1.15.
- c. Use Additional Limits of Liability for Coverages **A**, **B**, **C**, and **D** Endorsement **HO 04 11**.

D. Endorsement Exception

Do not use either endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04**

A. Introduction

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

C. Premium Determination

To develop a premium for this option, multiply the Base Premium by a factor of .99.

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HO 00 04**) Endorsement **HO 04 93**.

**RULE 409.
REPLACEMENT COST LOSS SETTLEMENT FOR
CERTAIN NON-BUILDING STRUCTURES – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

A. Introduction

The policy provides actual cash value loss settlement for non-building structures covered under Coverage **B**, or specifically scheduled under this policy.

B. Coverage Description

The policy may be endorsed to provide repair or replacement cost loss settlement for the following types of non-building structures only if they are located on the residence premises:

1. Reinforced masonry walls;
2. Metal or fiberglass fences;
3. Fences made of plastic/resin materials such as polyvinylchloride;
4. Patios, walks (not made of wood or wood products);
5. Driveways; or
6. Inground or semi-inground:
 - a. Swimming pools;
 - b. Therapeutic baths; or
 - c. Hot tubs;

with walls and floors made of reinforced masonry, cement, metal or fiberglass. However, replacement cost loss settlement does not apply to equipment and accessories attached to or made to be attached to the superstructure of the pool, therapeutic bath or hot tub.

C. Premium Computation

The premium is computed by multiplying the Base Premium by a factor from the following table:

| Types Of Non-building Structures | Factors |
|---|---------|
| Inground or semi-inground swimming pools, therapeutic baths or hot tubs | 1.05 |
| All Other | 1.02 |

Table 409.C. Types Of Non-building Structures

D. Endorsement

Use Replacement Cost Loss Settlement For Certain Non-building Structures On The Residence Premises Endorsement **HO 04 43**.

E. Endorsement Exception

This loss settlement condition does not apply to covered property insured under Coverage **B** – Other Structures Away From The Residence Premises Endorsement **HO 04 91** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**.

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RULE 410. BUILDING CODE EFFECTIVENESS GRADING

This rule does not apply to Mobile or Trailer homes.

A. General Information

1. The Building Code Effectiveness Grading Schedule (BCEGS) develops a grade of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the perils of Windstorm or Hail or Earthquake may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The BCEGS factor applies, where applicable, in addition to the Public Protection Classification factors.
2. In some communities, two BCEGS classifications may be assigned. One classification for personal lines indicated next to "PERS" will apply to personal lines properties. The other classification indicated next to "COML" will apply to commercial lines properties. The ISO Community Mitigation Classifications will indicate the application of each classification.
3. Refer to the ISO Community Mitigation Classifications (CMC) Manual for the BCEGS classifications for a community, and their effective dates.

B. Community Grading

1. The BCEGS classification applies to any building that has an original certificate of occupancy dated the year of the effective date of the community grading, or later. A rating factor has been developed for each community classification.
2. If a community is regraded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
3. Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
4. If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community classification applicable at the time the reconstruction is completed will apply to such building.
5. The BCEGS classification may apply to Windstorm Or Hail or Earthquake, or to both. Specific information is provided in the ISO Community Mitigation Classifications (CMC) Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.

C. Individual Grading

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes even though the community grade is greater than 1, exception rating procedures may apply.

1. Any building may be classified as a 1 for Windstorm/Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the windstorm or hail hazard. This classification is effective only from the date of the certification.
2. Any building may be classified as a 1 for Earthquake upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with the earthquake mitigation elements of one of the three nationally recognized building codes. This classification is effective only from the date of the certification.

D. Ungraded Risks

Buildings which do **not** meet the criteria in Paragraph **B.** or **C.** for classification assignment are rated and coded as ungraded risks. Do **not** classify as a 10.

E. Premium Credit Computation

1. Community Grading

a. Windstorm Or Hail

Compute the premium credit as follows:

- (1) Multiply the Base Class Premium by the appropriate factor in Paragraph **E.1.c.(1)** located in the state exceptions; and
- (2) Multiply the result from preceding Paragraph (1) by the Key Factor for the desired amount of insurance.

b. Earthquake

When Earthquake Endorsement **HO 04 54** is attached to the policy, multiply the Earthquake Base Premium by the appropriate factor in Paragraph **E.1.c.(2)** located in the state exceptions.

c. Credit Factors

Refer to state exceptions for state-specific factors.

2. Individual Grading

For any building classified as a 1 based upon certification as set forth in Paragraph **C.**, use the appropriate factor listed under Paragraph **E.1.c.** located in the state exceptions.

**RULES 411. – 500.
RESERVED FOR FUTURE USE**

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**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 **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.

C. Endorsement

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

**RULE 502.
BUILDING ADDITIONS AND ALTERATIONS –
INCREASED LIMIT – HO 00 04**

A. Coverage C Increase

The limit of liability of 10% of Coverage **C** may be increased.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.

C. Endorsement

Use Building Additions And Alterations Increased Limit Form **HO 00 04** Endorsement **HO 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. Refer to state company rates for each \$2,500 increase.
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 endorsements:

- a. Permitted Incidental Occupancies;
- b. Home Day Care; or
- c. Home Business Insurance Coverage.

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**

A. Coverage Increase

The limit of \$500 may be increased. An additional rate is to be charged.

B. Premium

Refer to state company rates for an additional charge.

C. Endorsement

Use Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage Increased Limit Endorsement **HO 04 53**.

**RULE 505.
EARTHQUAKE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section **I** Coverages for the same limits provided in the policy. Use Earthquake Endorsement **HO 04 54**.

B. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B**, and **C**.

Earthquake rates are displayed for the 5% and 10% deductible in the state company rates. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph **E**. Premium for Higher Deductibles of this rule.

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**RULE 505.
EARTHQUAKE COVERAGE (Cont'd)**

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates. Use Loss Assessment Coverage For Earthquake Endorsement **HO 04 36** for all forms.

D. Base Premium

Develop the base premium as follows:

1. From the state company rates determine whether Construction Table **A**, **B**, and/or **C** applies for the appropriate deductible.
2. Determine the Earthquake territory according to the ZIP code of the residence premises from the State Territory Definitions pages in this manual.
3. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, add the results of the following three steps:
 - a. Multiply the Coverage **A** limit by the rate found in Column A of the table;
 - b. If the Coverage **C** limit is increased, multiply the rate found in Column D by the amount of the increase; and
 - c. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.
4. For Form **HO 00 04**, add the results of the following two steps;
 - a. Multiply the Coverage **C** limit by the rate found in Column B of the table; and
 - b. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.
5. For Form **HO 00 06**, add the results of the following three steps:
 - a. Multiply the Coverage **C** limit by the rate found in Column C of the table;
 - b. Multiply the Coverage **A** limit by the rate found in Column E of the table; and
 - c. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.

6. Building Or Non-building Structure Items – All Forms:

Multiply the rate in Column G of the table by the appropriate limit of liability for the following Building or Non-building Structure items, as applicable, and add to the applicable premium determined in Paragraph **3.**, **4.** or **5.**:

- a. Other Structures – Structures Rented To Others Residence Premises;
 - b. Other Structures On The Residence Premises – Increased Limits;
 - c. Specific Structures Away From The Residence Premises;
 - d. Building Additions And Alterations – Other Residence; and
 - e. Building Additions And Alterations Increased Limit Form **HO 00 04**.
7. Ordinance Or Law – Basic And Increased Limit – All Forms:

When the basic Ordinance or Law Coverage limit is increased the earthquake premium is developed based on the increased limit of insurance.

- a. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, multiply the rate determined in Paragraph **3.a.** by the appropriate factor selected from Rule **303.B.2.a.**
- b. For Forms **HO 00 04** and **HO 00 06**, 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. The rate for each additional \$1,000 of insurance is determined as follows:
 - (1) For Form **HO 00 04**, multiply the rate in Column G of the table by .30.
 - (2) For Form **HO 00 06**, multiply the rate in Column E of the table by .30.and add to the applicable premium determined in Paragraph **4.** or **5.**

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**RULE 505.
EARTHQUAKE COVERAGE (Cont'd)**

E. Premium For Higher Deductibles

Multiply the Earthquake base premium determined in Paragraph **D.** for the 10% deductible by the appropriate factor from the following table:

| Deductible Percentage | Factor | | |
|-----------------------|--------|---------|----------|
| | Frame | Masonry | Superior |
| 15% | .80 | .85 | .75 |
| 20% | .65 | .70 | .60 |
| 25% | .50 | .60 | .45 |

Table 505.E. Higher Deductibles Factor

F. Building Code Effectiveness Grading

Refer to Rule **410.** for information which may affect Earthquake rating.

**RULE 506.
FIRE DEPARTMENT SERVICE CHARGE**

The limit of \$500 may be increased subject to the rules and rates of the company.

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06**

A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$5,000 on a named perils basis. If increased limits are not desired, enter "\$5,000" 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 **HO 00 06** Key Factor for "Each Add'l \$1,000" by the **HO 00 06** Key Premium.

C. Special Coverage

The Section **I** Perils Insured Against may be broadened to cover additional risks of loss. The additional premium is developed as shown in the state company rates.

D. Endorsement

Use Unit-Owners Coverage **A** – Special Coverage Endorsement **HO 17 32.**

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

A. Coverage C And Section II Liability

1. There is no coverage for Coverage **C** – Personal Property and Section **II** Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.
2. The Coverage **C** minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.

B. Premium Computation

Multiply the Coverage **C** Base Premium (reflecting the credit or surcharge for optional deductibles) by a factor of .25.

C. Endorsement

Use Unit-Owners Rental To Others Endorsement **HO 17 33.**

**RULE 509.
HOME DAY CARE COVERAGE**

A. Coverage Description

Coverage for a home day care business is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** Coverage and Section **II** Coverage on a home day care business in the dwelling or in an other structure on the residence premises. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections **I** and **II** Coverage.

B. Other Structures

If the home day care business is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **D.** for charge for specific insurance on the structure.

C. Personal Property

The home day care endorsement also covers personal property pertaining to this business within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A.**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 509.
HOME DAY CARE COVERAGE (Cont'd)**

D. Premium Computation

1. Section I

- a. If the home day care business is located in the dwelling, no additional charge is made.
- b. If the business is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.
- c. Refer to state company rates for rate to be charged.

2. Section II

Refer to Rule **607**. in the state company rates to develop the premium for the increased Coverages **E** and **F** exposure.

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES**

A. Coverage Description

Coverage for a permitted incidental occupancy is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** Coverage and Section **II** 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 **HO 04 42** for Sections **I** and **II** 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. Section I

- a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.

- b. If the permitted incidental occupancy is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.

- c. Refer to state company rates for rate to be charged.

2. Section II

Refer to Rule **608**. in the state company rates to develop the premium for the increased Coverages **E** and **F** exposure.

**RULE 511.
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

A. Residence Premises

1. Coverage Description

The policy automatically provides, under Section **I** Additional Coverage and Section **II** Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake. (Refer to Rule **505**. Earthquake Coverage for the Earthquake rule of application.)

2. Higher Limits

The policy may be endorsed to provide a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:

- a. Either Section **I** Additional Coverage or Section **II** Additional Coverage; or
- b. Both Section **I** and Section **II** Additional Coverages.

3. Premium

Refer to the state company rates for the additional charge.

B. Additional Locations

1. Coverage Description

- a. The policy may be endorsed to provide loss assessment coverage pertaining to additional locations for the insured's share of loss assessments arising out of a single loss covered as noted in Paragraph **A.2**.

- b. No more than two additional locations can be written in addition to the residence premises.

2. Premium

Refer to the state company rates for the additional rates which apply to each location covered.

C. Endorsement

Use Supplemental Loss Assessment Coverage Endorsement **HO 04 35**.

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**RULE 512.
LOSS OF USE – INCREASED LIMIT**

- A. When the limit of liability for Coverage **D** is increased, charge the rate per \$1,000 of additional insurance.
- B. Refer to state company rates for rate to be charged.

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

A. Coverage Increase

- 1. The basic amount of coverage may be initially increased to 100% of the Form **HO 00 04** Building Additions and Alterations limit or 50% of the Form **HO 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 **HO 00 04** or **HO 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by .30 and then multiplying that amount by the appropriate Key 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

Refer to state company rates.

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

Use the sum of:

- (1) The rate per \$1,000 of insurance shown in the state company rates, and
- (2) The premium for the increased Coverages **E** and **F** exposure, as developed from the Section **II** rules of this Manual.

- b. Use Structures Rented to Others – Residence Premises Endorsement **HO 04 40**.

B. Structures Off The Residence Premises

1. Forms HO 00 02, HO 00 03 And HO 00 05

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

Refer to state company rates for rate to be charged.

c. Endorsement

Use Other Structures Away From The Residence Premises **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) Refer to state company rates for rate to be charged.

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. Refer to state company rates for additional charge.

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.

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**RULE 515.
PERSONAL PROPERTY (Cont'd)**

2. Charge the additional company rate per \$1,000.
3. Refer to state company rates for additional charge.
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.
3. Refer to state company rates for the additional charge.
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. Refer to state company rates for credit.

E. Increased Special Limits Of Liability

1. The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

| Personal Property | Limit In Form | Maximum Limit Allowed |
|---|---------------|-----------------------|
| 1. Jewelry, Watches and Furs | \$ 1,500 | \$ 6,500* |
| 2. Money | 200 | 1,000 |
| 3. Securities | 1,500 | 3,000 |
| 4. Silverware, Goldware and Pewterware | 2,500 | 10,000** |
| 5. Firearms | 2,500 | 6,500*** |
| 6. Portable Electronic Equipment in or upon a motor vehicle | 1,500 | 6,000** |
| * Not exceeding \$1,000 for any one article | | |
| ** Increase must be in increments of \$500 | | |
| *** Increase must be in increments of \$100 | | |

Table 515.E.1. Special Limits

2. Refer to state company rates for additional charges.
3. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 04 65** – for all forms except as noted in Paragraph **4**.
4. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 04 66** for Form **HO 00 05**, Form **HO 00 04** with Endorsement **HO 05 24** and Form **HO 00 06** with Endorsement **HO 17 31**.

F. Refrigerated Personal Property

1. The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
2. A deductible of \$100 applies.
3. Refer to state company rates for the additional charge.
4. Use Refrigerated Property Coverage Endorsement **HO 04 98**.

G. Theft Coverage Increase – HO 00 08

1. On-premises

The \$1,000 limit for On-premises Theft Coverage may be increased to an aggregate limit of \$3,000 or \$5,000.

2. Off-premises

When On-premises Theft Coverage is increased, a limit of \$1,000 may be provided for Off-premises Theft Coverage.

3. Premium

Refer to state company rates for additional charge.

4. Endorsement

Use Theft Coverage Increase Endorsement **HO 04 30**.

**RULE 516.
PERSONAL PROPERTY – SCHEDULED**

A. Introduction

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

B. Loss Settlement

1. Endorsement **HO 04 61** provides for standard loss settlement for all classes of property except Fine Arts; and agreed value loss settlement for Fine Arts.
2. Endorsement **HO 04 60** provides for agreed value loss settlement for the following classes:
 - a. Cameras
 - b. Furs
 - c. Golfer's Equipment
 - d. Jewelry
 - e. Musical Instruments
 - f. Silverware
 - g. Stamps and Rare Coins

This endorsement may also be used for scheduled articles of Fine Arts.

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**RULE 516.
PERSONAL PROPERTY – SCHEDULED (Cont'd)**

C. Endorsements

1. Use Scheduled Personal Property Endorsement **HO 04 61** for standard loss settlement or agreed value loss settlement for fine arts.
2. Use Scheduled Personal Property (with Agreed Value Loss Settlement) Endorsement **HO 04 60** for agreed value loss settlement.

**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 17 31**

A. Coverage Description

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders.

B. Premium

Refer to the state company rates for additional charge.

C. Endorsement

Use Extended Theft Coverage For Residence Premises Occasionally Rented To Others Endorsement **HO 05 41**.

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

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Determination

1. Refer to state company rates; and
2. Multiply the rate per \$1,000 by:
 - a. Coverage **A** amount of insurance;
 - b. Increased Limits for Coverages **C** and **D**;
 - c. Loss Assessment Coverage, increased limits and additional locations;
 - d. Ordinance Or Law Coverage, basic amount and, if applicable, increased amount of coverage; or
 - e. Other Building or Structure options, for example: Other Structures Rented To Others (Residence Premises) Endorsement **HO 04 40**; Other Structures (Increased Limits) Endorsement **HO 04 48**; Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; and Building Additions And Alterations (Other Residence) Endorsement **HO 04 49**.

C. Endorsement

Use Sinkhole Collapse Endorsement **HO 04 99**.

**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**

A. Coverage Description

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

B. Premium

Refer to state company rates for additional charge.

C. Endorsement

Use Special Computer Coverage Endorsement **HO 04 14**.

**RULE 520.
LIVESTOCK COLLISION COVERAGE**

A. Coverage Description

When the policy is endorsed with either Incidental Farming Personal Liability Endorsement **HO 24 72** or Farmers Personal Liability Endorsement **HO 24 73**, the policy may also be endorsed to cover loss resulting in death of covered livestock resulting from:

1. Collision or overturn of a vehicle on which the livestock are being transported; or
2. Livestock running into or being struck by a vehicle.

B. Coverage Exclusion

Coverage is excluded if a vehicle owned or operated by an insured or an insured's employee:

1. Collides with the vehicle on which the livestock are being transported; or
2. Strikes the livestock.

C. Premium

1. Each horse, mule or head of cattle under one year of age at the time of loss will be counted as 1/2 head.
2. No deductible applies to this coverage.
3. The limit per head of livestock is \$400.
4. Refer to state company rates for charge.

D. Endorsement

Use Livestock Collision Coverage Endorsement **HO 04 52**.

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

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

When the optional Limited Water Back-up And Sump Discharge Or Overflow Coverage endorsement is attached to the policy, coverage is provided with respect to direct physical loss, not caused by the negligence of an "insured", to property covered under Section I, caused by water or waterborne material which originates from within the dwelling where the named insured resides and backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. The basic limit is \$5,000. Unless increased limits are selected, the basic limit must be entered on the coverage endorsement or the policy Declarations.

B. Increased Limits

The limit may be increased to \$10,000, \$15,000, \$20,000 or \$25,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

C. Premium

Refer to state company rates for the additional charge.

D. Endorsement

Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement **HO 04 95**.

**RULE 522.
LANDLORDS FURNISHINGS**

A. Basic Limit

Forms **HO 00 02**, **HO 00 03** and **HO 00 05** automatically cover, on a named perils basis (except Theft), landlord furnishings in an apartment 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

Refer to state company rates for additional charge.

D. Endorsement

Use Landlord's Furnishings Endorsement **HO 05 46**.

**RULE 523.
ASSISTED LIVING CARE COVERAGE**

A. Introduction

The policy provides coverage to named insureds and resident relatives who are members of the insured's household.

B. Coverage Description

1. The policy may be endorsed to provide personal property, additional living expense and personal liability coverage to a person regularly residing in an Assisted Living Care facility, provided such person:
 - a. Is related to an insured by blood, marriage or adoption; and
 - b. Is not a member of that insured's household.
2. An assisted living care facility is a facility that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities. It is **not** a hospice, prison or rehabilitation facility.
3. The endorsement provides the following basic limits of coverage:
 - a. \$10,000 for Coverage **C** – Personal Property with limitations ranging from \$100 to \$500 for certain items of property;
 - b. \$6,000, at \$500 per month, for Additional Living Expenses; and
 - c. \$100,000 for Coverage **E** – Personal Liability.

C. Premium

Refer to state company rates for additional charge.

D. Endorsement

Use Assisted Living Care Coverage Endorsement **HO 04 59**.

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**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 and II 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

Refer to state company rates for additional charge.

D. Endorsement

Use Other Members Of Your Household Endorsement **HO 04 58**.

**RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS
COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured.

Also covered, for an amount equal to 10% of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are **not** permanently installed provided such property is at an insured's residence or in or upon the cart off the insured's residence at the time of loss.

Coverage for loss caused by collision is optional and only applies if declared on the schedule of the endorsement.

B. Eligibility

To be eligible for coverage, the motorized golf cart shall be of the type designed to carry up to four people on a golf course for the purpose of playing golf and shall not have been built, or modified after manufacture, to exceed a speed of 25 m.p.h. on level ground.

Read the endorsement for all conditions of coverage.

C. Limit Of Liability

The limit of liability shall be selected by the insured. However, that limit should be representative of the actual cash value of the motorized golf cart including any permanently installed accessories, etc.

D. Deductible

A deductible amount of \$500 applies separately to each involved golf cart and, separately to Section I Property Coverages if not in or upon a golf cart at the time of loss.

The \$500 deductible replaces any other deductible in the policy with respect to property covered under the endorsement.

E. Premium

Rate each cart separately using the premium per \$500 of insurance. Refer to the state company rates for additional charge.

F. Endorsement

Use Owned Motorized Golf Cart – Physical Loss Coverage Endorsement **HO 05 28**.

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

A. Coverage

A Homeowners Policy may be endorsed to insure a trustee, and if applicable, a trust:

1. Under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust; and
2. Under Section II – Liability Coverages, for bodily injury or property damage liability arising out of the ownership, maintenance or use of an insured location held in trust.

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**RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT
HO 00 04 (Cont'd)**

B. Endorsement

1. Use Trust Endorsement **HO 06 15**.
2. The following must be shown in the endorsement:
 - a. The name and address of the Trust; and
 - b. The name and address of the trustee(s).
3. The Trust may also be listed as an Insured if the Trust can be recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction.

C. Premium

Refer to state company rates for the additional charge.

**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

Refer to state company rates for additional charge.

D. Endorsement

Use Additional Insured – Student Living Away From The Residence Premises Endorsement **HO 05 27**.

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE**

A. Eligibility

1. The Home Business Insurance Coverage endorsement may be used in conjunction with a Homeowners Policy to cover the Section I and Section II exposures of a permitted business.

2. To be eligible for coverage under this endorsement, a risk must meet at least the following criteria:

a. The home business:

- (1) Must be owned by the named insured or by a partnership, joint venture or other organization comprised only of the named insured and resident relatives;
- (2) Must be operated from the residence premises that is declared on the Homeowners Declarations and used principally for residential purposes;
- (3) May be operated from the home and/or other structure on the residence premises;
- (4) May have up to three employees; and
- (5) May not involve the:

- (a) Manufacture, sale or distribution of food products;
- (b) Manufacture of personal care products such as shampoo, hair color, soap, perfume or other like items applied to the body or consumed; or
- (c) Sale or distribution of personal care products **manufactured by the insured** such as shampoo, hair color, soap, perfume or other like items applied to the body or consumed;

- b. For all business classifications described in Paragraph **C**. that follows, the Gross Annual Receipts of the home business may not exceed \$250,000.

3. Certain businesses may be **ineligible** for coverage under this endorsement. Refer to company for its underwriting instructions.
4. When a permitted business that is operated from the residence premises is afforded coverage under either the Permitted Incidental Occupancy or Home Day Care Coverage endorsement, that business may not be afforded coverage under the Home Business endorsement.

B. Classifications

The four principal classifications of business accommodated in this rule follow. Refer to company for the businesses that are eligible within each of these classifications and name and describe the business in the Schedule that is part of the endorsement:

1. Office

Use this classification when the business involves professional or administrative activities for its customers. It could apply to businesses like accounting, resume writing, telephone answering, etc.

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HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

2. Service

Use this classification when the business provides repair or other services for its customers. It could apply to businesses like bicycle repair, clock/jewelry repair, housecleaning, videotaping, etc.

3. Sales

Use this classification when the business involves product sales, other than crafts made in the home or other structure and sold from the home or other locations. It could apply to businesses involving the sale of books and magazines, costume jewelry, plants and flowers, stationery/other paper products, etc.

4. Crafts

Use this classification when the business involves selling, from the home, other structure or other locations, crafts made in the home or other structure. It could apply to crafts like ceramics, dolls, flower arrangements, quilts, etc.

C. Coverages

1. Section I – Property

The Home Business endorsement:

- a. Provides coverage for the property of the described business and for property of others in the care of the business up to the Coverage C limit of liability entered on the Homeowners Declarations. Therefore, the Coverage C limit should reflect the values of the personal and business property to be insured;
- b. Provides coverage for:
 - (1) Accounts receivable (\$5,000 limit);
 - (2) Loss of business income/extra expense (actual cost for a maximum of 12 months); and
 - (3) Valuable papers (\$2,500 limit); and
- c. Increases the Coverage C Special Limits of Liability on:
 - (1) Money to \$1,000;
 - (2) Credit Cards to \$1,000; and
 - (3) Business property away from the residence premises to \$5,000.

2. Section II – Business Liability

- a. The Home Business endorsement provides coverage for such business liability exposures as premises operations, products-completed operations, advertising injury, and personal injury. The limits of liability for these coverages are on an annual aggregate basis and are determined in the following manner:

- (1) For Products-completed Operations Hazard Liability, the limit is the **same as** the Coverage E limit shown in the Homeowners Declarations;

- (2) For All Other Business Liability, the limit is **twice the sum** of the combined Coverage E and Coverage F limits shown in the Homeowners Declarations; and

- (3) For the Coverage F Sublimit of Liability, the limit is the **same as** the Coverage F limit shown in the Homeowners Declarations.

- b. The limit of liability for Additional Coverage C Damage To Property Of Others is increased to \$2,500.

3. Professional Liability

No professional liability coverage is provided in the Home Business endorsement.

4. Computer-related Damage Or Injury Exclusion And Coverage Options

a. Exclusions

- (1) Coverage for loss or damage caused by, resulting from, or arising out of the failure of computers and electronic componentry to properly recognize a particular date or time may be excluded. Under Section I, the exclusion applies to any date or time, including the Year 2000 and beyond. Under Section II, the exclusion applies only to the Year 2000 and beyond, but does not apply to bodily injury that occurs on the covered premises from which the business is conducted.

- (2) Use Sections I and II Exclusions for Computer-related Damage Or Injury Endorsement **HO 07 58**.

b. Sections I And II Limited Coverage

When Endorsement **HO 07 58** is attached to the policy, the policy may be further endorsed to provide:

- (1) Section I coverage for Business Income and Extra Expense when computer system, appliances, equipment, or protective devices used for business fail to operate because of the Year 2000 and renders the business structure unfit for habitation; or renders an off-premises computer used in the business operations at the structure deficient and inoperative; and

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HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

(2) Section II coverage for claims or suits alleging bodily injury away from the residence premises and property damage, personal injury, or advertising injury arising out of a computer failure as defined in the endorsement. Such coverage is subject to the Coverage E and F limits of liability stated in the schedule of the Home Business Insurance Coverage endorsement.

(3) Use Sections I and II – Limited Coverage For Year 2000 Computer-related And Other Electronic Problems Endorsement **HO 07 59**.

c. Premium

Refer to company.

D. Home Business Premium Computation

1. Development Of The Home Business Premium

Add the Section I and Section II premium components developed according to Paragraphs 2. and 3. that follow, to arrive at the Home Business premium.

2. Section I – Property

a. From the state company rates, select the Base Class Premium that applies to the residence premises with the home business and multiply it by the appropriate factor in the following table:

| Gross Annual Receipts* | HO 00 02, 3, 5 & 8 | HO 00 04 | HO 00 06 |
|--|---|----------|----------|
| Up to \$50,000 | Refer to state exceptions for State-specific factors. | | |
| \$ 50,001 to \$100,000 | | | |
| 100,001 to 175,000 | | | |
| 175,001 to 250,000 | | | |
| * New business, use \$50,001 to \$100,000 classification | | | |

Table 528.D.2.a. Factors

b. Multiply the result computed in Paragraph a. by the rating factors in the Homeowners manual for the following risk categories:

- (1) Protection-construction (Rule 301. Classification Table) – apply the factor that applies to **HO 00 04** regardless of the Homeowners form attached to the policy; and
- (2) Superior Construction (Rule 401.) and Protection Devices (Rule 404.) – apply these factors only if they are applied to the dwelling building or other structure for the residential exposure; and

(3) Townhouse or Row House Construction (Rule 402.) in the following manner:

(a) For All Forms except **HO 00 04** and **HO 00 06**, apply the same factor used for the residential exposure; or

(b) For Forms **HO 00 04** and **HO 00 06**:

(i) Apply the factor for the number of individual family units within a fire division that best describes the building that contains the residential and business property; or

(ii) If such building has nine or more individual family units within a fire division, apply the factor for the five through eight units' classification.

c. When a home business is operated from one or more other structures on the residence premises and declared in the Schedule, multiply the limit of liability for each structure by the "premium per \$1,000" shown in Rule 514. Paragraph A.1.a. in the Homeowners state company rates.

3. Section II – Business Liability

a. Basic Limits Premium

Select the company basic limits premium that applies to the Office, Service, Sales or Crafts classification from the Home Business state company rates,

b. Coverage E – Increased Limits

(1) When the Coverage E limit is increased for Homeowners Insurance, the Home Business limits shall also be increased as illustrated in following Paragraph (2).

(2) Multiply the company's basic limits premium determined in Paragraph a. by the appropriate factor from the following table:

| Increased Limits Of Liability | | | | |
|-------------------------------|----------------------------------|-------------------------------|---------------------|-------------------------|
| Homeowners | | Home Business | | |
| Coverage E Personal Liability | Coverage F Med. Pay'ts To Others | Products-Completed Operations | All Other Liability | In-creased Limit Factor |
| \$ 200,000 | \$ 1,000 | \$ 200,000 | \$ 402,000 | 1.15 |
| 300,000 | 1,000 | 300,000 | 602,000 | 1.24 |
| 400,000 | 1,000 | 400,000 | 802,000 | 1.30 |
| 500,000 | 1,000 | 500,000 | 1,002,000 | 1.35 |

Table 528.D.3.b.(2) Factors

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HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

c. Coverage F – Increased Limits

- (1) When the Coverage F limit is increased for Homeowners Insurance, the Home Business Coverage F limit shall also be increased.
- (2) Select the premium for the desired increased limit from the Home Business state company rates.
- (3) Add the premium determined in Paragraph (2) to the premium developed in Paragraph a. or b. to compute the Section II premium component.

E. Endorsement

Use Home Business Insurance Coverage Endorsement **HO 07 01**.

F. Options

The following options may only be used when the Home Business Coverage endorsement is attached to the policy:

1. Additional Insured

a. Managers Or Lessors Of Premises Leased To An Insured

(1) Coverage

Covers persons or organizations designated on the endorsement for their liability as owners of designated premises leased to the named insured.

(2) Premium

Refer to state company rates.

(3) Endorsement

Use Additional Insured – Managers Or Lessors Of Premises Leased To An Insured Endorsement **HO 07 50**.

b. Vendors

(1) Coverage

Provides coverage for liability arising out of the vendor's sale or distribution of the named insured's products.

(2) Premium

Refer to company.

(3) Endorsement

Use Additional Insured – Vendors Endorsement **HO 07 51**.

2. Loss Payable Condition

a. Coverage

Enables the naming of a loss payee, lender's loss payee, or loss payable under a contract-of-sale arrangement.

b. Premium

No charge is made for this endorsement.

c. Endorsement

Use Loss Payable Provisions Endorsement **HO 07 52**.

3. Personal And Advertising Injury Exclusion

a. Coverage

Excludes all Personal and Advertising Injury Coverage.

b. Premium

Refer to company.

c. Endorsement

Use Exclusion – Personal And Advertising Injury Endorsement **HO 07 53**.

4. Liquor Liability Exclusion And Exception For Scheduled Activities

a. Coverage

This endorsement excludes liability coverage for:

- (1) Manufacturing, selling or distributing alcoholic beverages or;
- (2) Serving or furnishing alcoholic beverages with a charge whether or not such activity requires a license and;
- (3) Serving or furnishing of alcoholic beverages without a charge, if a license is required for such activity.

This exclusion does not apply to bodily injury or property damage arising out of the selling, serving or furnishing of alcoholic beverages for an activity or function described in the Schedule of this endorsement.

b. Premium

Refer to company.

c. Endorsement

Use Liquor Liability Exclusion And Exception For Scheduled Activities Endorsement **HO 07 54**.

5. Special Coverage – Spoilage Of Perishable Stock

a. Coverage

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement **HO 07 55**. The limit of liability is also listed in the endorsement.

b. Premium

Refer to state company rates.

c. Endorsement

Use Special Coverage – Spoilage Of Perishable Stock Endorsement **HO 07 55**.

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**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

6. Valuable Papers And Records Endorsements

a. Increased Limits

(1) Coverage

The Home Business Insurance Coverage endorsement provides a basic limit of \$2,500 for Valuable Papers and Records Coverage. This limit may be increased. The amount is specified in the Schedule of Endorsement **HO 07 56**.

(2) Premium

Refer to state company rates.

(3) Endorsement

Use Valuable Papers And Records Coverage Increased Limits Endorsement **HO 07 56**.

b. Special Coverage

(1) Coverage

Extends the basic \$2,500 limit of liability for Valuable Papers and Records Coverage from:

- (a)** Named-perils in Forms **HO 00 02**, **HO 00 03**, **HO 00 04** and **HO 00 06**; and

- (b)** Special Coverage in Forms **HO 00 05**, **HO 00 04** with **HO 05 24** and **HO 00 06** with **HO 17 31**;

to expanded special coverage. Increased Limits for expanded special coverage are also available.

(2) Premium

Refer to state company rates.

(3) Endorsement

Use Special Coverage Valuable Papers And Records Endorsement **HO 07 57**.

7. Off-premises Property Coverage – Increased Limits

a. Endorsement

Coverage for business property, other than money and securities, that is away from the residence premises at the time of loss may be increased from \$5,000 to \$10,000. Check the appropriate box in the schedule of the Home Business endorsement.

b. Premium

Refer to state company rates.

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

A. Coverage Description – Basic Limits

When the optional Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria

\$10,000, on an aggregate basis, to pay for loss and associated costs to covered real or personal property, owned by an insured, that is damaged by fungi or wet or dry rot, or bacteria on the "residence premises" as defined in the coverage endorsements. If the basic limit is selected, it is entered on the coverage endorsements or the policy Declarations.

This coverage applies only to the policy period in which the loss or costs occur.

2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria

\$50,000, on an aggregate basis, to pay for damages because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi, wet or dry rot, or bacteria. If the basic limit is selected, it is entered on the coverage endorsements or the policy Declarations.

B. Increased Limits

1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria

- a.** Limits may be increased to \$25,000 or \$50,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

- b.** Refer to Paragraph **C.** for premium computation instructions.

2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria

- a.** Limits may be increased to \$100,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

- b.** Refer to Paragraph **C.** for premium computation instructions.

C. Premium Computation

1. Basic Limits

There is no premium adjustment.

2. Increased Limits

Refer to state company rates for an additional charge.

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**RULE 529.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA
COVERAGE (Cont'd)**

D. Endorsements

Use Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement:

1. **HO 04 26** – For use with Forms **HO 00 02**, **HO 00 04** and **HO 00 06**.
2. **HO 04 27** – For use with Forms **HO 00 03** and **HO 00 05**.
3. **HO 04 28** – For use with Form **HO 00 04** with Special Personal Property Endorsement and Form **HO 00 06** with Unit-owners Coverage **C** Special Coverage Endorsement or Unit-owners Coverage **A** Special Coverage Endorsement.

**RULE 530.
IDENTITY FRAUD EXPENSE COVERAGE**

A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for reapplying for a loan when the application is rejected solely because the lender received incorrect credit information and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limits Of Liability

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

C. Premium Computation

Refer to state company rates for additional charge.

D. Endorsement

Use Identity Fraud Expense Coverage Endorsement **HO 04 55**.

**RULE 531.
LIMITED COVERAGE FOR THEFT OF PERSONAL
PROPERTY LOCATED IN A DWELLING UNDER
CONSTRUCTION**

A. Introduction

The policy does not cover theft of personal property in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is finished and occupied.

B. Coverage Description

The policy may be endorsed to provide theft coverage for personal property in a dwelling that is under construction but not occupied provided the dwelling is fully enclosed with windows and doors and has operational locks.

The time period for which coverage will be provided should be specified in the endorsement.

C. Premium Computation

Refer to state company rates for the charge applicable per 30-day period of coverage. The premium for this coverage shall be fully earned.

D. Endorsement

Use Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction Endorsement **HO 06 07**.

**RULES 532. – 600.
RESERVED FOR FUTURE USE**

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**PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

**RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

A. Residence Premises

1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301. in the state classification section. The premium for these limits is included in the Base Premium.
2. Refer to the state company rates Rule 601. for increased limits rates.
3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.

B. Other Exposures

1. There is an additional charge for Other Exposures listed in the following rules.
2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise stated.
3. For increased limits for Other Exposures, refer to Rules 701. and 702.
4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

C. Rates And Factors Not Shown

1. Rates and factors for limits between the lowest and highest limits shown in this Manual may be developed by interpolation.
2. For rates and factors for limits above the highest shown, refer to company.

**RULE 602.
OTHER INSURED LOCATION OCCUPIED BY INSURED**

A. Introduction

1. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
2. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the Manual for that state.

B. Premium

Refer to the state company rates.

**RULE 603.
RESIDENCE EMPLOYEES**

- A. There is no additional charge for up to two residence employees.
- B. Refer to the state company rates to determine the premium when there are more than two residence employees.
- C. Charges do not apply to employees working less than half of the customary full time or to whom workers' compensation exclusion applies as stated in Section II of the policy.

**RULE 604.
ADDITIONAL RESIDENCE RENTED TO OTHERS**

A. Introduction

1. The policy may be endorsed to provide coverage when an additional residence is rented to others.
2. If the additional residence rented to others is in another state, refer to the Manual for that state.

B. Premium

Refer to state company rates.

C. Endorsement

Use Additional Residence Rented To Others Endorsement **HO 24 70**.

**RULE 605.
OTHER STRUCTURES RENTED TO OTHERS –
RESIDENCE PREMISES**

A. Coverage Description

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.
2. Refer to Rule 514.A.2. for rating Section I Coverage.

B. Premium

Refer to state company rates.

C. Endorsement

Use Structures Rented To Others – Residence Premises Endorsement **HO 04 40**.

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**RULE 606.
COMPUTER-RELATED DAMAGE OR INJURY
EXCLUSION AND COVERAGE OPTIONS**

A. Exclusions

1. When the policy covers an insured's business pursuits, home day care or other permitted business occupancies, coverage for loss caused by, resulting from or arising out of the failure of computers and electronic componentry to properly recognize a particular date or time may be excluded. Under Section I, the exclusion applies to any date or time, including the Year 2000 and beyond. Under Section II, the exclusion applies only to the Year 2000 and beyond, but does not apply to bodily injury that occurs on the covered premises from which the business is conducted.
2. Use Sections I and II Exclusions for Computer-Related Damage Or Injury Endorsement **HO 04 13**.

B. Section II Liability Limited Coverage

1. When **HO 04 13** is attached to the policy, the policy may be further endorsed to provide liability coverage for claims or suits alleging bodily injury away from the covered premises and property damage on or away from the covered premises arising out of a computer failure as defined in the endorsement. Such coverage is subject to the Coverages E and F limits of liability stated in the declarations or, if applicable, the schedule of the Home Day Care endorsement.
2. Use Section II – Limited Coverage for Year 2000 Computer-Related And Other Electronic Problems Endorsement **HO 04 15**.

C. Premium

Refer to company.

3. The annual aggregate limit of liability (Coverages E and F combined) for this endorsement is the same as the dollar amount of Coverage E shown in the Declarations. The Coverage F sub-limit for this endorsement is the same as the dollar amount of Coverage F shown in the Declaration.

C. Premium

1. Refer to state company rates.
2. This premium is for an annual aggregate limit of \$100,000 with a Coverage F sub-limit of \$1,000 per-person/per-accident. If other Section II exposures are written for higher dollar limits, use the Coverage E increased limit factors to raise the aggregate limit, and the Coverage F charges to raise the Coverage F sub-limit.
3. This premium is for 1 through 3 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 3 persons, other than insureds, refer to company.
4. If the business is located in an other structure on the residence premises, also refer to Rule 509. for rating the property exposure.

**RULE 608.
PERMITTED INCIDENTAL OCCUPANCIES –
RESIDENCE PREMISES AND OTHER RESIDENCES**

A. Coverage Description

The policy may be endorsed to provide coverage for the increased exposure arising from a permitted incidental occupancy on the residence premises or in an other residence occupied by the insured.

1. Residence Premises

Use Permitted Incidental Occupancies – Residence Premises Endorsement **HO 04 42**.

2. Other Residence

Use Permitted Incidental Occupancies – Other Residence Endorsement **HO 24 43**.

B. Premium

Refer to state company rates.

**RULE 607.
HOME DAY CARE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage for the increased exposure arising from a home day care business on the residence premises.

B. Endorsement

1. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections I and II Coverage.
2. This endorsement provides for an annual aggregate limit of liability for Coverages E and F combined. Coverage F is subject to a sub-limit of liability which applies per-person/per-accident and does not increase the aggregate limit of liability.

**RULE 609.
BUSINESS PURSUITS**

A. Coverage Description

The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.

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RULE 609. BUSINESS PURSUITS (Cont'd)

B. Premium

1. Refer to the state company rates for eligible business activities and rates.
2. Refer to company for eligibility and rates for business activities not listed.

C. Endorsement

Use Business Pursuits Endorsement **HO 24 71**.

RULE 610. PERSONAL INJURY COVERAGE

A. Introduction

Liability coverage for personal injury arising out of specified offenses, such as false arrest, malicious prosecution, wrongful eviction, slander or libel may be added to the policy. The limit of liability for this coverage may be provided on either an "any one offense" basis or on an annual aggregate limit basis.

B. Premium

Refer to state company rates.

C. Endorsement

Use Personal Injury Coverage Endorsement **HO 24 82** for providing coverage with the limit of liability on an "any one offense" basis.

Use Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 24 10** for providing coverage with the limit of liability on an annual aggregate limit basis.

RULE 611. INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLES

A. Coverage Description

1. The policy may be endorsed to provide liability coverage with respect to certain types of recreational motor vehicles.
2. Coverage does not apply with respect to the following vehicles owned by a named insured if the occurrence takes place off the insured location:
 - a. Motorized bicycles;
 - b. Motorized golf carts;
 - c. Mopeds; or
 - d. Motorized scooters.

B. Premium

Refer to state company rates.

C. Endorsement

Use Incidental Low Power Recreational Motor Vehicle Liability Coverage Endorsement **HO 24 13**.

RULE 612. OUTBOARD MOTORS AND WATERCRAFT

A. Introduction

Coverage is included in the policy form, at no additional charge, for certain watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power. Coverage is also included for watercraft powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump, of 50 horse power or less when not owned by an insured or more than 50 horse power when not owned by or rented to an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage for the following types of craft:
 - a. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower; or powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump.
Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
 - b. Sailboats 26 feet or more in overall length, with or without auxiliary power.
2. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
3. For watercraft not described in preceding Paragraphs **A.** and **B.1.**, coverage is not permitted under the Homeowners Policy.
4. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the watercraft from that residence, apply the premium for that state.

C. Premium

Refer to the state company rates.

D. Endorsement

Use Watercraft Endorsement **HO 24 75**.

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**RULE 613.
OWNED SNOWMOBILE**

A. Coverage Description

1. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
2. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.

B. Premium

Refer to state company rates.

C. Endorsement

Use Owned Snowmobile Endorsement **HO 24 64**.

**RULE 614.
FARMERS PERSONAL LIABILITY**

A. Eligibility

1. The policy may be endorsed to provide coverage when the insured has a farm away from the residence premises and farming is not the insured's primary occupation.
2. This coverage may be extended to include employer's liability including medical payments, for farm employees of any insured.
3. The following may not be covered:
 - a. Farms where the principal purpose of the farm is:
 - (1) To supply commodities for manufacturing or processing by the insured for sale to others, such as creameries and dairies (but not dairy farms).
 - (2) To operate freezing or dehydrating plants, and poultry factories.

The word "processing" does not apply to the slaughtering and dressing of livestock, or to such operations as bunching vegetables or crating berries.

- b. Farms where the principal purpose of the farm is the raising and using of horses for racing purposes.
- c. Incorporated farms.

B. Endorsement

Use Farmers Personal Liability Endorsement **HO 24 73**.

C. Premium And Rating Instructions

1. Farms Owned By Insured And Operated By Insured Or Insured's Employees

Refer to the state company rates for rates for the following exposures:

- a. Initial Farm Premises with or without buildings, including all additional farm acreage (with or without buildings).
- b. For **each** additional farm premises with buildings, an additional rate applies.

2. Farms Owned By Insured And Rented To Others

Refer to the state company rates for rates for the following exposures:

- a. All Farm Premises **without** buildings.
- b. **Each** farm premises **with** buildings.

3. Farm Employees

Refer to the state company rates for rates for the following exposures:

- a. Part time employees working 40 days or fewer per year. Total the number of days worked by all employees in this category and apply the rate to that total.
- b. Part time employees working over 40 days but not more than 180 days per year.
- c. Full time employees (over 180 days per year).

Farm employees employed in violation of law may be excluded subject to the rules and rates filed by or on behalf of the Company. Use Exclusion Of Farm Employees Illegally Employed Endorsement **HO 24 96**.

**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY**

A. On The Residence Premises

1. Coverage Description

- a. The policy may be endorsed to provide coverage for the liability of the insured when farming is conducted on the residence premises and is incidental to the use of the premises as a dwelling, and the income derived from the farming operations is not the insured's primary source of income. However, coverage is not available if the location specified in the endorsement is used for racing purposes.

**HOMEOWNERS POLICY PROGRAM MANUAL
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**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY (Cont'd)**

- b. The policy may also be endorsed to provide coverage when the residence premises is used for the sheltering and grazing of animals. However, coverage is not available if the residence premises is used for racing purposes.

2. Premium

Refer to state company rates.

B. Away From The Residence Premises

1. Coverage Description

The policy may be endorsed to provide coverage for the liability of the insured whose incidental farming activities are conducted at the locations specified in the endorsement which are away from the residence premises. Such incidental farming activities may include the boarding or grazing of the insured's animals, or use of the land as garden space if the income derived from such activities is not the insured's primary source of income. However, coverage is not available if the locations specified in the endorsement are used for racing purposes.

2. Premium

Refer to state company rates.

C. Endorsement

Use Incidental Farming Personal Liability Endorsement **HO 24 72**.

**RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES**

A. Coverage Outline

1. Basic Limits

When the optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

a. Section I – Property Remediation For Escaped Liquid Fuel Coverage

\$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by liquid fuel that escapes from a fuel system on the residence premises as defined in the coverage endorsements. Covered real property includes land, other than farm land, owned by an insured, on which a building or structure is located.

In addition to the primary residence identified in the policy Declarations, the defined term "residence premises" also includes other locations owned by an insured but only if such locations have a fuel system, is specifically insured under Section II of the policy and is declared on the schedule in the aforementioned coverage endorsements. Enter the address of such locations on these endorsements or the policy Declarations. The other locations may be owner-occupied or rented to others.

This Property Remediation Coverage applies only for the policy period in which the insured first discovers or first learns of the escaped fuel, even if the escape began before that policy period.

b. Section II – Limited Lead And Escaped Liquid Fuel Liability Coverages

\$50,000 to pay for damages because of bodily injury or property damage involving fuel that escapes from a fuel system or involving the contamination or exposure of lead from any location insured under the policy.

2. Premium Credit

- a. Refer to state company rates for the premium credit.
- b. Subtract the premium credit from the total policy premium.

3. Fuel System

- a. "Fuel System" is defined in the coverage endorsements. Briefly, it includes one or more fuel storage containers, tanks, or vessels with a total combined capacity of 100 or more U.S. gallons at any one location and any related equipment such as a furnace, a water heater, fittings and pipes connecting a furnace or water heater to the fuel storage tank, and filler pipes and flues connected to a fuel storage tank.
- b. When the total combined storage capacity of liquid fuel at any insured location is less than 100 U.S. gallons, the:
 - (1) Property Remediation Coverage does not apply to that location; and
 - (2) Policy limits and provisions apply for Escaped Liquid Fuel Liability to that location.

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OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES (Cont'd)

4. Endorsements

a. Use Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages Endorsement:

(1) **HO 05 80** – For all forms other than **HO 00 04** and **HO 00 06**.

(2) **HO 05 81** – For Form **HO 00 04**.

(3) **HO 05 82** – For Form **HO 00 06**.

b. These endorsements provide complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the limits of liability that apply to the Property Remediation Coverage and the Limited Liability Coverage on the endorsement. Also enter, on this endorsement, the address of any other location, other than the primary residence, to be insured for Property Remediation Coverage.

c. Do not use these endorsements when Farmers Personal Liability Endorsement **HO 24 73** is part of the policy.

B. Higher Limits

1. Section I – Property Remediation Coverage

a. Limits may be increased to \$25,000, \$50,000 or \$100,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **D. Rating Basis**, for premium computation instructions.

2. Section II – Escaped Fuel And Lead Liability Coverage

a. Limits may be increased to \$100,000 or \$300,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **D. Rating Basis**, for premium computation instructions.

C. Application Of Limits Of Liability

1. For Property Remediation Coverage, the limit selected is the most coverage that will be provided during the policy period regardless of the number of locations insured for Property Remediation Coverage, the number of escapes of liquid fuel from a fuel system an insured first discovers or learns of during the policy period, or the number of claims made.

2. For Limited Lead And Escaped Liquid Fuel Liability Coverage, the limit selected is an aggregate limit and is the most coverage that will be provided during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

D. Rating Basis

1. Property Remediation For Escaped Liquid Fuel Coverage

a. From the Liquid Fuel Risk Selection Table located in Paragraph **4.**, select:

(1) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured for Property Remediation Coverage; and

(2) The corresponding Risk Class Number for each description identified.

b. Use the lowest Risk Class Number selected for all such locations.

2. Limited Lead And Escaped Liquid Fuel Liability Coverages

a. Liquid Fuel Hazard

(1) From the Liquid Fuel Risk Selection Table located in Paragraph **4.**, select:

(a) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured under Section **II** of the policy; and

(b) The corresponding Risk Class Number for each description identified.

(2) Use the lowest Risk Class Number selected for all such locations.

b. Lead Hazard

(1) From the Lead Risk Selection Table in Paragraph **5.**, select:

(a) The lead risk description that best describes each location **with a dwelling building**, insured under Section **II** of the policy; and

(b) The corresponding Risk Class Number for each description identified.

(2) Use the lowest Risk Class Number selected for all such locations.

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OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL AND LIMITED LEAD AND ESCAPED
LIQUID FUEL LIABILITY COVERAGES (Cont'd)**

3. Premium Selection

From the state company rates, select the appropriate additional premium charges that correspond to the lowest Risk Class Numbers determined in Paragraphs 1. and 2.

4. Liquid Fuel Risk Selection Table

| Description | Risk Class No. |
|---|----------------|
| (1) Liquid fuel storage containers, tanks, or vessels with a total combined storage capacity, at any one location, of 100 U.S. gallons or more are on covered real property, the location of the residence premises, or on any other insured location; and (a) One or more fuel storage containers, tanks, or vessels are partially or completely buried below ground (inside or outside of a building or structure); (b) Are all completely above ground (inside or outside of a building or structure); or | 100 |
| (2) No single location insured under this policy has an escaped fuel hazard described in preceding Items (1)(a) or (b). | *300 |
| * This risk class number is only used when lead and escaped fuel liability increased limits is selected. | |

Table 616.D.4. Liquid Fuel Risk Selection

5. Lead Risk Selection Table

| Location Has A Dwelling Built | All Such Locations Are Certified Lead Safe+ | Risk Class Number |
|---|---|-------------------|
| Before 1980 | No or Unknown | 500 |
| Before 1980 | Yes | 600 |
| In 1980 or later | Not Applicable | 700 |
| + See Paragraph 6. for Lead Safe description. | | |

Table 616.D.5. Lead Risk Selection

6. Lead Safe

a. Description

For the purpose of using the Lead Risk Selection Table, a location certified lead safe means that an authorized person has conducted a risk assessment in all insured locations with dwellings to determine the amount of lead, if any, in paint, dust, bare soil and drinking water and has certified that such locations meet the criteria noted in Paragraph b. Standards, that follows. The insurer may require a copy of the inspection report including laboratory results.

b. Standards

- (1) The lead content of exterior and interior paint or other surface coating applied to dwelling buildings, other structures and fixtures is less than:
 - (a) 1.0 milligram per square centimeter based on testing by XRF analysis; or
 - (b) .5% of lead by weight based on testing by atomic absorption lab analysis.
- (2) The amount of lead in interior dust particles in the dwelling building is less than:
 - (a) 40 micrograms per square foot on floors;
 - (b) 250 micrograms per square foot on interior window sills; or
 - (c) 400 micrograms per square foot on window troughs (wells).
- (3) The lead concentration in bare soil is less than 400 parts per million in any area expected to be used by children.
- (4) The lead concentration in drinking water is less than 0.015 milligrams per liter.

c. Authorized Person

For the purposes of this rule, an authorized person means:

- (1) A lead inspector, lead technician, lead risk assessor or another similarly titled person who is trained under an accredited training program and certified by an approving authority; or
 - (2) A person otherwise found acceptable to the insurer;
- to perform lead risk assessments in residential buildings.

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**RULE 617.
CANINE LIABILITY EXCLUSION**

A. Introduction

The policy may be endorsed, subject to written agreement between the named insured and the insurer, to exclude Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments To Others) on a policy with respect to liability arising out of direct physical contact with a specifically described canine, that is owned by or in the care, custody or control of an insured.

B. Application Of Exclusion

1. The named insured must acknowledge, in writing, the Canine Liability Exclusion endorsement.
2. The Canine Liability Exclusion endorsement shall remain in effect:
 - a. For the term of the policy; and
 - b. For each renewal, reinstatement, substitute, modified, replacement or amended policy; until discontinued by the insurer.

C. Endorsement

Use Canine Liability Exclusion Endorsement **HO 24 77**.

**RULES 618. – 700.
RESERVED FOR FUTURE USE**

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**PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS**

**RULE 701.
OTHER EXPOSURES – PERSONAL LIABILITY
INCREASED LIMITS**

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

| Limit | Factor |
|--------------|---------------|
| \$200,000 | 1.15 |
| 300,000 | 1.24 |
| 400,000 | 1.30 |
| 500,000 | 1.35 |

Table 701. Personal Liability Increased Limits

**RULE 702.
OTHER EXPOSURES – MEDICAL PAYMENTS TO
OTHERS INCREASED LIMITS**

Refer to the state company rates for increased limit rates.

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RATING EXAMPLES APPENDIX

IMPORTANT NOTE

The following are examples of a method to calculate premiums using the current edition of the ISO multistate Homeowners Policy Program Manual General Rules. Any factors, loss costs, or rates contained in the examples are for illustrative purposes only.

In these examples when reference is made to applying the loss cost multiplier the resulting product is then rounded to the nearest whole dollar. This may be different from company-specific procedures.

A. Example #1 Tenant (HO 00 04)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

1234 Some Street, Anytown USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage **C** – \$10,000

Coverage **E** – \$100,000

Coverage **F** – \$1,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 2.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls constructed of brick and floors and roof of combustible construction.

Refer to Rule **107**. to determine the type of construction.

f. Building Code Effectiveness Grade

The building was constructed in 2000. The Building Code Effectiveness Grade (BCEG) as determined in 1998 for this particular community is 8.

Refer to the CMC Manual to determine the building code effectiveness grade for the community where the residence premises is located.

Refer to Rule **410**. to determine the windstorm or hail rating factor for that Building Code Effectiveness Grade.

g. Section I – Deductible

\$1,000 Theft and \$250 All Other Perils

Refer to Rule **406**. to determine the applicable rating factor for the deductible amounts selected.

h. Optional Coverages Selected

(1) Special Personal Property Coverage

Refer to Rule **304**. to determine the rating factor for this coverage.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

i. Protective Devices Discounts Applicable To The Policy

The dwelling has automatic sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

j. Higher Limits Requested

(1) Building Additions And Alterations – Increased Limits

The policy automatically provides a limit of liability of \$1,000. The insured has requested a total Building Additions and Alterations limit of \$10,000.

Refer to Rule **502**. to determine the additional premium for this higher limit.

(2) Ordinance Or Law Increased Amount Of Coverage

The policy automatically provides up to 10% of the limit of liability that applies to Building Additions and Alterations to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. The insured has requested that coverage be increased to 100% of the Building Additions and Alterations limit.

Refer to Rule **513**. to determine the additional premium for this higher limit.

(3) Personal Property

The policy automatically provides a special limit of liability for jewelry of \$1,500. However, the insured has requested a total jewelry limit of \$5,000.

Refer to Rule **515**. to determine the additional premium for this higher limit.

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k. Policy Forms

- Homeowners 4 – Contents Broad Form
- Special Provisions Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Special Personal Property Coverage – Form **HO 00 04** Only Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Ordinance Or Law Increased Amount Of Coverage Endorsement
- Building Additions And Alterations Increased Limits Form **HO 00 04** Endorsement
- Coverage **C** Special Limits of Liability Endorsement

2. Premium Determination For The Tenant (HO 00 04) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

| Step | | Explanation |
|------|--|---|
| 1. | Determine the Territory Base Class Loss Cost | Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 04 policy. |
| 2. | Determine the Company Loss Cost Multiplier | Refer to company to determine the appropriate loss cost multiplier. |
| 3. | Determine the Company Base Class Premium | The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here. |
| 4. | Determine the Protection-Construction Factor | Refer to Rule 301.B.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 2 and type of construction is masonry. The factor is .87. |
| 5. | Determine the Key Premium | The Key Premium is determined by the product of Steps 3. and 4. Round to the nearest whole dollar. |
| 6. | Determine the Key Factor | Refer to Rule 301.B.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage C . For this example, the factor is .540. |
| 7. | Determine the Base Premium | The Base Premium is determined by the product of Steps 5. and 6. Round to the nearest whole dollar. |
| 8. | Determine the Base Premium including Special Personal Property Coverage | Refer to General Rule 304. to determine the rating factor for special personal property coverage. For this example, the factor is 1.40. Multiply the Base Premium in Step 7. by 1.40. Round to the nearest whole dollar. Endorsement HO 05 24 must be attached to the policy. |
| 9. | Determine the Adjusted Base Premium for the deductible amounts selected | Refer to General Rule 406. to determine the rating factor for \$1,000 Theft and \$250 All Other Perils Deductible for Coverage C Limit up to \$25,000 for a city territory. For this example, the factor is .84. Multiply the Base Premium in Step 8. by .84. Round to the nearest whole dollar. |
| 10. | Determine the Adjusted Base Premium including the Personal Property (Coverage C) Replacement Loss Settlement | Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.35. Multiply the Adjusted Base Premium in Step 9. by 1.35. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy. |

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| Step | Explanation |
|---|---|
| 11. Determine the Adjusted Base Premium including Protective Devices | Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the apartment has automatic sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector and the factor is .92. Multiply the Adjusted Base Premium in Step 10. by .92. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy. |
| 12. Determine the Adjusted Base Premium to reflect the credit for Building Code Effectiveness. | Refer to Rule 410.E.1.c. in the state exception pages to determine the rating factor for Windstorm Or Hail. For this example, the Windstorm or Hail Factor for Form HO 00 04 with a Grade of 3 is .03. To determine the Building Code Effectiveness Grade credit: a. Multiply the Base Class Premium from Step 3. by the factor in Table 410.E.1.c.(1)(b). b. Multiply the result from preceding Paragraph a. by the Key Factor for the desired amount of insurance for Coverage C. For this example, the factor is .540. Round to the nearest whole dollar. Subtract this credit from the Adjusted Base Premium developed in Step 11. |
| 13. Determine the additional premium for increased limits of liability for Building Additions and Alterations | Refer to General Rule 502. a. Determine the premium for each additional \$1,000 of insurance by multiplying the HO 00 04 Key Factor for "Each Add'l \$1,000" found in Rule 301.B.2. of the state classification pages by the HO 00 04 Key Premium in Step 5. b. Multiply the premium for each additional \$1,000 of insurance determined in preceding Paragraph a. by the number of additional thousands for the increased limit of insurance. For this example, there is a \$9,000 increase in the limit for Building Additions and Alterations. Round to the nearest whole dollar. Add this additional premium to the premium determined in Step 12. Endorsement HO 04 51 must be attached to the policy. |
| 14. Determine the additional premium including Ordinance Or Law Increased Amount of Coverage. | Refer to General Rule 513. a. Determine the premium for each additional \$1,000 of insurance by multiplying the HO 00 04 Key Factor for "Each Add'l \$1,000" found in Rule 301.B.2. of the state classification pages by .30 and then multiply that amount by the HO 00 04 Key Premium in Step 5. b. Multiply the result from Paragraph a. by the number of additional thousands for the increased limit of insurance. For this example, there is a \$9,000 increase in the limit for Ordinance Or Law. Round to the nearest whole dollar. Add this additional premium to the premium determined in Step 13. Endorsement HO 04 77 must be attached to the policy. |
| 15. Determine the additional premium for increased special limits of liability for Coverage C (Jewelry)* | Refer to General Rule 515.D. to determine the loss cost per \$1,000 of increased special limits of liability. For this example, the loss cost per \$1,000 of Coverage C – Jewelry is \$10.35. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate per \$1,000. b. Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$3,500 increase in the limit for Coverage C. Add this additional premium to the premium determined in Step 14. Endorsement HO 04 66 must be attached to the policy. |

* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.

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3. Sample Calculation Of Policy Premium

a. Basic Coverage

| Steps | Description Of Calculation | Calculation |
|-------|---|-------------|
| 1. | Territory Base Class Loss Cost | \$32.77 |
| 2. | Company Loss Cost Multiplier | 1.00 |
| 3. | Base Class Premium | \$33 |
| 4. | Protection-construction Factor | .87 |
| 5. | Key Premium | \$29 |
| 6. | Key Factor | .540 |
| 7. | Base Premium | \$16 |
| 8. | Special Personal Property Coverage Factor | 1.40 |
| | Base Premium including Special Personal Property Coverage | \$22 |

b. Adjusted Base Premium

| | | |
|-----|---|-------------------------------------|
| 9. | Higher Theft Deductible Factor | .84 |
| | Adjusted Base Premium for Higher Theft Deductible | \$18 |
| 10. | Personal Property Replacement Cost Loss Settlement Factor | 1.35 |
| | Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement | \$24 |
| 11. | Protective Devices Factor | .92 |
| | Adjusted Base Premium including Protective Devices | \$22 |
| 12. | Building Code Effectiveness Grade credit | $\$33 \times .03 \times .540 = \1 |
| | Adjusted Base Premium including BCEG credit | \$21 |

c. Additional Premium

| | | |
|-----------------------------------|---|--|
| 13. | Additional premium for increased limits of liability for Building Additions and Alterations | $\$29 \times .028 \times 9 = \7 |
| 14. | Additional premium for increased limits of liability for Ordinance Or Law | $(0.28 \times .30 \times \$29) \times 9 = \$2$ |
| 15. | Rate for each additional \$1,000 for increased special limits of liability for Coverage C – Jewelry | $\$10.35 \times 1.00 = \10 |
| | Additional premium for increased special limits of liability for Coverage C – Jewelry | $\$10 \times 3.5 = \35 |
| Whole Dollar Total Premium | | \$65 |

B. Example #2 Condominium Unit-owner (HO 00 06)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

1234 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage A – \$15,500

Coverage C – \$50,000

Coverage D – \$25,000

Coverage E – \$200,000

Coverage F – \$2,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 2.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls and floors and roof constructed of fire-resistive materials.

Refer to Rule 107. to determine the type of construction.

Refer to Rule 401. to determine the rating factor for superior construction.

f. Building Code Effectiveness Grade

The building was constructed in 2004. The Building Code Effectiveness Grade (BCEG) as determined in 2002 for this particular community is 8.

Refer to the CMC Manual to determine the building code effectiveness grade for the community where the residence premises is located.

Refer to Rule 410. to determine the windstorm or hail rating factor for that Building Code Effectiveness Grade.

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g. Section I – Deductible

\$1,000 Theft and \$500 All Other Perils

Refer to Rule **406**. to determine the applicable rating factor for the deductible amounts selected.

h. Optional Coverages Selected

(1) Special Personal Property Coverage

Refer to Rule **304**. to determine the rating factor for this coverage.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

(3) Unit-owners Coverage A – Special Coverage

Refer to Rule **507**. to determine the additional premium for this option.

i. Protective Devices Discount Applicable To The Policy

The dwelling has a local fire alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

j. Higher Limits Requested

(1) Coverage A – Increased Limit

The basic policy provides a limit of \$5,000 for Coverage **A**. However, the insured has requested that his limits be increased by \$10,500 to \$15,500.

Refer to Rule **507**. to determine the additional premium for this higher limit.

(2) Personal Liability/Medical Payment Increased Limits

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$200,000 for Coverage **E** limit and \$2,000 for Coverage **F**.

Refer to Rule **601**. to determine the additional premium for these higher limits.

k. Policy Forms

- Homeowners 6 – Unit-owners Form
- Special Provisions Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Unit Owners – Coverage **C** – Special Coverage Endorsement
- Unit Owners – Coverage **A** – Special Coverage Endorsement

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2. Premium Determination For The Condominium Unit-owner (HO 00 06) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

| Step | Explanation |
|---|---|
| 1. Determine the Territory Base Class Loss Cost | Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 06 policy. |
| 2. Determine the Company Loss Cost Multiplier | Refer to company to determine the appropriate loss cost multiplier. |
| 3. Determine the Company Base Class Premium | The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here. |
| 4. Determine the Protection-construction Factor | Refer to Rule 301.C.1. in the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 2 and type of construction is masonry. The factor is .87. |
| 5. Determine the Key Premium | The Key Premium is determined by the product of Steps 3. and 4. Round to the nearest whole dollar. |
| 6. Determine the Key Factor | Refer to Rule 301.C.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage C . For this example, the factor is 2.020. |
| 7. Determine the Base Premium | The Base Premium is determined by the product of Steps 5. and 6. Round to the nearest whole dollar. |
| 8. Determine the Base Premium including Special Personal Property Coverage | Refer to General Rule 304. to determine the rating factor for special personal property coverage. For this example, the factor is 1.40. Multiply the Base Premium in Step 7. by 1.40. Round to the nearest whole dollar. Endorsement HO 17 31 must be attached to the policy. |
| 9. Determine the Adjusted Base Premium for the deductible amounts selected | Refer to General Rule 406. to determine the rating factor for \$1,000 Theft and \$500 All Other Perils Deductible for Coverage C Limit \$40,001 and over. For this example, the factor is .90. Multiply the Base Premium in Step 8. by .90. Round to the nearest whole dollar. |
| 10. Determine the Adjusted Base Premium for a condominium unit in a building of superior construction | Refer to General Rule 401. to determine the rating factor for superior construction. For this example, the factor is .85. Multiply the Adjusted Base Premium in Step 9. by .85. Round to the nearest whole dollar. |
| 11. Determine the Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement | Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.35. Multiply the Adjusted Base Premium in Step 10. by 1.35. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy. |
| 12. Determine the Adjusted Base Premium including Protective Devices | Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the unit has a local fire alarm and the factor is .98. Multiply the Adjusted Base Premium in Step 11. by .98. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy. |

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| Step | Explanation |
|--|--|
| 13. | <p>Determine the Adjusted Base Premium to reflect the credit for Building Code Effectiveness</p> <p>Refer to Rule 410.E.1.c. in the state exception pages to determine the rating factor for Windstorm Or Hail. For this example, the Windstorm Or Hail Factor for Form HO 00 06 with a Building Code Effectiveness Grade of 8 is .01.</p> <p>To determine the Building Code Effectiveness Grade credit:</p> <p>a. Multiply the Base Class Premium from Step 3. by the factor in Table 410.E.1.c.(1)(c).</p> <p>b. Multiply the result from preceding Paragraph a. by the Key Factor for the desired amount of insurance for Coverage C. For this example, the factor is 2.020. Round to the nearest whole dollar.</p> <p>Subtract this credit from the Adjusted Base Premium developed in Step 12.</p> |
| 14. | <p>Determine the additional premium for increased limits of Coverage A</p> <p>Refer to General Rule 507.B.</p> <p>a. Determine the premium for each additional \$1,000 of insurance by multiplying the HO 00 06 Key Premium from Step 5. by the HO 00 06 Key Factor for "Each Add'l \$1,000" found in Rule 301.C.2. of the state classification pages.</p> <p>b. Multiply the premium for each additional \$1,000 of insurance determined in preceding Paragraph a. by the number of additional thousands for the increased limit of insurance. For this example, there is a \$10,500 increase in the limit for Coverage A. Multiply the premium determined in Paragraph a. by 10.5. Round to the nearest whole dollar.</p> <p>Add this additional premium to the premium determined in Step 13.</p> |
| 15. | <p>Determine the additional premium for extending special coverage to Coverage A (Dwelling)*</p> <p>Refer to General Rule 507.C.</p> <p>a. The loss cost per policy for \$5,000 of Coverage A in the basic form is \$1.15. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. The loss cost for each additional \$1,000 of Coverage A is \$.58. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Multiply this rate for each additional \$1,000 of Coverage A by the number of additional thousands for the increased limit of insurance. For this example, there is a \$10,500 increase in the limit of Coverage A. Multiply the rate per \$1,000 by 10.5. Add this to the amount determined in Paragraph a. for the total premium for this extended coverage. Round to the nearest whole dollar.</p> <p>Add this additional premium to the premium determined in Step 14.</p> <p>Endorsement HO 17 32 must be attached to the policy.</p> |
| 16. | <p>Determine the additional premium Coverage E increased limit*</p> <p>Refer to General Rule 601. to determine the loss cost for \$200,000 of Coverage E – Liability. For this example, the loss cost is \$1.48. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add this additional premium to the premium determined in Step 15.</p> |
| 17. | <p>Determine the additional premium for Coverage F increased limit*</p> <p>Refer to General Rule 601. to determine the loss cost for \$2,000 of Coverage F – Medical Payments. For this example, the loss cost is \$1.73. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add this additional premium to the premium determined in Step 16.</p> |
| <p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p> | |

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**3. Sample Calculation Of Policy Premium
a. Basic Coverage**

| Steps | Description Of Calculation | Calculation |
|-------|---|-------------|
| 1. | Territory Base Class Loss Cost | \$33.22 |
| 2. | Company Loss Cost Multiplier | 1.00 |
| 3. | Base Class Premium | \$33 |
| 4. | Protection-construction Factor | .87 |
| 5. | Key Premium | \$29 |
| 6. | Key Factor | 2.020 |
| 7. | Base Premium | \$59 |
| 8. | Special Personal Property Coverage Factor | 1.40 |
| | Base Premium including Special Personal Property Coverage | \$83 |

b. Adjusted Base Premium

| | | |
|-----|---|--------------------------------------|
| 9. | Theft Deductible Factor | .90 |
| | Adjusted Base Premium for Deductible Option Selected | \$75 |
| 10. | Superior Construction Factor | .85 |
| | Adjusted Base Premium for Superior Construction | \$64 |
| 11. | Personal Property (Coverage C) Replacement Cost Loss Settlement Factor | 1.35 |
| | Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement | \$86 |
| 12. | Protective Device Factor | .98 |
| | Adjusted Base Premium including Protective Device | \$84 |
| 13. | Building Code Effectiveness Grade credit | $\$33 \times .01 \times 2.020 = \1 |
| | Adjusted Base Premium including BCEG credit | \$83 |

c. Additional Premiums

| | | |
|-----|---|--------------------------------------|
| 14. | Additional premium for increased limits of liability for Coverage A – Dwelling | $\$29 \times .026 \times 10.5 = \8 |
| 15. | Rate for \$5,000 of Coverage A in the basic form | $\$1.15 \times 1.00 = \1 |
| | Rate for each additional \$1,000 of Coverage A | $\$.58 \times 1.00 = \1 |
| | Rate for additional Coverage A limit | $\$1 \times 10.5 = \11 |
| | Additional premium for special coverage of Coverage A – Dwelling | $\$1 + \$11 = \$12$ |
| 16. | Additional premium for increased limits of liability for Coverage E – Personal Liability | $\$1.48 \times 1.00 = \1 |
| 17. | Additional premium for increased limits of liability for Coverage F – Medical Payment To Others | $1.73 \times 1.00 = \$2$ |
| | Whole Dollar Total Premium | \$106 |

C. Example #3 Homeowners 2 – Broad Form (HO 00 02)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

1234 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage A – \$400,000

Coverage B – \$20,000

Coverage C – \$80,000

Coverage D – \$120,000

Coverage E – \$100,000

Coverage F – \$1,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 5.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls made of stucco on wood.

Refer to Rule 107. to determine the type of construction.

f. Four Family Dwelling

The residence is a four family dwelling.

Refer to Rule 301. in the state classification pages to determine the rating factor for a four family dwelling.

g. Building Code Effectiveness Grade

The building was constructed in 1930. Therefore, there is no Building Code Effectiveness Grade for this building.

h. Section I – Deductible

\$250 All Perils. This is the base deductible.

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i. Optional Coverages Selected

(1) Functional Replacement Cost Loss Settlement

Refer to Rule **302**.

The standard replacement cost of this dwelling would be \$550,000. The insured has requested loss settlement on a functional replacement cost basis. The replacement cost using functionally equivalent building material is \$500,000. To receive full functional replacement costs coverage, the insured has insured the dwelling for 80% of the functional replacement cost which is \$400,000.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

j. Discounts Applicable To The Policy

(1) Protective Devices

The dwelling has a central station reporting burglar alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

(2) Inflation Guard

The insured has requested annual 4% increases in the Section I limits.

Refer to Rule **405**. to determine the applicable rating factor for an annual increase of this amount.

(3) Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing

The insured has requested loss settlement on an actual cash value basis for the surface of his roof when damage is caused by the peril of Windstorm or Hail.

Refer to Rule **408**. to determine the rating factor for this option.

(4) Assisted Living Care

The insured's mother lives in an assisted living care facility and has requested a Coverage **C** limit of \$15,000. This is a \$5,000 increase over the basic limit of \$10,000 provided.

Refer to Rule **523**. to determine the additional premium for this option.

k. Lower Personal Property Limits Requested

The policy automatically provides a Coverage **C** limit of \$100,000 (25% of the Coverage **A** limit). The insured has requested that this amount be lowered to \$80,000.

Refer to Rule **515**. to determine the decreased premium for this lower limit.

l. Policy Forms

- Homeowners 2 – Broad Form
- Special Provisions Endorsement
- Functional Replacement Cost Loss Settlement Endorsement
- Premises Alarm or Fire Protection System Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Inflation Guard Endorsement
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing Endorsement
- Assisted Living Care Coverage Endorsement

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2. Premium Determination For The Homeowners 2 – Broad Form (HO 00 02) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

| Step | | Explanation |
|-------------|--|---|
| 1. | Determine the Territory Base Class Loss Cost | Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 03 policy. |
| 2. | Determine the Company Loss Cost Multiplier | Refer to company to determine the appropriate loss cost multiplier. |
| 3. | Determine the Company Base Class Premium | The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here. |
| 4. | Determine the Form Factor | Refer to Rule 301.A.1. of the state classification pages to determine the form factor. Multiply the Company Base Class Premium in Step 3. by the form factor. For this example, the form factor is .95. Round to the nearest whole dollar. |
| 5. | Determine the Protection-construction Factor | Refer to Rule 301.A.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 5 and type of construction is frame. For this example, the factor is 1.00. |
| 6. | Determine the Key Premium | The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar. |
| 7. | Determine the Key Factor for Functional Replacement Cost Loss Settlement | Refer to Rule 301.A.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage A. In accordance with General Rule 302.A., the insured has requested a Coverage A limit that is 80% of the functional replacement cost of the building. For this example, the factor is 2.576. Endorsement HO 05 30 must be attached to the policy. |
| 8. | Determine the Base Premium | The Base Premium is determined by the product of Steps 6. and 7. Round to the nearest whole dollar. |
| 9. | Determine the Base Premium for a Four Family Dwelling | Refer to Rule 301.A.1.b. in the state classification pages to determine the rating factor for a Three or Four Family Dwelling. For this example, the factor is 1.30. Multiply the Base Premium in Step 8. by 1.30. Round to the nearest whole dollar. |

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| Step | Explanation |
|--|---|
| 10. Determine the Base Premium for the lower amounts of insurance for Coverage C* | <p>Refer to General Rule 515. to determine the loss cost for lower limits of liability for Coverage C. For this example, the loss cost per \$1,000 of Coverage C is \$.58.</p> <p>To determine the credit:</p> <ol style="list-style-type: none"> a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply this rate for each fewer \$1,000 of insurance by the number of fewer thousands for the lower limits of insurance. For this example, there is a \$20,000 decrease in the limit for Coverage C. <p>Subtract this premium from the premium determined in Step 9.</p> |
| 11. Determine the Adjusted Base Premium including the Personal Property (Coverage C) Replacement Cost Loss Settlement | <p>Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step 10. by 1.15. Round to the nearest whole dollar.</p> <p>Endorsement HO 04 90 must be attached to the policy.</p> |
| 12. Determine the Adjusted Base Premium including Protective Devices | <p>Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the dwelling has a central station reporting burglar alarm and the factor is .95. Multiply the Base Premium in Step 11. by .95. Round to the nearest whole dollar.</p> <p>Endorsement HO 04 16 must be attached to the policy.</p> |
| 13. Determine the Adjusted Base Premium including Inflation Guard | <p>Refer to General Rule 405. (Table 405.B.1.) to determine the rating factor for inflation guard. For this example, there is an annual 4% increase in Section I limits and the factor is 1.02. Multiply the Adjusted Base Premium in Step 12. by 1.02. Round to the nearest whole dollar.</p> <p>Endorsement HO 04 46 must be attached to the policy.</p> |
| 14. Determine the Adjusted Base Premium including Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing | <p>Refer to General Rule 408. to determine the rating factor for loss settlement on an actual cash value basis for losses to the roof surface when damage is caused by the peril of windstorm or hail. For this example, the factor is .99. Multiply the Adjusted Base Premium in Step 13. by the factor of .99. Round to the nearest whole dollar.</p> <p>Endorsement HO 04 93 must be attached to the policy.</p> |
| 15. Determine the additional premium for Assisted Living Care Coverage* | <p>Refer to General Rule 523. to determine the loss cost per unit and the loss cost per \$1,000 of increased limits of liability. For this example, the loss cost per unit is \$45.00 and the loss cost for \$1,000 of Coverage C is \$4.03.</p> <ol style="list-style-type: none"> a. Apply the appropriate loss cost multiplier(s) to the loss costs to determine the company's rates. b. Multiply the rate per unit by the number of units. For this example, there is one unit. c. Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$5,000 increase in the basic limit for Coverage C. <p>Add the rates determined in Paragraphs b. and c. to determine the additional premium for this coverage.</p> <p>Add this additional premium to the premium determined in Step 14.</p> |
| <p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p> | |

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**3. Sample Calculation Of Policy Premium
a. Basic Coverage**

| Steps | Description Of Calculation | Calculation |
|-------|---|-------------|
| 1. | Territory Base Class Loss Cost | \$283.64 |
| 2. | Company Loss Cost Multiplier | 1.00 |
| 3. | Base Class Premium | \$284 |
| 4. | Form Factor for HO 00 02 | .95 |
| | Base Class Premium for Form HO 00 02 | \$270 |
| 5. | Protection-construction Factor | 1.00 |
| 6. | Key Premium | \$270 |
| 7. | Key Factor | 2.576 |
| 8. | Base Premium | \$696 |
| 9. | Four Family Dwelling Factor | 1.30 |
| | Base Premium for a Four Family Dwelling | \$905 |

b. Adjusted Base Premium

| | | |
|-----|--|---------------------|
| 10. | Rate per \$1,000 of insurance for lower limits of Coverage C | \$.58 x 1.00 = \$1 |
| | Credit for lower limits of Coverage C | \$1 x 20 = \$20 |
| | Adjusted Base Premium including lower limits of Coverage C | \$885 |
| 11. | Personal Property Replacement Loss Cost Settlement Factor | 1.15 |
| | Adjusted Base Premium including Personal Property Replacement Cost Loss Settlement | \$1,018 |
| 12. | Protective Devices Factor | .95 |
| | Adjusted Base Premium including Protective Devices | \$967 |
| 13. | Inflation Guard Factor | 1.02 |
| | Adjusted Base Premium including Inflation Guard | \$986 |
| 14. | ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing Factor | .99 |
| | Adjusted Base Premium including ACV Loss Settlement Windstorm or Hail Losses to Roof | \$976 |

c. Additional Premium

| | | |
|-----|---|---------------------|
| 15. | Rate per unit for Assisted Living Care | \$45 x 1.00 = \$45 |
| | Rate for each additional \$1,000 of Coverage C | \$4.03 x 1.00 = \$4 |
| | Rate for additional Coverage C limit | \$4 x 5 = \$20 |
| | Additional Premium for Assisted Living Care | \$45 + \$20 = \$65 |
| | Whole Dollar Total Premium | \$1,041 |

D. Example #4 Homeowners 3 – Special Form (HO 00 03)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

2345 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage **A** – \$290,000

Coverage **B** – \$29,000

Coverage **C** – \$145,000

Coverage **D** – \$100,000

Coverage **E** – \$200,000

Coverage **F** – \$2,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 1.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls constructed of brick and stone and the floors and roof consist of combustible construction.

Refer to Rule **107.** to determine the type of construction.

f. Building Code Effectiveness Grade

The building was constructed in 1940. Therefore, there is no Building Code Effectiveness Grade for this building.

g. Section I – Deductible

Windstorm or Hail 5% of the Coverage **A** limit and \$250 All Other Perils

Refer to Rule **406.** to determine the applicable rating factor for the deductible amounts selected.

Anytown is located in a coastal area which is eligible for coverage by a wind pool.

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h. Optional Coverage Selected

(1) Permitted Incidental Occupancies Residence Premises

The insured operates a permitted business from a separate building on his residence premises and has requested \$40,000 of coverage for the building.

Refer to Rules **510.** and **608.** to determine the additional premium for this option.

(1) Other Structure Rented To Others

The insured also owns another similar building structure that he rents out and wants to specifically insure for \$40,000.

Refer to Rules **514.** and **605.** to determine the additional premium for this option.

i. Higher Limits Requested

(1) Ordinance Or Law – Increased Amount Of Coverage

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. However, the insured has requested that the limit be increased to 25% of the Coverage **A** limit.

Refer to Rule **303.** to determine the applicable rating factor for this higher limit.

(2) Loss Of Use – Increased Limit

The policy provides a Coverage **D** limit of \$87,000. However, the insured has requested a \$13,000 increase to this limit for a total Coverage **D** limit of \$100,000.

Refer to Rule **512.** to determine the additional premium for this higher limit.

(3) Section II – Increased Limits

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$200,000 for Coverage **E** and \$2,000 for Coverage **F**.

Refer to Rules **601., 701.** and **702.** to determine the additional premium for these higher limits.

j. Policy Forms

- Homeowners 3 – Special Form
- Special Provisions Endorsement
- Ordinance Or Law – Increased Amount Of Coverage Endorsement
- Windstorm Or Hail Percentage Deductible Endorsement
- Permitted Incidental Occupancies – Residence Premises Endorsement
- Structures Rented To Others – Residence Premises Endorsement

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2. Premium Determination For The Homeowners 3 – Special Form (HO 00 03) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

| Step | | Explanation |
|-------------|--|---|
| 1. | Determine the Territory Base Class Loss Cost | Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 03 policy. |
| 2. | Determine the Company Loss Cost Multiplier | Refer to company to determine the appropriate loss cost multiplier. |
| 3. | Determine the Company Base Class Premium | The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here. |
| 4. | Determine the Form Factor | Refer to Rule 301.A.1. of the state classification pages to determine the form factor. Multiply the Company Base Class Premium from Step 3. by the form factor. For this example, the form factor is 1.00. Round to the nearest whole dollar. |
| 5. | Determine the Protection-construction Factor | Refer to Rule 301.A.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 1 and type of construction is masonry. For this example, the factor is .86. |
| 6. | Determine the Key Premium | The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar. |
| 7. | Determine the Key Factor | Refer to 301.A.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage A. For this example, the factor is 1.807. |
| 8. | Determine the Base Premium | The Base Premium is determined by the product of Steps 6. and 7. Round to the nearest whole dollar. |
| 9. | Determine the Base Premium including Ordinance or Law – Increased Amount of Coverage | Refer to General Rule 303. to determine the rating factor for increased amount of ordinance or law coverage. For this example, the factor is 1.03. Multiply the Base Premium in Step 8. by 1.03. Round to the nearest whole dollar. Endorsement HO 04 77 must be attached to the policy. |
| 10. | Determine the Adjusted Base Premium for the deductible option selected | Refer to General Rule 406. to determine the rating factor for a 5% Windstorm or Hail and \$250 All Other Perils Deductible for a Coverage A Limit of 200,001 & Over. For this example, the factor is .92. Since the property insured in this example is located in an area serviced by a wind pool, additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy. That is, the credit amount for the deductible must be compared to 90% of the total wind exclusion credit. For this example, the deductible credit amount is \$67. The total wind exclusion credit is calculated by first taking the wind exclusion loss cost of \$392 found in Rule A2. multiplied by the loss cost multiplier and rounding to whole dollars to determine the company wind exclusion rate. The company wind exclusion rate is then multiplied by the key factor of 1.807 (which was determined in Step 7.) and rounded to whole dollars to arrive at the total wind exclusion credit. Since the deductible credit amount is less than 90% of the total wind exclusion credit, multiply the Base Premium in Step 9. by .92. Round to the nearest whole dollar. Note: If the credit amount for the deductible was greater than 90% of the total wind exclusion credit, then 90% of the total wind exclusion credit would have been subtracted from the Base Premium in Step 9. Endorsement HO 03 12 must be attached to the policy. |

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| Step | Explanation |
|---|---|
| 11. Determine the additional premium including the Coverage D increased limit * | Refer to General Rule 512 . to determine the loss cost for the Coverage D increased limit of liability. For this example, the loss cost per \$1,000 is \$2.30. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rates. b. Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limit of insurance. For this example, there is a \$13,000 increase in the limit of Coverage D . Add this additional premium to the premium determined in Step 10 . |
| 12. Determine the additional premium for the Coverage E increased limit for the base policy* | Refer to General Rule 601 . to determine the loss cost for the Coverage E increased limit of liability. For this example, the loss cost for \$200,000 of Coverage E – Liability is \$1.90. Apply the appropriate loss cost multiplier to this loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 11 . |
| 13. Determine the additional medical payments premium for the base policy | Refer to General Rule 601 . to determine the loss cost to increase the Coverage F – Medical Payments limit to \$2,000. For this example the loss cost is \$1.73. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 12 . |
| 14. Determine the additional property premium for the Permitted Incidental Occupancies on the Residence Premises* | Refer to General Rule 510 . to determine the loss cost for a permitted incidental occupancy on the residence premises. For this example, the Section I loss cost per \$1,000 for business in an other structure is \$3.45. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply the rate for each additional \$1,000 of insurance by the requested amount of insurance on the structure. For this example, the insured requested \$40,000 of coverage for the other structure. Add this additional premium to the premium determined in Step 13 . Endorsement HO 04 42 must be attached to the policy. |
| 15. Determine the additional liability premium for the Permitted Incidental Occupancy on the Residence Premises* | Refer to General Rule 608 . to determine the loss cost for a permitted incidental occupancy on the residence premises. For this example, the loss cost per residence is \$9.82. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Refer to General Rule 701 . to determine the increased limit factor to increase the Coverage E – Liability limit to \$200,000. For this example, the increased limit factor is 1.15. Multiply the company rate determined above by 1.15 to determine the additional premium for the permitted incidental occupancy on the residence premises. Add this additional premium to the premium determined in Step 14 . |
| 16. Determine the additional medical payments premium for the Permitted Incidental Occupancy on the Residence Premises* | Refer to General Rule 702 . to determine the loss cost to increase the Coverage F – Medical Payments limit to \$2,000. For this example the loss cost is \$2.88. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 15 . |
| 17. Determine the additional property premium for the Structure Rented to Others on the Residence Premises* | Refer to General Rule 514 . to determine the loss cost for other structures rented to others. For this example, the loss cost per \$1,000 for a structure on the residence premises rented to others is \$3.45. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply the rate for each additional \$1,000 of insurance by the requested amount of insurance on the structure. For this example, the insured requested \$40,000 of coverage for the other structure. Add the additional premium to the premium determined in Step 16 . Endorsement HO 04 40 must be attached to the policy. |
| * For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate. | |

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| Step | Explanation |
|--|--|
| 18. Determine the additional premium for the Structure Rented to Others on the Residence Premises* | <p>a. Refer to General Rule 605. to determine the loss cost for other structures rented to others on the residences premises. For this example, the loss cost per structure is \$10.75. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$200,000. For this example the increased limit factor is 1.15. Multiply the company rate determined in Paragraph a. by 1.15 to determine the additional liability premium.</p> <p>c. Refer to General Rule 702. to determine the loss cost to increase Coverage F – Medical Payments limit to \$2,000. For this example the loss cost is \$.58. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this company rate to the rate determined in Paragraph b. to determine the additional premium for the structure rented to others on the residence premises.</p> <p>Add this additional premium to the premium determined in Step 17.</p> |
| <p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p> | |

3. Sample Calculation Of Policy Premium

a. Basic Coverage

| Steps | Description Of Calculation | Calculation |
|-------|--|-------------|
| 1. | Territory Base Class Loss Cost | \$524.01 |
| 2. | Company Loss Cost Multiplier | 1.00 |
| 3. | Base Class Premium | \$524 |
| 4. | Form Factor | 1.00 |
| | Base Class Premium for Form HO 00 03 | \$524 |
| 5. | Protection-construction Factor | .86 |
| 6. | Key Premium | \$451 |
| 7. | Key Factor | 1.807 |
| 8. | Base Premium | \$815 |
| 9. | Ordinance or Law – Increased Coverage Factor | 1.03 |
| | Base Premium including Ordinance Or Law – Increased Amount of Coverage | \$839 |

b. Adjusted Premium

| | | |
|-----|--|-------|
| 10. | Deductible Factor | .92 |
| | Adjusted Base Premium for Deductible Option Selected | \$772 |

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c. Additional Premium

| | | |
|-----------------------------------|---|-----------------------------|
| 11. | Rate for each additional \$1,000 of insurance for the Increased Limit of Coverage D – Loss of Use | \$2.30 x 1.00 = \$2 |
| | Additional premium for increased limit of Coverage D – Loss of Use | \$2 x 13 = \$26 |
| 12. | Additional premium for increased limit for Coverage E – Liability | \$1.90 x 1.00 = \$2 |
| 13. | Additional premium including increased limit for Coverage F – Medical Payments To Others | \$1.73 x 1.00 = \$2 |
| 14. | Rate per \$1,000 for a permitted incidental occupancy on the residence premises | \$3.45 x 1.00 = \$3 |
| | Additional premium for a permitted incidental occupancy on the residence premises | \$3 x 40 = \$120 |
| 15. | Basic rate for a permitted incidental occupancy on the residence premises including liability limit | \$9.82 x 1.00 = \$10 |
| | Coverage E Increased Limits factor | 1.15 |
| | Additional premium for a permitted incidental occupancy on the residence premises including liability limit | \$10 x 1.15 = \$12 |
| 16. | Additional medical payments premium for a permitted incidental occupancy on the residence premises | \$2.88 x 1.00 = \$3 |
| 17. | Property rate per \$1,000 for an other structure rented to others on the residence premises | \$3.45 x 1.00 = \$3 |
| | Additional property premium for an other structure rented to others on the residence premises | \$3 x 40 = \$120 |
| 18. | Liability basic rate for an other structure rented to others on the residence premises | \$10.75 x 1.00 = \$11 |
| | Coverage E Increased Limits factor | 1.15 |
| | Additional liability premium for an other structure rented to others on the residence premises | \$11 x 1.15 = \$13 |
| | Additional medical payments premium for an other structure rented to others on the residence premises | \$.58 x 1.00 = \$1 |
| | Additional premium for an other structure rented to others on the residence premises | \$13 + \$1 = \$14 |
| Whole Dollar Total Premium | | \$1,071 |

E. Example #5 Homeowners 5 – Comprehensive Form (HO 00 05)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

2345 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage **A** – \$500,000

Coverage **B** – \$50,000

Coverage **C** – \$300,000

Coverage **D** – \$150,000

Coverage **E** – \$500,000

Coverage **F** – \$5,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 1.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls constructed of brick and floors and roof of combustible construction.

Refer to Rule 107. to determine the type of construction.

f. Building Code Effectiveness Grade

The building was constructed in 1950. Therefore there is no Building Code Effectiveness Grade for this building.

g. Section I – Deductible

\$2,500 All Perils

Refer to Rule 406. to determine the applicable rating factor for the deductible amounts selected.

h. Loss History

The insured had a prior loss six months ago.

Refer to the Loss History rule to determine the applicable rating factor for one prior loss.

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i. Optional Coverage(s) Selected

(1) Windstorm Or Hail Exclusion

The insured lives in an area serviced by a Wind Pool and coverage for the windstorm or hail peril is excluded.

Refer to the Windstorm Or Hail Exclusion rule to determine the credit for excluding this peril.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

(3) Protective Devices

The dwelling has a central station reporting burglar alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

(4) Additional Limits Of Liability For Coverages A, B, C And D

Refer to Rule **407**. to determine the rating factor for this option.

(5) Replacement Cost Loss Settlement For Certain Non-building Structures

The insured has requested loss settlement on a replacement cost basis for his fence, patio, walkways and driveways.

Refer to Rule **409**. to determine the rating factor for this option.

(6) Student Away From Residence Premises

The insured's daughter is a part time student living away at school so he has requested that she be listed on the policy as an additional insured.

Refer to Rule **527**. to determine the additional premium for this option.

(7) Section II Coverage At Other Location Occupied By Insured

The insured has requested that (premises) liability coverage also be extended to his one family vacation property in another state.

Refer to Rule **602**. to determine the additional premium for this option.

(8) Watercraft Liability Coverage

The insured requested that his liability coverage also be extended to his boat which is 26 feet long and has a 200 horsepower inboard-outdrive motor. However, he only uses the boat for four months during the year.

Refer to Rule **612**. to determine the additional premium for this option.

j. Higher Limits Requested

(1) Ordinance Or Law Increased Amount Of Coverage

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. However, the insured has requested the limit be increased to 50% of the Coverage **A** limit.

Refer to Rule **303**. to determine the applicable rating factor for this option.

(2) Section I – Coverage C – Increased Limits

The basic policy provides a limit of \$250,000 for Coverage **C**. However, the insured has requested a \$50,000 increase to this limit for a total Coverage **C** limit of \$300,000.

Refer to Rule **515**. to determine the additional premium for this higher limit.

(3) Section II – Increased Limits

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$500,000 for Coverage **E** and \$5,000 for Coverage **F**.

Refer to Rules **601.**, **701.** and **702.** to determine the additional premium for these higher limits.

k. Policy Forms

- Homeowners 5 – Comprehensive Form
- Special Provisions Endorsement
- Windstorm Or Hail Exclusion Endorsement
- Ordinance or Law – Increased Amount Of Coverage Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Additional Limits of Liability For Coverages **A**, **B**, **C** and **D** Endorsement
- Replacement Cost Loss Settlement For Certain Non-building Structures On the Residence Premises Endorsement
- Additional Insured – Student Away From Residence Premises Endorsement
- Watercraft Endorsement

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2. Premium Determination For The Homeowners 5 – Comprehensive Form (HO 00 05 Example)

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

| Step | Explanation |
|---|--|
| 1. Determine the Territory Base Class Loss Cost | Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss costs for an HO 00 03 policy. |
| 2. Determine the Company Loss Cost Multiplier | Refer to company to determine the appropriate loss cost multiplier. |
| 3. Determine the Company Base Class Premium | The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here. |
| 4. Determine the Form Factor | Refer to Rule 301.A.1. of the state classification pages to determine the form factor that applies. Multiply the Company Base Class Premium from Step 3. by the form factor. For this example, the form factor is 1.15. Round to the nearest whole dollar. |
| 5. Determine the Protection-construction Factor | Refer to Rule 301.A.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 1 and type of construction is masonry. The factor is .86. |
| 6. Determine the Key Premium | The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar. |
| 7. Determine the Key Premium reflecting the credit for the Windstorm or Hail Exclusion* | Refer to the Windstorm or Hail Exclusion rule to determine the loss cost for the Windstorm or Hail Exclusion credit. For this example, the loss cost is \$392. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Subtract this credit from the Key Premium determined in Step 6. Endorsement HO 04 94 must be attached to the policy. |
| 8. Determine the Key Factor | Refer to Rule 301.A.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage A . For this example, the factor is 3.276. |
| 9. Determine the Base Premium | The Base Premium is determined by the product of Steps 7. and 8. Round to the nearest whole dollar. |
| 10. Determine the Base Premium including Ordinance or Law – Increased Amount of Coverage | Refer to General Rule 303. to determine the rating factor for the increased amount of ordinance or law coverage. For this example, the factor is 1.07. Multiply the Base Premium in Step 9. by 1.07. Round to the nearest whole dollar. Endorsement HO 04 77 must be attached to the policy. |
| 11. Determine the Base Premium including Loss History | Refer to the Loss History rule to determine the rating factor based on the insured's loss history. For this example, the insured had one prior loss and the factor is 1.20. Multiply the Base Premium in Step 10. by 1.20. Round to the nearest whole dollar. |
| 12. Determine the Adjusted Base Premium for the Deductible Option Selected | Refer to General Rule 406. to determine the rating factor for a \$2,500 All Perils Deductible for Coverage A Limit of \$200,000 and over. For this example, the factor is .73. Multiply the Base Premium in Step 11. by .73. Round to the nearest whole dollar. |
| 13. Determine the additional premium for the Coverage C increased limit* | Refer to General Rule 515. to determine the loss cost for a Coverage C increased limit of liability. For this example, the loss cost per \$1,000 is \$1.73. To determine the additional premium: a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply the premium for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$50,000 increase in the limit for Coverage C . Add this additional premium to the premium determined in Step 12. |
| * For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate. | |

HOMEOWNERS POLICY PROGRAM MANUAL
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| Step | Explanation |
|---|--|
| 14. Determine the Adjusted Base Premium including Personal Property Replacement Cost Loss Settlement | Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step 13. by 1.15. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy. |
| 15. Determine the Adjusted Base Premium including Protective Devices | Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the dwelling has a central station reporting burglar alarm and the factor is .95. Multiply the Adjusted Base Premium in Step 14. by .95. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy. |
| 16. Determine the Adjusted Base Premium including Additional Limits for Coverages A, B, C and D | Refer to General Rule 407.C.2. to determine the rating factor for this option. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step 15. by 1.15. Round to the nearest whole dollar. Endorsement HO 04 11 must be attached to the policy. |
| 17. Determine the Adjusted Base Premium including Replacement Cost Loss Settlement For Certain Non-building Structures | Refer to General Rule 409. to determine the rating factor for replacement cost loss settlement for certain non-building structures. For this example, the factor is 1.02. Multiply the Adjusted Base Premium in Step 16. by 1.02. Round to the nearest whole dollar. Endorsement HO 04 43 must be attached to the policy. |
| 18. Determine the additional premium for Student Away From Residence Premises* | To determine the additional premium: a. Refer to General Rule 527. to determine the loss costs for student away from residence premises coverages. (1) For this example, the Section I and II basic limits loss cost per location is \$40.00. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. (2) For this example, the Section II loss cost for the \$500,000 Coverage E increased limit of liability is \$10.50. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$5,000. For this example, the loss cost is \$2.30. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add the rates determined in Paragraphs a.(1), a.(2) and b. to determine the additional premium for this coverage. Endorsement HO 05 27 must be attached to the policy. Add this additional premium to the premium determined in Step 17. |
| 19. Determine the additional premium for Coverage E increased limit* | Refer to General Rule 601. to determine the loss cost for Coverage E – Liability increased limit of liability. For this example, the loss cost for \$500,000 of Coverage E is \$4.43. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 18. |
| 20. Determine the additional premium for Coverage F increased limit* | Refer to General Rule 601. to determine the loss cost for Coverage F – Medical Payments increased limit of liability. For this example, the loss cost for \$5,000 of Coverage F is \$6.33. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 19. |
| * For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate. | |

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| Step | Explanation |
|--|--|
| <p>21. Determine the additional premium for Coverage At An Other Location Occupied by the Insured*</p> | <p>To determine the additional premium:</p> <p>a. Refer to General Rule 602. to determine the loss cost for coverage at an other location occupied by insured. For this example, the loss cost is \$3.93. This loss cost is for the state where the other location is located. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$500,000. For this example the increased limits factor is 1.35. Multiply the company rate determined in Paragraph a. by 1.35 to determine the premium including the additional liability.</p> <p>c. Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$5,000. For this example, the loss cost is \$2.30. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add the rates determined in Paragraphs b. and c. to determine the additional premium for this coverage.</p> <p>Add this additional premium to the premium determined in Step 20.</p> |
| <p>22. Determine the additional premium for Watercraft Liability*</p> | <p>To determine the additional premium:</p> <p>a. Refer to General Rule 612. to determine the loss cost for watercraft liability. For this example, the boat is 26 ft. long and has a 200 horsepower inboard-outdrive motor so the loss cost is \$12.90. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$500,000. For this example, the increased limits factor is 1.35. Multiply the company rate determined in Paragraph a. by 1.35 to determine the premium including the additional liability.</p> <p>c. Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$5,000. For this example, the loss cost is \$24.15. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add the rates determined in Paragraphs b. and c. to determine the additional premium on an annual basis.</p> <p>Since the insured requested coverage for only part of the year, the additional premium for watercraft liability is prorated by dividing the number of months requested by twelve months. For this example, the insured requested coverage for four months. Multiply this result by the additional premium on an annual basis to determine the prorated additional premium.</p> <p>Endorsement HO 24 75 must be attached to the policy.</p> <p>Add this prorated additional premium to the premium determined in Step 21.</p> |
| <p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p> | |

**HOMEOWNERS POLICY PROGRAM MANUAL
RATING EXAMPLES APPENDIX PAGES**

3. Sample Calculation Of Policy Premium

a. Basic Coverage

| Steps | Description Of Calculation | Calculation |
|-------|--|-----------------------------|
| 1. | Territory Base Class Loss Cost | \$524.01 |
| 2. | Company Loss Cost Multiplier | 1.00 |
| 3. | Base Class Premium | \$524 |
| 4. | Form Factor | 1.15 |
| | Base Class Premium for Form HO 00 03 | \$603 |
| 5. | Protection-construction Factor | .86 |
| 6. | Key Premium | \$519 |
| 7. | Rate for Windstorm or Hail Exclusion credit | $\$392 \times 1.00 = \392 |
| | Key Premium reflecting the Windstorm or Hail Exclusion credit | \$127 |
| 8. | Key Factor | 3.276 |
| 9. | Base Premium | \$416 |
| 10. | Ordinance Or Law – Increased Coverage Factor | 1.07 |
| | Base Premium including Ordinance Or Law – Increased Amount of Coverage | \$445 |
| 11. | Loss History Factor | 1.200 |
| | Base Premium including Loss History | \$534 |

b. Adjusted Premium

| | | |
|-----|--|----------------------------|
| 12. | Deductible Factor | .73 |
| | Adjusted Base Premium for Deductible Option Selected | \$390 |
| 13. | Rate for increased limits of liability for Coverage C | $\$1.73 \times 1.00 = \2 |
| | Additional premium for increased limit of Coverage C | $\$2 \times 50 = \100 |
| | Adjusted Base Premium including increased limits of liability for Section I – Coverage C | \$490 |
| 14. | Personal Property Replacement Cost Loss Settlement Factor | 1.15 |
| | Adjusted Premium including Personal Property Replacement Cost Loss Settlement | \$564 |
| 15. | Protective Device Factor | .95 |
| | Adjusted Base Premium including Protective Device | \$536 |
| 16. | Additional Limits for Coverage A, B, C, D Factor | 1.15 |
| | Adjusted Base Premium including Additional Limits for Coverage A, B, C, D | \$616 |
| 17. | Replacement Cost Loss Settlement for Certain Non-building Structures Factor | 1.02 |
| | Adjusted Base Premium including Replacement Cost Loss Settlement for Certain Non-building Structures | \$628 |

c. Additional Premium

| | | |
|-----|--|------------------------------|
| 18. | a. Rate per location for Student Away From Premises | $\$40 \times 1.00 = \40 |
| | Rate for increased limits of liability for Coverage E of Student Away From Premises | $\$10.50 \times 1.00 = \11 |
| | b. Additional medical payments premium for Student Away From Premises | $\$2.30 \times 1.00 = \2 |
| | Additional premiums for Student Away From Premises | $\$40 + \$11 + \$2 = \53 |
| 19. | Additional premium for increased limits of liability for Coverage E – Liability | $\$4.43 \times 1.00 = \4 |
| 20. | Additional premium for increased limits of liability for Coverage F – Medical Payments | $\$6.33 \times 1.00 = \6 |
| 21. | a. Rate for Coverage At An Other Location Occupied by the Insured | $\$3.93 \times 1.00 = \4 |
| | b. Coverage E Increased Limits factor | 1.35 |
| | Rate for Coverage E At an Other Location Occupied by the Insured including increased liability limit | $\$4 \times 1.35 = \5 |
| | c. Additional medical payments premium for Coverage F At An Other Location Occupied by the Insured | $\$2.30 \times 1.00 = \2 |
| | Additional premiums for Coverage At An Other Location Occupied by the Insured | $\$5 + \$2 = \$7$ |
| 22. | a. Rate for Watercraft Liability | $\$12.90 \times 1.00 = \13 |
| | b. Coverage E Increased Limits factor | 1.35 |
| | Premium for Watercraft Liability including liability limit | $\$13 \times 1.35 = \18 |
| | c. Additional medical payments premium for Watercraft Liability | $\$24.15 \times 1.00 = \24 |
| | Annual additional premiums for Watercraft Liability | $\$18 + \$24 = \$42$ |
| | Prorated additional premium for Watercraft Liability | $\$42 \times 4/12 = \14 |
| | Whole Dollar Total Premium | \$712 |



Notice to Manualholders

**PERSONAL LINES
HOMEOWNERS POLICY PROGRAM MANUAL – NORTH CAROLINA RULES
NOTICE HO-NC-2020-RU-001**

REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- P-19-5 (09/26/2019) Revised Homeowners Insurance Rates and Rules

Filing Reference(s):

- NCRI-131761557 (Bureau)

**RULE 301.
BASE PREMIUM COMPUTATION**

Base Class Premium Table

| Territory | HO 00 03 | HO 00 04 | HO 00 06 |
|------------------|-----------------|-----------------|-----------------|
| 110 | 2,617 | 124 | 102 |
| 120 | 3,068 | 141 | 125 |
| 130 | 1,584 | 79 | 79 |
| 140 | 2,138 | 96 | 86 |
| 150 | 1,310 | 60 | 59 |
| 160 | 1,423 | 76 | 64 |
| 170 | 803 | 56 | 52 |
| 180 | 939 | 60 | 55 |
| 190 | 1,166 | 63 | 58 |
| 200 | 1,273 | 67 | 64 |
| 210 | 868 | 60 | 53 |
| 220 | 1,012 | 79 | 54 |
| 230 | 1,135 | 61 | 57 |
| 240 | 836 | 60 | 50 |
| 250 | 947 | 58 | 49 |
| 260 | 627 | 59 | 49 |
| 270 | 708 | 50 | 55 |
| 280 | 622 | 45 | 41 |
| 290 | 772 | 51 | 50 |
| 300 | 827 | 53 | 49 |
| 310 | 637 | 54 | 43 |
| 320 | 711 | 51 | 44 |
| 330 | 594 | 48 | 48 |
| 340 | 621 | 57 | 47 |
| 350 | 660 | 50 | 46 |
| 360 | 571 | 39 | 37 |
| 370 | 621 | 45 | 48 |
| 380 | 577 | 45 | 46 |
| 390 | 588 | 46 | 47 |

Table 301. Base Class Premium

**RULE 301.
BASE PREMIUM COMPUTATION**

A. All Forms Except HO 00 04 And HO 00 06

1. Classification Tables

a. One And Two Family

| Form Factors | |
|--------------|---------|
| Form | Factors |
| HO 00 02 | .95 |
| HO 00 03 | 1.00 |
| HO 00 05 | 1.30 |
| HO 00 08 | 1.25 |

Table 301.A.1.a.#1 Form Factors

| Protection | Territory Group 1 | | Territory Group 2 | | Territory Group 3 | | Territory Group 4 | |
|------------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|
| | Frame | Masonry | Frame | Masonry | Frame | Masonry | Frame | Masonry |
| 1 | .99 | .89 | .97 | .87 | .97 | .87 | .97 | .87 |
| 2 | .99 | .89 | .98 | .88 | .98 | .88 | .98 | .88 |
| 3 | .99 | .89 | .98 | .88 | .98 | .88 | .98 | .88 |
| 4 | 1.00 | .90 | .99 | .89 | .99 | .89 | .99 | .89 |
| 5 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 6 | 1.01 | .91 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 7 | 1.10 | 1.00 | 1.10 | 1.00 | 1.10 | 1.00 | 1.10 | 1.00 |
| 8 | 1.25 | 1.10 | 1.25 | 1.10 | 1.25 | 1.10 | 1.25 | 1.10 |
| 9E | 1.35 | 1.20 | 1.40 | 1.25 | 1.40 | 1.25 | 1.40 | 1.25 |
| 9S | 1.35 | 1.20 | 1.40 | 1.25 | 1.40 | 1.25 | 1.40 | 1.25 |
| 9 | 1.35 | 1.20 | 1.40 | 1.25 | 1.40 | 1.25 | 1.40 | 1.25 |
| 10 | 1.70 | 1.50 | 1.75 | 1.55 | 1.75 | 1.55 | 1.75 | 1.55 |

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

Table 301.A.1.a.#2 Protection Construction Factors

b. Three And Four Family Factor 1.04

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

2. 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 | |
| Each Add'l \$1,000 | .003 | |
| Minimum Limits Of Liability | | |
| **Section I – Property | HO 00 02, 03 & 05 | HO 00 08 |
| Primary Location | \$ 25,000 | \$ 15,000 |
| Secondary Location | 15,000 | 10,000 |
| Section II – Liability | | All Forms |
| Personal Liability | \$ 25,000 | |
| Medical Payments to Others | 1,000 | |

Table 301.A.2. Key Factors

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

B. Form HO 00 04 And HO 00 06

1. Classification Tables

| Protection | Territory Group 1 | | Territory Group 2 | | Territory Group 3 | | Territory Group 4 | |
|------------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|
| | Frame | Masonry | Frame | Masonry | Frame | Masonry | Frame | Masonry |
| 1 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 2 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 3 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 4 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 5 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 6 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 7 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 8 | 1.10 | .90 | 1.10 | .90 | 1.10 | .90 | 1.10 | .90 |
| 9E | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 |
| 9S | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 |
| 9 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 |
| 10 | 1.50 | 1.20 | 1.50 | 1.20 | 1.50 | 1.20 | 1.50 | 1.20 |

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.B.1.#1 Protection Construction Factors –
Form HO 00 04**

| Protection | Territory Group 1 | | Territory Group 2 | | Territory Group 3 | | Territory Group 4 | |
|------------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|
| | Frame | Masonry | Frame | Masonry | Frame | Masonry | Frame | Masonry |
| 1 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 2 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 3 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 4 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 5 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 6 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 7 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 | 1.00 | .90 |
| 8 | 1.10 | .90 | 1.10 | .90 | 1.10 | .90 | 1.10 | .90 |
| 9E | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 |
| 9S | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 |
| 9 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 | 1.30 | 1.10 |
| 10 | 1.50 | 1.20 | 1.50 | 1.20 | 1.50 | 1.20 | 1.50 | 1.20 |

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.B.1.#2 Protection Construction Factors –
Form HO 00 06**

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

2. Key Factor Table

| Cov. C Amt. (In 000) | Factor | Cov. C Amt. (In 000) | Factor |
|--|---------------|---------------------------------|---------------|
| **\$ 1 | .37 | \$ 21 | 1.98 |
| ** 2 | .44 | 22 | 2.06 |
| ** 3 | .51 | 23 | 2.14 |
| ** 4 | .58 | 24 | 2.22 |
| ** 5 | .65 | 25 | 2.30 |
| ** 6 | .72 | 26 | 2.38 |
| ** 7 | .79 | 27 | 2.46 |
| ** 8 | .86 | 28 | 2.54 |
| ** 9 | .93 | 29 | 2.62 |
| ** 10 | 1.00 | 30 | 2.70 |
| 11 | 1.10 | 31 | 2.78 |
| 12 | 1.20 | 32 | 2.86 |
| 13 | 1.30 | 33 | 2.94 |
| 14 | 1.40 | 34 | 3.02 |
| 15 | 1.50 | 35 | 3.10 |
| 16 | 1.58 | 36 | 3.18 |
| 17 | 1.66 | 37 | 3.26 |
| 18 | 1.74 | 38 | 3.34 |
| 19 | 1.82 | 39 | 3.42 |
| 20 | 1.90 | 40 | 3.50 |
| Each Add'l \$1,000 | | | .08 |
| Minimum Limits Of Liability | | | |
| **Section I – Property | | | |
| HO 00 04 – \$ 6,000 | | | |
| HO 00 06 – \$ 10,000 | | | |
| HO 00 06 – \$ 5,000 or less available only for Units Regularly Rented To Others | | | |
| Section II – Liability | | All Forms | |
| Personal Liability | | \$ 25,000 | |
| Medical Payments to Others | | 1,000 | |

Table 301.B.2. Key Factors

ADDITIONAL RULE(S)

**RULE A1.
SPECIAL STATE REQUIREMENTS**

A. Special Provisions – North Carolina Endorsement HO 32 32

Use this endorsement with all Homeowners policies.

B. Windstorm Exterior Paint And Waterproofing Exclusion – North Carolina 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 Non-renewals":

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" mean "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.
- C. Refer to the state rate pages for the additional charge that shall be made for each 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 – North Carolina 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.
 - 4. 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:

| Age Of Dwelling (In Years) | Credit |
|----------------------------|-------------------|
| up to 1 | .82 |
| 1 up to 2 | .85 |
| 2 up to 3 | .88 |
| 3 up to 4 | .91 |
| 4 up to 5 | .94 |
| 5 up to 6 | .97 |
| 6 and over | No Credit Applies |

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.

B. Approved Inflation Cost Indexes

The following Indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsements listed in Paragraph **C**.

A Company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election.

1. Marshall and Swift Boeckh Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh.
5. RSMMeans CostWorks Valuator published by RSMMeans.
6. Xactware Inflation Index published by Xactware Solutions, Inc.

C. Endorsements

A Company that elects to use one or both of the following endorsements must use it exclusively and notify the Rate Bureau of its election.

1. **Inflation Guard Endorsement HO 32 18**
Use this endorsement with Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
2. **Inflation Guard Endorsement HO 32 19**
Use this endorsement with Forms **HO 00 04** and **HO 00 06**.

D. Premium

There is **no** additional charge for these optional endorsements.

**RULE A7.
OPTIONAL RATING CHARACTERISTICS**

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed characteristics to determine rates, as long as applicable legal requirements are satisfied. The resulting premium shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium does not exceed the Bureau premium.

- A.** Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; payment history; payment options; prior insurance; and new and renewal status.
- B.** Policyholder/Insured personal characteristics not otherwise recognized in this manual. Examples include: Smoker/non-smoker status; credit information; loss history; loss prevention training/education; age; work status; marital status; number of years owned; household composition; and good student/education.
- C.** Dwelling characteristics not otherwise recognized in this manual. Examples include: Gated community; retirement community; limited access community; revitalized/renovated home; security, safety or loss deterrent systems or devices; age of home; and construction type and quality.
- D.** Affinity group or other group not otherwise recognized in this manual.
- E.** Any other rating characteristics or combination of characteristics if filed by a company and approved by the Commissioner.

**RULE A8.
PRIMARY INSURANCE COVERAGE**

A. Endorsement HO 32 02 – HO 00 02 And HO 00 03

Use the Primary Insurance Endorsement, specified above, only with a North Carolina Insurance Underwriting Association (NCIUA) policy.

This endorsement replaces the Other Insurance Condition in the policy form and makes the NCIUA policy primary insurance for the insured property. When a Primary Insurance Endorsement is not attached to the policy, the Other Insurance Condition in the policy form is unchanged.

RULE A8.
PRIMARY INSURANCE COVERAGE (Cont'd)

B. Rating**1. Primary Insurance**

- a. For **HO 00 02** or **HO 00 03** when the Coverage Limit of Liability is less than 100% of actual cash value or replacement value, divide the selected limit by the ACV or replacement value, whichever applies. The result is the "Percent of Total Value".
- b. Go to the First Loss Table below provided and select the factor in Column **2** that corresponds to the "Percent of Total Value" computed in Paragraph **a**.
- c. Multiply the total value of the dwelling or personal property (actual or replacement) by the factor selected in Paragraph **b**.
- d. Use the resulting product as the limit for computing the premium.

2. Coverage A Example

Replacement Value of Dwelling: \$5,000,000

Primary Policy – Coverage **A** Limit: \$1,000,000

- a. Divide Coverage **A** Limit by Replacement Value limit ($\$1,000,000/\$5,000,000 = 20\%$ or 20.00 Percent of Total Value).
- b. Find Factor that corresponds to Percent of Total Value.
- c. Multiply Replacement Value by Factor from Column **2** ($\$5,000,000$) (65.5) = \$3,275,000.
- d. Use resulting product to compute Coverage **A** premium (Rate the policy as if \$3,275,000 is the Coverage **A** limit to be insured).

Note: This procedure is used to determine the appropriate exposure basis for primary insurance. It does not increase the amount of coverage available.

**RULE A8.
PRIMARY INSURANCE COVERAGE (Cont'd)**

FIRST LOSS TABLE

(Used When Primary Coverage Provided)

| % Of Total Value | Factor |
|-----------------------------|---------------|
| 1.00 | 22.4 |
| 1.10 | 22.9 |
| 1.20 | 23.5 |
| 1.30 | 24.1 |
| 1.40 | 24.7 |
| 1.50 | 25.2 |
| 1.60 | 25.8 |
| 1.70 | 26.4 |
| 1.80 | 27.0 |
| 1.90 | 27.5 |
| 2.00 | 28.1 |
| 2.10 | 28.4 |
| 2.20 | 28.7 |
| 2.30 | 29.0 |
| 2.40 | 29.3 |
| 2.50 | 29.6 |
| 2.60 | 29.8 |
| 2.70 | 30.1 |
| 2.80 | 30.4 |
| 2.90 | 30.7 |
| 3.00 | 31.0 |
| 3.10 | 31.6 |
| 3.20 | 32.1 |
| 3.30 | 32.7 |
| 3.40 | 33.3 |
| 3.50 | 33.9 |
| 3.60 | 34.4 |
| 3.70 | 35.0 |
| 3.80 | 35.6 |
| 3.90 | 36.2 |
| 4.00 | 36.7 |
| 4.10 | 37.3 |
| 4.20 | 37.9 |
| 4.30 | 38.5 |
| 4.40 | 39.0 |
| 4.50 | 39.6 |
| 4.60 | 40.2 |
| 4.70 | 40.8 |
| 4.80 | 41.3 |
| 4.90 | 41.9 |
| 5.00 | 42.5 |
| 6.00 | 44.8 |
| 7.00 | 47.1 |
| 7.50 | 48.2 |
| 8.00 | 49.4 |
| 9.00 | 51.7 |

| % Of Total Value | Factor |
|-----------------------------|---------------|
| 10.00 | 54.0 |
| 11.00 | 55.1 |
| 12.00 | 56.3 |
| 13.00 | 57.4 |
| 14.00 | 58.6 |
| 15.00 | 59.7 |
| 16.00 | 60.9 |
| 17.00 | 62.0 |
| 18.00 | 63.2 |
| 19.00 | 64.3 |
| 20.00 | 65.5 |
| 21.00 | 66.0 |
| 22.00 | 67.8 |
| 23.00 | 68.9 |
| 24.00 | 70.1 |
| 25.00 | 71.2 |
| 26.00 | 72.0 |
| 27.00 | 72.1 |
| 28.00 | 73.4 |
| 29.00 | 74.1 |
| 30.00 | 74.8 |
| 31.00 | 75.6 |
| 32.00 | 76.3 |
| 33.00 | 77.0 |
| 34.00 | 77.3 |
| 35.00 | 77.6 |
| 36.00 | 78.0 |
| 37.00 | 78.4 |
| 38.00 | 78.8 |
| 39.00 | 79.2 |
| 40.00 | 79.5 |
| 41.00 | 79.9 |
| 42.00 | 80.2 |
| 43.00 | 80.4 |
| 44.00 | 80.8 |
| 45.00 | 81.1 |
| 46.00 | 81.5 |
| 47.00 | 81.8 |
| 48.00 | 82.1 |
| 49.00 | 82.4 |
| 50.00 | 82.7 |
| 51.00 | 83.0 |
| 52.00 | 83.2 |
| 53.00 | 83.4 |
| 54.00 | 83.7 |
| 55.00 | 83.9 |

| % Of Total Value | Factor |
|-----------------------------|---------------|
| 56.00 | 84.1 |
| 57.00 | 84.4 |
| 58.00 | 84.6 |
| 59.00 | 84.8 |
| 60.00 | 85.0 |
| 61.00 | 85.3 |
| 62.00 | 85.5 |
| 63.00 | 85.7 |
| 64.00 | 86.0 |
| 65.00 | 86.2 |
| 66.00 | 86.4 |
| 67.00 | 86.7 |
| 68.00 | 86.9 |
| 69.00 | 87.1 |
| 70.00 | 87.3 |
| 71.00 | 87.6 |
| 72.00 | 87.8 |
| 73.00 | 88.0 |
| 74.00 | 88.3 |
| 75.00 | 88.5 |
| 76.00 | 89.0 |
| 77.00 | 89.4 |
| 78.00 | 89.9 |
| 79.00 | 90.3 |
| 80.00 | 90.8 |
| 81.00 | 91.3 |
| 82.00 | 91.7 |
| 83.00 | 92.2 |
| 84.00 | 92.6 |
| 85.00 | 93.1 |
| 86.00 | 93.6 |
| 87.00 | 94.0 |
| 88.00 | 94.5 |
| 89.00 | 94.9 |
| 90.00 | 95.4 |
| 91.00 | 95.9 |
| 92.00 | 96.3 |
| 93.00 | 96.8 |
| 94.00 | 97.2 |
| 95.00 | 97.7 |
| 96.00 | 98.2 |
| 97.00 | 98.6 |
| 98.00 | 99.1 |
| 99.00 | 99.5 |
| 100.00 | 100.0 |

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06****Effective prior to March 31, 2019:****A. Introduction**

With respect to risks located in Territories 110, 120, 130, 140, 150 and 160, premium credits shall be made available for insureds who build, rebuild or retrofit certain residential dwellings, in accordance with specified standards, to better resist hurricanes and other catastrophic windstorm events.

B. Eligibility

1. A dwelling may be eligible for a premium credit if:
 - a. The dwelling has been designed and constructed in conformity with, and has been certified as meeting, the Hurricane, Tornado and Hail and High Wind requirements of the Hurricane Fortified for Safer Living[®] (Fortified) program promulgated by the Institute for Business and Home Safety[®] (IBHS) prior to March 31, 2019;
 - b. The dwelling has been certified as meeting, either the Bronze, Silver or Gold hurricane mitigation measures in the Hurricane Fortified for Existing Homes[®] program promulgated by the IBHS prior to March 31, 2019;
 - c. The dwelling contains Opening Protection in accordance with the qualification requirements set forth in Paragraph D.2.; or
 - d. The dwelling contains a Total Hip Roof.
2. The provisions of this rule do not apply:
 - a. To condominiums or tenant policies.
 - b. If the policy excludes the peril of Windstorm or Hail.
 - c. To dwellings under construction.
 - d. To mobile homes.
3. To be eligible for a premium credit, mitigation features are not required for adjacent structures including, but not limited to, detached garages, storage sheds, barns, apartments, etc. located on the insured premises.

C. Proof Of Compliance

The named insured must submit proof that the windstorm loss mitigation features and/or construction techniques have been implemented for each of the following:

1. IBHS Hurricane Fortified For Safer Living[®]

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling.

2. IBHS Hurricane Fortified For Existing Homes[®]

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling. The credit will apply for five years from the date of designation. In order to continue receiving the mitigation credit after five years, the dwelling must be re-inspected and re-designated by the IBHS. If the IBHS designation expires, the applicable mitigation credit will expire upon renewal.

3. Opening Protection

The existence of Opening Protection may be verified by proof of installation.

4. Total Hip Roof

The existence of a hip roof may be verified through photographs of the roof.

D. Description Of Mitigation Credit Tables

With respect to dwellings to which this rule applies and subject to all other provisions of this Windstorm Mitigation Program, the following approved and properly maintained windstorm mitigation features shall be recognized for a premium credit:

1. IBHS Hurricane Fortified Homes (designations prior to March 31, 2019):

- a. A home designated by the IBHS as Hurricane Fortified for Safer Living[®].
- b. A home designated by the IBHS as Hurricane Fortified for Existing Homes[®], including:
 - (1) Hurricane Fortified for Existing Homes Bronze, Option 1
 - (2) Hurricane Fortified for Existing Homes Bronze, Option 2
 - (3) Hurricane Fortified for Existing Homes Silver, Option 1
 - (4) Hurricane Fortified for Existing Homes Silver, Option 2
 - (5) Hurricane Fortified for Existing Homes Gold, Option 1
 - (6) Hurricane Fortified for Existing Homes Gold, Option 2

2. Opening Protection

- a. Building opening protective features must have been certified as having met the Large Missile Test (Missile D) of the American Society for Testing and Materials ASTM E 1886 (standard test method) and ASTM E 1996 (standard specification) or other standards that are determined to be equivalent, including the American Architectural Manufacturers Association (AAMA), AAMA 506 or the Florida Building Code Testing Application Standards TAS 201 and 203. Such opening protective features shall be considered qualified.

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

b. Qualifying opening protection must be present at all exterior envelope openings (such as windows, garage doors, sliding doors, swinging doors, glass block, door sidelights, and skylights) on the dwelling structure. For the credit to apply, the following conditions must be met:

(1) In accordance with the qualification requirements set forth in Paragraph **D.2.a**:

- (a) All exterior building envelope openings with glazing (e.g., glass) shall have qualified impact-resistant and wind pressure-resistant opening protection;
- (b) All exterior building envelope openings without glazing shall have qualified wind pressure-resistant opening protection; and
- (c) All garage doors (with and without glazing) shall meet or exceed a qualified minimum pressure resistance.

(2) Opening protection must be installed by a qualified contractor, according to the manufacturer's specifications.

(3) Impact-resistant protective devices must not be made of wood structural panels, such as OSB or plywood, or be homemade.

3. Total Hip Roof

A Total Hip Roof is a roof that slopes in four directions such that the end formed by the intersection of slopes is a triangle.

E. Premium Determination

1. To compute the Base Premium:

- a. Determine the appropriate Key Premium as described in Rule **301**.
- b. Subtract the Windstorm Loss Mitigation credit shown on the state rate pages from the Key Premium.
- c. Multiply the Key Premium excluding the Windstorm Loss Mitigation credit developed in Paragraph **1.b**. by the Key Factor for the desired limit of liability.

d. For Example:

Form **HO 00 03** Key Premium = \$1379

Windstorm Loss Mitigation Credit = \$78

Key Factor for \$100,000 = 1.109

Step 1. Determine the Key Premium

Step 2. Key Premium = \$1379

Subtract Windstorm Loss Mitigation Credit from Key Premium

$\$1379 - \$78 = \$1301$

Step 3. Multiply Key Factor for desired limit by amount in Step 2.

$\$1301 \times 1.109 = \1442.81 , round to $\$1443 =$ Base Premium

2. Mitigation Feature credits cannot be combined, except for Total Hip Roof and Opening Protection.

3. If mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.

Effective on or after March 31, 2019:

A. Introduction

With respect to risks located in Territories 110, 120, 130, 140, 150 and 160, premium credits shall be made available for insureds who build, rebuild or retrofit certain residential dwellings, in accordance with specified standards, to better resist hurricanes and other catastrophic windstorm events.

B. Eligibility

1. A dwelling may be eligible for a premium credit if:

a. The dwelling has been designed and constructed in conformity with, and has been certified as meeting, the Hurricane, Tornado and Hail and High Wind requirements of the FORTIFIED for Safer Living® program promulgated by the Institute for Business and Home Safety® (IBHS) for use on or after March 31, 2019;

b. The dwelling has been certified as meeting, either the Roof, Silver or Gold hurricane mitigation measures in the FORTIFIED Home™ program promulgated by the IBHS for use on or after March 31, 2019;

c. The dwelling contains Opening Protection in accordance with the qualification requirements set forth in Paragraph **D.2.**; or

d. The dwelling contains a Total Hip Roof.

RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)

2. The provisions of this rule do not apply:
 - a. To condominiums or tenant policies.
 - b. If the policy excludes the peril of Windstorm or Hail.
 - c. To dwellings under construction.
3. To be eligible for a premium credit, mitigation features are not required for adjacent structures including, but not limited to, detached garages, storage sheds, barns, apartments, etc. located on the insured premises.

C. Proof Of Compliance

The named insured must submit proof that the windstorm loss mitigation features and/or construction techniques have been implemented for each of the following:

1. IBHS FORTIFIED For Safer Living®

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling.

2. IBHS FORTIFIED Home™

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling. The credit will apply for five years from the date of designation. In order to continue receiving the mitigation credit after five years, the dwelling must be re-inspected and re-designated by the IBHS. If the IBHS designation expires, the applicable mitigation credit will expire upon renewal.

3. Opening Protection

The existence of Opening Protection may be verified by proof of installation.

4. Total Hip Roof

The existence of a hip roof may be verified through photographs of the roof.

D. Description Of Mitigation Credit Tables

With respect to dwellings to which this rule applies and subject to all other provisions of this Windstorm Mitigation Program, the following approved and properly maintained windstorm mitigation features shall be recognized for a premium credit:

1. IBHS FORTIFIED programs (designations on or after March 31, 2019):

- a. A home designated by the IBHS as FORTIFIED for Safer Living®.
- b. A home designated by the IBHS as FORTIFIED Home™, including:
 - (1) FORTIFIED Roof – Hurricane – Existing Roof
 - (2) FORTIFIED Roof – Hurricane – New Roof
 - (3) FORTIFIED Home – Hurricane – Silver – Existing Roof
 - (4) FORTIFIED Home – Hurricane – Silver – New Roof
 - (5) FORTIFIED Home – Hurricane – Gold – Existing Roof
 - (6) FORTIFIED Home – Hurricane – Gold – New Roof

2. Opening Protection

- a. Building opening protective features must have been certified as having met the Large Missile Test (Missile D) of the American Society for Testing and Materials ASTM E 1886 (standard test method) and ASTM E 1996 (standard specification) or other standards that are determined to be equivalent, including the American Architectural Manufacturers Association (AAMA), AAMA 506 or the Florida Building Code Testing Application Standards TAS 201 and 203. Such opening protective features shall be considered qualified.

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

b. Qualifying opening protection must be present at all exterior envelope openings (such as windows, garage doors, sliding doors, swinging doors, glass block, door sidelights, and skylights) on the dwelling structure. For the credit to apply, the following conditions must be met:

(1) In accordance with the qualification requirements set forth in Paragraph **D.2.a.:**

- (a) All exterior building envelope openings with glazing (e.g., glass) shall have qualified impact-resistant and wind pressure-resistant opening protection;
- (b) All exterior building envelope openings without glazing shall have qualified wind pressure-resistant opening protection; and
- (c) All garage doors (with and without glazing) shall meet or exceed a qualified minimum pressure resistance.

(2) Opening protection must be installed by a qualified contractor, according to the manufacturer's specifications.

(3) Impact-resistant protective devices must not be made of wood structural panels, such as OSB or plywood, or be homemade.

3. Total Hip Roof

A Total Hip Roof is a roof that slopes in four directions such that the end formed by the intersection of slopes is a triangle.

E. Premium Determination

1. To compute the Base Premium:

- a. Determine the appropriate Key Premium as described in Rule **301**.
- b. Subtract the Windstorm Loss Mitigation credit shown on the state rate pages from the Key Premium.
- c. Multiply the Key Premium excluding the Windstorm Loss Mitigation credit developed in Paragraph **1.b.** by the Key Factor for the desired limit of liability.

d. For Example:

Form **HO 00 03** Key Premium = \$1379

Windstorm Loss Mitigation Credit = \$78

Key Factor for \$100,000 = 1.109

Step 1. Determine the Key Premium

Step 2. Key Premium = \$1379

Subtract Windstorm Loss Mitigation
Credit from Key Premium
\$1379 – \$78 = \$1301

Step 3. Multiply Key Factor for desired limit
by amount in Step 2.

\$1301 x 1.109 = \$1442.81, round
to \$1443 = Base Premium

- 2. Mitigation Feature credits cannot be combined, except for Total Hip Roof and Opening Protection.
- 3. If mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.

**RULE A10.
BROADENED HOME-SHARING HOST ACTIVITIES
COVERAGE**

A. Introduction

Coverage is limited or excluded for certain rental activities conducted on the residence premises through a home-sharing network platform.

B. Coverage Description

The policy may be endorsed to provide the following optional coverages:

1. Broadened Coverage For Home-sharing Host Activities

This coverage provides broadened property and liability coverages for an insured who engages in home-sharing host activities on the residence premises.

2. Increased Limits For Home-sharing Host Activities Damage To Property Of Others

The policy provides \$1,000 of coverage for Damage To Property Of Others. This limit may be increased, for home-sharing host activities only, to \$5,000, \$10,000, \$25,000 or \$50,000. The limit selected is entered on the coverage endorsement or in the policy Declarations.

C. Type Of Home-sharing Accommodations

The three types of home-sharing host accommodation rating classifications are described below. If more than one type of accommodation will be made available, the highest applicable rating classification will apply.

1. Entire Residence Premises

Use this classification when the entire residence premises, as shown in the Declarations, will be made available for home-sharing host activities.

2. Separate Unit In A Dwelling Or Other Structure On The Residence Premises

Use this classification when:

- a. The residence premises shown in the Declarations is not:
 - (1) A condominium,
 - (2) A cooperative unit, or
 - (3) An apartment situated in any building;
- b. The named insured resides in one of the family units or other structures on the residence premises; and
- c. One or more of the family units or other structures on the residence premises, wherein the named insured does not reside, such as an attached apartment or detached guest house, will be made available for home-sharing host activities.

3. Partial Or Shared Unit

Use this classification when:

- a. The named insured resides in one of the family units on the residence premises; and
- b. A portion of the family unit in which the named insured resides, such as a private or shared room, will be made available for home-sharing host activities.

These classifications apply regardless of whether access to certain areas of the residence premises, such as a storage area or garage, is limited or prohibited during such home-sharing host activities.

D. Premium Determination

1. Broadened Coverage For Home-sharing Host Activities

a. Determine the:

- (1) Type(s) of applicable accommodations; and
- (2) Total number of nights that one or more accommodations or family units will be rented;

during the policy period. Any night in which more than one rental has or will occur on the residence premises shall be counted as one night. Consideration may be given to the home-sharing host activities engaged in by an insured during the three years immediately preceding the date of application for a new policy or the preparation of a renewal policy.

b. The premium including broadened coverage for home-sharing host activities is computed by multiplying the Base Premium by the appropriate factor selected from the following table(s):

(1) All Forms Except HO 00 04 And HO 00 06

| Territories 110, 120, 130 And 140 | | | |
|-----------------------------------|-------------------------------------|--|------------------------|
| Number Of Nights | Type Of Home-sharing Accommodations | | |
| | Entire Residence Premises | Separate Unit In A Dwelling Or Other Structure | Partial Or Shared Unit |
| 1-30 | 1.004 | 1.002 | 1.001 |
| 31-90 | 1.017 | 1.008 | 1.004 |
| 91-180 | 1.037 | 1.019 | 1.009 |
| 181 or more | 1.075 | 1.038 | 1.019 |

Table D.1.b.(1)(a) Factors For All Forms Except HO 00 04 And HO 00 06

**RULE A10.
BROADENED HOME-SHARING HOST ACTIVITIES
COVERAGE (Cont'd)**

| Territories 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260, 270, 280, 290, 300, 310, 320, 330, 340, 350 And 360 | | | |
|--|--|---|-------------------------------|
| Number Of Nights | Type Of Home-sharing Accommodations | | |
| | Entire Residence Premises | Separate Unit In A Dwelling Or Other Structure | Partial Or Shared Unit |
| 1-30 | 1.008 | 1.004 | 1.002 |
| 31-90 | 1.031 | 1.016 | 1.008 |
| 91-180 | 1.069 | 1.035 | 1.017 |
| 181 or more | 1.140 | 1.070 | 1.035 |

Table D.1.b.(1)(b) Factors For All Forms Except HO 00 04 And HO 00 06

| Territories 370, 380 And 390 | | | |
|-------------------------------------|--|---|-------------------------------|
| Number Of Nights | Type Of Home-sharing Accommodations | | |
| | Entire Residence Premises | Separate Unit In A Dwelling Or Other Structure | Partial Or Shared Unit |
| 1-30 | 1.011 | 1.006 | 1.003 |
| 31-90 | 1.044 | 1.022 | 1.011 |
| 91-180 | 1.099 | 1.050 | 1.025 |
| 181 or more | 1.200 | 1.100 | 1.050 |

Table D.1.b.(1)(c) Factors For All Forms Except HO 00 04 And HO 00 06

(2) Forms HO 00 04 And HO 00 06

| All Territories | | |
|-------------------------|--|-------------------------------|
| Number Of Nights | Type Of Home-sharing Accommodations | |
| | Entire Residence Premises | Partial Or Shared Unit |
| 1-30 | 1.014 | 1.004 |
| 31-90 | 1.055 | 1.014 |
| 91-180 | 1.124 | 1.031 |
| 181 or more | 1.250 | 1.063 |

Table D.1.b.(2) Factors For Forms HO 00 04 And HO 00 06

c. When the home-sharing host activities are conducted in a separate structure on the residence premises, refer to Rule **514.A.2.** for additional charges that may apply.

2. Increased Limits For Home-sharing Host Activities Damage To Property Of Others

Charge the rate shown on the state rate pages for the additional charge corresponding to the increased limit selected.

E. Administration

Information necessary to determine the type(s) and frequency of home-sharing host activities may be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A renewal questionnaire signed by the named insured.
3. Publicly available information from one or more home-sharing websites.
4. A company's internal records.

F. Endorsement

Replace the Home-sharing Host Activities Amendatory Endorsement with the applicable Broadened Home-sharing Host Activities Coverage Endorsement corresponding to the applicable Homeowners policy:

1. **HO 32 52**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 02**)
2. **HO 32 53**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 03**)
3. **HO 32 58**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 04**)
4. **HO 32 59**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 05**)
5. **HO 32 60**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 06**)
6. **HO 32 61**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 08**)

**RULE A11.
DAMAGE TO PROPERTY OF OTHERS – INCREASED
LIMITS**

A. Coverage Description

The policy provides a limit of \$1,000 per occurrence for damage to property of others caused by an insured. This limit may be increased to \$5,000, \$10,000, \$25,000 or \$50,000.

The limit selected is entered on the coverage endorsement or the policy Declarations.

B. Premium Determination

Refer to the rate pages for the additional charge corresponding to the increased limit selected.

C. Endorsement

Use Damage To Property Of Others – Increased Limits Endorsement **HO 06 51**.

**RULE A12.
UNMANNED AIRCRAFT EXCLUSIONARY
ENDORSEMENTS – ALL FORMS AND ENDORSEMENT
HO 32 82 And HO 32 10**

A. Introduction

Liability coverage for bodily injury or property damage is currently provided in the policy form for model or hobby aircraft not used or designed to carry people or cargo. The policy may be endorsed to exclude coverage for liability related to unmanned aircraft, including model or hobby aircraft.

Liability coverage for personal injury, on a per offense basis or aggregate basis, is available by endorsement to the policy. Coverage for aircraft liability is currently provided in Personal Injury Coverage. Personal Injury Coverage may be endorsed to exclude liability for aircraft, including unmanned aircraft whether or not model or hobby.

B. Endorsements

1. To exclude liability for bodily injury or property damage in Forms **HO 00 02, HO 00 03, HO 00 04, HO 00 05, HO 00 06** and **HO 00 08** related to unmanned aircraft, whether or not model or hobby, attach Aircraft Liability Definition Revised To Remove Exception For Model Or Hobby Aircraft Endorsement **HO 34 02**.
2. To exclude liability for personal injury related to aircraft, including unmanned aircraft whether or not model or hobby on an "any one offense basis", attach Personal Injury For Aircraft Liability Excluded Endorsement – North Carolina **HO 34 14** to Endorsement **HO 32 82** – Personal Injury Coverage – North Carolina. To exclude liability for personal injury related to aircraft, including unmanned aircraft whether or not model or hobby on an annual aggregate basis, attach Endorsement **HO 34 14** to Endorsement **HO 32 10** – Personal Injury Coverage (Aggregate Limit Of Liability) – North Carolina.

C. Premium Determination**1. Endorsement HO 34 02**

To determine the premium for this option, multiply the Base Premium by 0.996.

2. Endorsement HO 34 14

To determine the premium for this option, multiply the rate that corresponds to Endorsement **HO 32 82** or Endorsement **HO 32 10** by 0.90.

**PART I
COVERAGE AND DEFINITION TYPE RULES**

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS**

Paragraph **A.1.** is replaced by the following:

A. Limits

The limits of liability required under the Homeowners Policy are as follows:

1. Section I – Property Damage

| Coverage A – Dwelling | |
|---|---|
| HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06 | Refer to Rule 301. in the state classification pages. For HO 00 06 , refer to Rule 507.A. |
| Coverage B – Other Structures | |
| HO 00 02, HO 00 03, HO 00 05 or HO 00 08 | 10% of A (One- and two-family dwelling) 5% of A (Three- and four-family dwelling) |
| Coverage C – Personal Property | |
| HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06 | 50% of A (One- and two-family dwelling) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling) Refer to Rule 301. in the state classification pages. |
| Coverage D – Loss Of Use | |
| HO 00 02, HO 00 03 or HO 00 05 HO 00 04 HO 00 06 HO 00 08 | 20% of A 20% of C 40% of C 10% of A |

Table 101.A.1. Property Damage Limits

Paragraph **E.1.** is replaced by the following:

E. Form HO 00 08

1. Section I

The following are the only Section I options available with this form:

- a. \$100 Section I Deductible,
- b. Higher Optional Deductibles,
- c. On- and Off-premises Theft Coverage Increase,
- d. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing,
- e. Reduced Coverage **C** Limits; and
- f. Broadened Home-sharing Host Activities Coverage.

The following is added to Paragraph **E.**:

**3. Loss Settlement Condition Endorsement
HO 04 81**

Actual Cash Value Loss Settlement Endorsement **HO 04 81** must be used with Form **HO 00 08**. It replaces the Repair Cost or Market Value Loss Settlement Provisions in Form **HO 00 08** with an Actual Cash Value Loss Settlement Condition.

The following is added to Rule **101.**:

F. All Forms

The limit of liability for Coverage **E** of Section **II** may be reduced to \$50,000 or \$25,000. Other limits below \$100,000 are not permitted.

**RULE 104.
ELIGIBILITY**

Paragraph **G.** is replaced by the following:

G. Farm Property

1. A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.
2. Optional Section II liability coverage is available for certain farm liability exposures as specified in Rule **615.**

**PART II
SERVICING TYPE RULES**

**RULE 201.
POLICY PERIOD**

Paragraph **D.** is replaced by the following:

- D. Less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

**RULE 204.
MULTIPLE COMPANY INSURANCE**

Paragraph **B.** is replaced by the following:

B. Endorsement

Use Multiple Company Insurance – North Carolina Endorsement **HO 32 78.**

**RULE 209.
RESTRICTION OF INDIVIDUAL POLICIES**

Rule 209. is replaced by the following:

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

Use Restriction Of Individual Policies – North Carolina Endorsement **HO 32 29**.

**RULE 210.
REFER TO COMPANY**

Rule 210. is replaced by the following:

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 302.
LOSS SETTLEMENT OPTIONS**

Rule 302. is replaced by the following:

A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only.

4. Endorsement

Use Functional Replacement Cost Loss Settlement – North Carolina Endorsement **HO 32 50**.

B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

| % Of Replacement Value | Factor |
|------------------------|--------|
| 20% | 4.00 |
| 30% | 2.67 |
| 40% | 2.00 |
| 50% | 1.60 |
| 60% | 1.33 |
| 70% | 1.14 |

Table 302.B.3.a. Factors

- b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in Paragraph **B.3.a**.

- c. Multiply the premium determined in Paragraph **B.3.b**. by the appropriate factor from the following table:

| % Of Replacement Value | Factor |
|------------------------|--------|
| 20% | .73 |
| 30% | .74 |
| 40% | .75 |
| 50% | .76 |
| 60% | .77 |
| 70% | .78 |
| 80% | .80 |

Table 302.B.3.c. Factors

RULE 302.
LOSS SETTLEMENT OPTIONS (Cont'd)

d. If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only and multiply that Base Premium by the appropriate factor from Table **302.B.3.c**.

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

| % Of Replacement Value | Factor |
|------------------------|--------|
| 50% | 1.60 |
| 60% | 1.33 |
| 70% | 1.14 |

Table 302.C.3.a. Factors

b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in preceding Paragraph **a**. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only for the amount of insurance computed in Paragraph **a**.

c. Multiply the premium determined in preceding Paragraph **b**. by the appropriate factor from the following table:

| % Of Replacement Value | Factor |
|------------------------|--------|
| 50% | .96 |
| 60% | .97 |
| 70% | .98 |

Table 302.C.3.c. Factors

4. Endorsement

Use Special Loss Settlement – North Carolina Endorsement **HO 32 56**.

RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS EXCEPT HO 00 08

Paragraph **B.2.a.** is replaced by the following:

B. Increased Amount Of Coverage

2. Premium Determination

a. Forms HO 00 02, HO 00 03 And HO 00 05

To develop the Base Premium:

(i) If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** does not apply, multiply the premium computed in accordance with Rule **301**. by the appropriate factor selected from the following table:

| Percentage Of Coverage A | | Factors Coverage A Limit | |
|-----------------------------------|--------------|--------------------------|-----------|
| Increase In Amount | Total Amount | \$60,000 To \$140,000 | All Other |
| 15% | 25% | 1.13 | 1.05 |
| 40% | 50% | 1.35 | 1.14 |
| 65% | 75% | 1.51 | 1.20 |
| 90% | 100% | 1.67 | 1.27 |
| For each add'l 25% increment, add | | .16 | .07 |

Table 303.B.2.a.(i) Factors

**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HO 00 08 (Cont'd)**

- (ii) If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** applies, multiply the premium computed in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only, by the appropriate factor selected from the following table:

| Percentage Of Coverage A | | Factors Coverage A Limit | |
|-----------------------------------|--------------|--------------------------|-----------|
| Increase In Amount | Total Amount | \$60,000 To \$140,000 | All Other |
| 15% | 25% | 1.13 | 1.05 |
| 40% | 50% | 1.35 | 1.14 |
| 65% | 75% | 1.51 | 1.20 |
| 90% | 100% | 1.67 | 1.27 |
| For each add'l 25% increment, add | | .16 | .07 |

Table 303.B.2.a.(ii) Factors

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

Paragraph **A.2.** is replaced by the following:

A. Coverage Description

- 2. This option may only be used when:
 - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another or used for home-sharing host activities; or
 - b. For Form **HO 00 06**, the condominium or cooperative unit is owner-occupied and not rented to others or used for home-sharing host activities.

Paragraph **C.** is replaced by the following:

C. Endorsement

- 1. Use Special Personal Property Coverage Endorsement **HO 32 95** for use with Form **HO 00 04** only.
- 2. Use Unit-Owners Coverage **C** Special Coverage Endorsement **HO 32 35** for use with Form **HO 00 06** only.

**RULE 305.
LOSS HISTORY RATING PLAN**

Rule **305.** does not apply.

**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 402.
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT
HO 00 04 AND HO 00 06**

Rule **402.** is replaced by the following:

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

| Total No. Of Individual Family Units Within The Fire Division* | Protection Class | |
|--|------------------|--------------|
| | 1-8 | 9, 9S & Over |
| 1 Or 2 Family Dwelling | | |
| 1 & 2 | 1.00 | 1.00 |
| 3 & 4 | 1.10 | 1.15 |
| 5 – 8 | 1.25 | 1.30 |
| 9 & Over | Refer to company | |
| 3 Or 4 Family Dwelling | | |
| 5 – 8 | 1.15 | 1.20 |
| 9 & Over | Refer to company | |

* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

Table 402. Townhouse And Row House Factors

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

Rule **403.** is replaced by the following:

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage **C** limit must be at least:

- 1. 40% of Coverage **A** for all forms except **HO 00 04** and **HO 00 06**.

RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT (Cont'd)

2. \$12,000 (if policy limit is less than \$12,000 for Forms **HO 00 04** or **HO 00 06**).

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

E. Scheduled Personal Property (With Agreed Value Loss Settlement)

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

F. Premium Determination

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

1. 1.05 for all forms except **HO 00 04** and **HO 00 06**.
2. 1.40 for Forms **HO 00 04** or **HO 00 06**.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Refer to the state rate pages for the minimum additional premium, including the cost to increase the Coverage **C** limits.

RULE 404.
PROTECTIVE DEVICES

Rule **404**. is replaced by the following:

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling are to be recognized for a reduced premium in accordance with the following:

A. Definitions

1. Central Station Systems

- a. A Central Station Fire Alarm System is one in which the operations of circuits and devices are signaled automatically to, recorded in, maintained, and supervised from an approved central station having competent and experienced observers and operators who shall, upon receipt of a signal, take such action as shall be required.

- b. A Central Station Burglar Alarm System is one in which the operations of electrical protection circuits and devices are signaled automatically to, recorded in, maintained, and supervised from a central station having trained operators and guards in attendance at all times. Guards are dispatched to make immediate investigation of unauthorized entry or opening of protected properties from which signals are received.

Combination Central Station and Local Systems beyond the range of central station service may be classified as Local Burglar Alarm Systems.

Central Stations are listed by name and location by Underwriters Laboratories, Inc. in both the UL Burglary Protection Equipment List and UL Fire Protection Equipment List.

RULE 404.
PROTECTIVE DEVICES (Cont'd)**2. Fire Or Police Station Connected Systems**

- a. Fire Station Connected (Remote Station) Fire Alarm Systems contemplate a system of electrically supervised circuits employing a direct circuit (not house telephone) connection between signaling devices at the protected premises and signal receiving equipment in a remote station, such as a municipal fire alarm headquarters, or fire station.
- b. A Police Station Connected Burglar Alarm System is one in which a Local Alarm System is provided with supplementary transmitting equipment, so that when actuated, a signal is also annunciated at the constantly attended receiver at police headquarters.

3. Local Systems

- a. Local Fire Alarm Systems contemplate supervised systems providing fire alarm signals within the protected premises. These systems are primarily for the protection of life by indicating the necessity of evacuation of the building and secondarily for the protection of property.
- b. A Local Burglar Alarm System is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud sounding device attached to an outside wall of the building in which the property is situated. Disturbance of the protective devices or unauthorized entry through wired portions of the property automatically causes the sounding device to operate until it is stopped by key control in the possession of the owner or by exhaustion of the power supply or by a timing element set for a definite period of operation.

4. Automatic Sprinkler Systems

An Automatic Sprinkler System contemplates a system in which water is piped to devices called sprinkleheads, that melt with heat and release water to extinguish a fire.

B. Evaluation Of Alarm Systems

The following shall also be considered in evaluating alarm systems for qualification and premium credit:

1. All devices, combination of devices and equipment shall be approved by a recognized independent testing firm for the purposes for which they are intended.
2. All equipment shall be installed in a workmanlike manner by a qualified firm or person.
3. Detection devices shall be installed throughout all areas of the dwelling as follows:
 - a. For fire alarm systems:
 - (1) A smoke detector shall be located in the immediate vicinity of, but outside, the bedrooms; and
 - (2) Heat or smoke detectors shall be provided in all major areas of the house including living room, dining room, bedroom, kitchen, hallway, attics, furnace rooms, utility rooms, basements and attached garages.
 - (3) Heat detectors shall be installed within the strict limitation of their listed spacing (see Item 11. of Table 404.C.).
 - b. For burglar alarm systems:
 - (1) Completely protecting all accessible windows, doors, transoms, skylights, and other openings leading from the premises; or
 - (2) Protecting with contacts only, all movable accessible openings leading from the premises and providing one or more invisible rays or channels of radiation, with the minimum overall length of the rays or radiation equivalent to the longest dimensions of the area or areas to detect movement through the channel; or
 - (3) Protecting with contacts only, all doors leading from the premises and providing a system of invisible radiation to all sections of the enclosed area so as to detect fourstep movement.
 - c. For automatic sprinkler systems:

An approved and properly maintained automatic sprinkler system with sprinklers:

 - (1) In all areas including attics, bathrooms, closets and attached structures; or
 - (2) In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.

**RULE 404.
PROTECTIVE DEVICES (Cont'd)**

C. Premium Development

The premium for a risk having an approved protective device is developed by multiplying the Base Premium (including any premium adjustment to Coverage C limits) by the selected factor from the following table:

Protective Devices Factors

| Protective Device | Factor* |
|---|---------|
| 1. Central Station Reporting Burglar Alarm | .95 |
| 2. Central Station Reporting Fire Alarm | .95 |
| 3. Both 1. and 2. | .91 |
| 4. Fire Station Connected Fire Alarm | .97 |
| 5. Police Station Connected Fire Alarm | .97 |
| 6. Both 4. and 5. | .96 |
| 7. Local Fire Alarm System | .98 |
| 8. Local Burglar Alarm System | .98 |
| 9. Both 7. and 8. | .98 |
| 10. Automatic Smoke Detectors | .99 |
| 11. Automatic Sprinkler System | |
| a. In all areas including attic, bathroom, closet and attached structure | .87 |
| b. In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector | .93 |

* For Protection Classifications 1-9, 9S

Note 1

Premium credit shall not be afforded on any additional or optional coverage, except Coverage C revised limits.

Note 2

Refer to the state rate pages for the maximum credit allowed.

Note 3

These credits do not apply to multi-family residential properties unless entire building meets the above requirements.

Table 404.C. Protective Devices Factors

D. Endorsement

Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 406.
DEDUCTIBLES**

Rule 406. is replaced by the following:

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

A Base Deductible of \$1,000 applies to all forms except **HO 00 04** and **HO 00 06**.

A Base Deductible of \$500 applies to forms **HO 00 04** and **HO 00 06**.

B. \$100 All Perils Deductible Options

1. \$100 All Perils Deductible

To compute the premium for this option, multiply the Base Premium by a factor of:

- a. 1.39 for all forms except **HO 00 04** and **HO 00 06**; or
- b. 1.21 for Form **HO 00 04**; or
- c. 1.22 for Form **HO 00 06**.

2. \$100 All Perils/250 Theft Deductible

This option applies to all forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage – North Carolina Endorsement and **HO 00 06** with Unit-owners Coverage C Special Coverage – North Carolina Endorsement.

a. The \$250 Theft Deductible applies to Coverage C – Personal Property and is available only when:

- (1) A \$100 deductible applies to All Other Perils; or
- (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.

b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor of:

- (1) 1.38 for all forms except **HO 00 04** and **HO 00 06**; or
- (2) 1.15 for Form **HO 00 04**; or
- (3) 1.17 for Form **HO 00 06**.

c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraph **C.3.a.(6)** or **C.3.b.(6)** for policies applicable to a higher Windstorm or Hail deductible.

RULE 406.
DEDUCTIBLES (Cont'd)

C. Other Optional Deductibles

1. All Perils Deductibles

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the following table:

| All Forms Except HO 00 04 And HO 00 06 | | | | | | | | |
|--|--------------------|-------|---------|---------|---------|---------|---------|----------|
| Coverage A Limit | Deductible Amounts | | | | | | | |
| | \$250 | \$500 | \$1,000 | \$1,500 | \$2,500 | \$5,000 | \$7,500 | \$10,000 |
| Up to \$59,999 | 1.27 | 1.15 | 1.00 | .92 | .78 | .72 | N/A | N/A |
| \$60,000 to 99,999 | 1.27 | 1.15 | 1.00 | .92 | .78 | .72 | N/A | N/A |
| 100,000 to 200,000 | 1.27 | 1.16 | 1.00 | .92 | .78 | .72 | N/A | N/A |
| 200,001 and Over | 1.27 | 1.22 | 1.13 | 1.06 | .95 | .82 | .76 | .71 |
| HO 00 04 | | | | | | | | |
| Coverage C Limit | \$250 | \$500 | \$1,000 | \$1,500 | \$2,500 | | | |
| Up to \$25,000 | 1.10 | 1.00 | .85 | N/A | .65 | | | |
| \$25,001 and Over | 1.10 | 1.02 | .92 | N/A | .75 | | | |
| HO 00 06 | | | | | | | | |
| Coverage C Limit | \$250 | \$500 | \$1,000 | \$1,500 | \$2,500 | | | |
| Up to \$40,000 | 1.11 | 1.00 | .84 | N/A | .62 | | | |
| \$40,001 and Over | 1.11 | 1.02 | .90 | N/A | .70 | | | |

Table 406.C.1. All Perils Deductibles Factors

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft Deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Endorsement

An endorsement is not required.

c. Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

d. Deductible Application

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Use of Factors

The factors for Form HO 00 04 and Form HO 00 06 Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

f. Deductible Factors

(1) Form HO 00 04

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

| Theft Deductible Amount | All Other Perils Deductible Amount | Coverage C Limit | |
|-------------------------|------------------------------------|------------------|-------------------|
| | | Up To \$25,000 | \$25,001 And over |
| \$ 1,000 | \$ 100 | 1.02 | 1.04 |
| | 250 | .97 | 1.01 |
| | 500 | .92 | .98 |
| 2,500 | 100 | .91 | .97 |
| | 250 | .88 | .93 |
| | 500 | .82 | .90 |
| | 1,000 | .76 | .85 |

Table 406.C.2.f.(1) Theft Deductible Factors

RULE 406.
DEDUCTIBLES (Cont'd)

(2) Form HO 00 06

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

| Theft Deductible Amount | All Other Perils Deductible Amount | Coverage C Limit | |
|-------------------------|------------------------------------|------------------|-------------------|
| | | Up To \$40,000 | \$40,001 And over |
| \$ 1,000 | \$ 100 | 1.12 | 1.11 |
| | 250 | 1.06 | 1.07 |
| | 500 | .97 | 1.00 |
| 2,500 | 100 | 1.08 | 1.08 |
| | 250 | 1.01 | 1.02 |
| | 500 | .92 | .96 |
| | 1,000 | .80 | .86 |

Table 406.C.2.f.(2) Theft Deductible Factors

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, and 5% of the Coverage A limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12**.

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

- (a) Deductible – Windstorm or Hail 1% of Coverage A limit and \$250 for All Other Perils.
- (b) Deductible – Windstorm or Hail 2% of Coverage A limit, \$250 for Theft of Personal Property and \$100 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

**RULE 406.
DEDUCTIBLES (Cont'd)**

**(b) Property Is Located In Area
Serviced by NCIUA**

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the Windstorm or Hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

| 1% Windstorm Or Hail Deductible | | | | |
|---------------------------------|------------------------------------|------------------|--------------------|----------------|
| All Other Perils Ded. Amount | Coverage A Limit (Expressed In \$) | | | |
| | Up To 59,999 | 60,000 To 99,999 | 100,000 To 200,000 | 200,001 & Over |
| \$ 100 | 1.33 | 1.32 | 1.32 | 1.32 |
| 250 | 1.22 | 1.22 | 1.22 | 1.22 |
| 500 | 1.13 | 1.13 | 1.13 | 1.18 |
| 1,000 | – | – | .99 | 1.11 |
| 1,500 | – | – | .92 | 1.06 |
| 2,500 | – | – | – | .94 |
| 5,000 | – | – | – | .80 |
| 7,500 | – | – | – | .73 |
| 10,000 | – | – | – | .68 |

Table 406.C.3.a.(6)(b)#1 1% Windstorm Or Hail Deductible

| 2% Windstorm Or Hail Deductible | | | | |
|---------------------------------|------------------------------------|------------------|--------------------|----------------|
| All Other Perils Ded. Amount | Coverage A Limit (Expressed In \$) | | | |
| | Up To 59,999 | 60,000 To 99,999 | 100,000 To 200,000 | 200,001 & Over |
| \$ 100 | 1.29 | 1.29 | 1.29 | 1.29 |
| 250 | 1.18 | 1.18 | 1.19 | 1.20 |
| 500 | 1.09 | 1.09 | 1.10 | 1.15 |
| 1,000 | .96 | .96 | .96 | 1.08 |
| 1,500 | – | .90 | .90 | 1.01 |
| 2,500 | – | – | .76 | .91 |
| 5,000 | – | – | – | .77 |
| 7,500 | – | – | – | .71 |
| 10,000 | – | – | – | .67 |

Table 406.C.3.a.(6)(b)#2 2% Windstorm Or Hail Deductible

RULE 406.
DEDUCTIBLES (Cont'd)

| 5% Windstorm Or Hail Deductible | | | | |
|---------------------------------------|------------------------------------|---------------------|--------------------------|-------------------|
| All Other Perils Ded. Amount | Coverage A Limit (Expressed In \$) | | | |
| | Up To 59,999 | 60,000 To 99,999 | 100,000 To 200,000 | 200,001 & Over |
| \$ 100 | 1.23 | 1.23 | 1.25 | 1.27 |
| 250 | 1.13 | 1.13 | 1.15 | 1.18 |
| 500 | 1.04 | 1.04 | 1.06 | 1.13 |
| 1,000 | .91 | .91 | .92 | 1.05 |
| 1,500 | .85 | .85 | .86 | .99 |
| 2,500 | .75 | .75 | .75 | .89 |
| 5,000 | — | — | .70 | .75 |
| 7,500 | — | — | — | .70 |
| 10,000 | — | — | — | .65 |

Table 406.C.3.a.(6)(b)#3 5% Windstorm Or Hail Deductible

b. Higher Fixed-dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instruction

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$250 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the NCIUA, additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(b) Property Is Located In Area Serviced By NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

| \$1,000 Windstorm Or Hail Deductible | | | | |
|---|---|-------------------------|---------------------------|---------------------------|
| All Other Perils Ded. Amount | Coverage A Limit (Expressed In \$) | | | |
| | Up To 59,999 | 60,000 To 99,999 | 100,000 To 200,000 | 200,001 & Over |
| \$ 100 | 1.29 | 1.30 | 1.33 | 1.34 |
| 250 | 1.20 | 1.20 | 1.23 | 1.24 |
| 500 | 1.11 | 1.11 | 1.14 | 1.20 |

Table 406.C.3.b.(6)#1 \$1,000 Windstorm Or Hail Deductible

| \$2,000 Windstorm Or Hail Deductible | | | | |
|---|---|-------------------------|---------------------------|---------------------------|
| All Other Perils Ded. Amount | Coverage A Limit (Expressed In \$) | | | |
| | Up To 59,999 | 60,000 To 99,999 | 100,000 To 200,000 | 200,001 & Over |
| \$ 100 | 1.24 | 1.27 | 1.30 | 1.32 |
| 250 | 1.15 | 1.16 | 1.20 | 1.22 |
| 500 | 1.08 | 1.08 | 1.11 | 1.18 |
| 1,000 | .95 | .95 | .97 | 1.11 |
| 1,500 | .89 | .89 | .91 | 1.06 |

Table 406.C.3.b.(6)#2 \$2,000 Windstorm Or Hail Deductible

| \$5,000 Windstorm Or Hail Deductible | | | | |
|---|---|-------------------------|---------------------------|---------------------------|
| All Other Perils Ded. Amount | Coverage A Limit (Expressed In \$) | | | |
| | Up To 59,999 | 60,000 To 99,999 | 100,000 To 200,000 | 200,001 & Over |
| \$ 100 | 1.22 | 1.23 | 1.28 | 1.29 |
| 250 | 1.11 | 1.13 | 1.16 | 1.19 |
| 500 | 1.04 | 1.04 | 1.08 | 1.15 |
| 1,000 | .91 | .91 | .95 | 1.09 |
| 1,500 | .85 | .85 | .89 | 1.04 |
| 2,500 | .73 | .75 | .76 | .94 |

Table 406.C.3.b.(6)#3 \$5,000 Windstorm Or Hail Deductible

RULE 406.
DEDUCTIBLES (Cont'd)

D. Named Storm Percentage Deductible – Territories 110, 120, 130, 140, 150 And 160 Only

1. Deductible Amounts

The Named Storm Percentage Deductible option is used in conjunction with a deductible applicable to All Other Section I Perils.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

5. Deductible Factors

The factors displayed below incorporate the factors for the All Perils Deductibles shown in Paragraph **C.1**. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

Additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step **1.** by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step **3.** by the Base Premium. The result is the named storm deductible credit.

Step 5. Compare the results in Steps **2.** and **4.** If the result in:

Step **2.** is **less** than the result in Step **4.**, to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step **2.** is **greater than or equal to** the result in Step **4.**, multiply the Base Premium by the factor for the desired named storm deductible option.

RULE 406.
DEDUCTIBLES (Cont'd)

| Territories 110, 120, 130, 140, 150 And 160 | | | | |
|---|------------------------------------|---|----------|----------|
| Named Storm Deductible Percentage | All Other Perils Deductible Amount | HO 00 02, HO 00 03, HO 00 05 And HO 00 08 | HO 00 04 | HO 00 06 |
| 1% | \$ 100 | 1.34 | — | — |
| | 250 | 1.23 | — | — |
| | 500 | 1.19 | 1.01 | 1.01 |
| | 1,000 | 1.13 | .91 | .89 |
| | 1,500 | 1.08 | — | — |
| | 2,500 | .95 | .74 | .69 |
| | 5,000 | .81 | — | — |
| | 7,500 | .75 | — | — |
| | 10,000 | .70 | — | — |
| 2% | 100 | 1.30 | — | — |
| | 250 | 1.22 | — | — |
| | 500 | 1.16 | 1.00 | 1.00 |
| | 1,000 | 1.09 | .90 | .88 |
| | 1,500 | 1.03 | — | — |
| | 2,500 | .92 | .73 | .68 |
| | 5,000 | .78 | — | — |
| | 7,500 | .72 | — | — |
| | 10,000 | .68 | — | — |
| 5% | 100 | 1.28 | — | — |
| | 250 | 1.19 | — | — |
| | 500 | 1.14 | .99 | .99 |
| | 1,000 | 1.06 | .89 | .87 |
| | 1,500 | 1.00 | — | — |
| | 2,500 | .90 | .71 | .67 |
| | 5,000 | .76 | — | — |
| | 7,500 | .71 | — | — |
| | 10,000 | .66 | — | — |

Table 406.D.5. Named Storm Percentage Deductible

RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05

Paragraphs C.1.b. and C.1.c. are replaced by the following:

C. Options Available

1. Specified Additional Amount Of Insurance For Coverage A Only

b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

| Additional Amount Of Insurance Options | Factor |
|--|--------|
| 25% | 1.02 |
| 50% | 1.03 |

Table 407.C.1.b. Additional Amounts Of Insurance Factors

c. Use Specified Additional Amount Of Insurance For Coverage A Endorsement HO 32 20.

Paragraphs C.2.b. and C.2.c. are replaced by the following:

2. Additional Limits Of Liability For Coverages A, B, C, And D

b. The premium is computed by multiplying the Base Premium by a factor of 1.06.

c. Use Additional Limits Of Liability For Coverages A, B, C And D Endorsement HO 32 11.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04**

Rule 408. is replaced by the following:

A. Introduction

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

C. Premium Determination

To develop a premium for this option, multiply the Base Premium by a factor of .99.

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HO 00 04**) Endorsement **HO 04 93**.

This endorsement does not apply to a policy in which the peril of Windstorm or Hail is excluded.

**RULE 410.
BUILDING CODE EFFECTIVENESS GRADING**

Rule 410. does not apply.

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

**RULE 505.
EARTHQUAKE COVERAGE**

Rule 505. is replaced by the following:

A. Earthquake Coverage

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement – North Carolina **HO 32 54**.

B. Deductible

The base deductible is 5% of the limit of liability for either Coverage **A** or **C**, whichever is greater and is subject to a \$500 minimum. This deductible may be increased for a premium credit.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B** and **C**.

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates.

Use Loss Assessment Coverage For Earthquake Endorsement – North Carolina **HO 32 38** for all forms.

D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine if Rate Table A, B, and/or C applies.
 - b. Determine the Earthquake Zone.
 - c. Select the rate according to construction from the Rate Table; and
2. Multiply the rate determined above by the:
 - a. Coverage **A** limit for Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
 - b. Coverage **C** limit for Form **HO 00 04**.
 - c. Coverage **A** and **C** limits for Form **HO 00 06**.
 - d. Coverage **C** and **D** increased limits.
 - e. Ordinance or Law total amount of insurance (includes basic and, if applicable, increased amounts).
 - f. Other Building or Structure options (e.g. Other Structures – Structures Rented To Others Residence Premises Endorsement **HO 04 40**, Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; Building Additions And Alterations – Other Residence Endorsement **HO 04 49** and Building Additions And Alterations **HO 04 51**).

E. Premium For Higher Deductibles

Multiply the base premium determined in Paragraph **D**. by the appropriate factor from the following table:

| Deductible Percentage | Factor | |
|-----------------------|------------------|---------|
| | Frame & Superior | Masonry |
| 10% | .89 | .95 |
| 15% | .78 | .89 |
| 20% | .67 | .84 |
| 25% | .56 | .79 |

Table 505.E. Premium For Higher Deductibles

RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06

Paragraph **A.** is replaced by the following:

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 on the Declarations pages.

Paragraph **D.** is replaced by the following:

D. Endorsement

Use Unit-Owners Coverage **A** Special Coverage Endorsement **HO 32 34**.

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

Paragraphs **A.1.** and **A.2.** are replaced by the following:

A. Coverage C And Section II Liability

1. There is no coverage for Coverage **C** – Personal Property and Section **II** Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft. When the rental is considered a home-sharing host activity, refer to the requirements for Broadened Home-sharing Host Activities in this manual.
2. The Coverage **C** minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$6,000.

Paragraph **B.** is replaced by the following:

B. Premium Computation

Multiply the Coverage **C** Base Premium (less the credit for higher deductibles) by a factor of .25.

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

Paragraph **B.2.** is replaced by the following:

B. Premium Determination

2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HO 00 04** or **HO 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by the appropriate Key Premium.

RULE 515.
PERSONAL PROPERTY

Paragraph **E.** is replaced by the following:

E. Increased Special Limits Of Liability

1. The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

| Personal Property | Limit In Form | Maximum Limit Allowed |
|---|--------------------------|-----------------------|
| 1. Jewelry, Watches and Furs | \$ 1,500 | \$ 6,500* |
| 2. Money | 200 | 1,000 |
| 3. Securities | 1,500 | 3,000 |
| 4. Silverware, Goldware and Pewterware | 25% of Coverage C | 10,000** |
| 5. Firearms | 10% of Coverage C | 10,000*** |
| 6. Portable Electronic Equipment in or upon a motor vehicle | 1,500 | 6,000** |
| * Not exceeding the \$1,500 sub-limit for any one article. However, the \$1,500 sub-limit for any one article may be increased to \$2,500 in increments of \$500. | | |
| ** Increase must be in increments of \$500. | | |
| *** Increase must be in increments of \$100. | | |

Table 515.E.1. Special Limits

2. Refer to the state rate pages for the additional charge.
3. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** – for all forms except as noted in Paragraph **4.**
4. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 89** for Form **HO 00 05**, Form **HO 00 04** with Special Personal Property Coverage Endorsement **HO 32 95** and Form **HO 00 06** with Unit-owners Coverage **C** Special Coverage Endorsement **HO 32 35**.

RULE 515.
PERSONAL PROPERTY (Cont'd)

The following is added to Rule **515.**:

H. Additional Coverage – Jewelry And Furs

1. The policy may be endorsed to provide an increased limit of liability (up to \$6,500) and coverage for additional risks of loss on unscheduled jewelry and furs.
2. The sub-limit payable for theft of any one article is \$1,500 and may be increased to \$2,500 in increments of \$500.
3. Refer to the state rate pages for the additional charge.
4. Use Additional Coverages – Unscheduled Jewelry And Furs Endorsement **HO 32 27**.
5. If Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** or **HO 32 89** is also endorsed on the policy, Item **e.** of the endorsement (which pertains to jewelry and furs) should be left blank in deference to the limits provided under Additional Coverages Endorsement **HO 32 27**.

I. Rented Personal Property

1. Basic Limit

a. Landlords Furnishings

Under Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, on a named perils basis, except Theft, for property regularly rented or held for rental in an apartment on the residence premises.

b. Theft (Burglary) Option

Coverage, as noted in Paragraph **1.a.**, may be extended to include loss resulting from burglary.

c. Premium

Refer to the state rate pages for the charge per unit.

2. Increased Limits

- a. The basic limit noted in Paragraph **1.a.** 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. Refer to the state rate pages for the additional charge.

3. Endorsement

- a. Rented Personal Property Endorsement **HO 32 21** indicates when the Theft option and/or Increased Limits option are selected.

- b. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.

- c. The insured may select one option or both.

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

The title of 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 17 31** is replaced by the preceding title.

Paragraph **A.** is replaced by the following:

A. Coverage Description

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders. When the rental is considered a home-sharing host activity, refer to the requirements for Broadened Home-sharing Host Activities in this manual.

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

The title of 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**, is replaced by the preceding title and the text is replaced by the following:

A. Coverage Description

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

B. Premium

Refer to the state rate pages for additional charge.

C. Endorsement

Use Special Computer Coverage Endorsement **HO 32 37**.

RULE 520.
LIVESTOCK COLLISION COVERAGE

Rule **520.** does not apply.

**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:

| Gross Annual Receipts* | HO 00 02, 3, 5 & 8 | HO 00 04 | HO 00 06 |
|--|-----------------------|----------|----------|
| Up to \$50,000 | .11 | .46 | .49 |
| \$ 50,001 to \$ 100,000 | .16 | .69 | .73 |
| 100,001 to 175,000 | .23 | .97 | 1.04 |
| 175,001 to 250,000 | .31 | 1.31 | 1.40 |
| * New business, use \$50,001 to \$100,000 classification | | | |

Table 528.D.2.a. Factors

Paragraph **E.** is replaced by the following:

E. Endorsement

Use Home Business Insurance Coverage – North Carolina Endorsement **HO 32 90.**

Paragraphs **F.5.a.** and **F.5.c.** are replaced by the following:

F. Options

5. Special Coverage – Spoilage Of Perishable Stock

a. Coverage

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement **HO 32 55.** The limit of liability is also listed in the endorsement.

c. Endorsement

Use Special Coverage – Spoilage Of Perishable Stock Endorsement **HO 32 55.**

Paragraphs **F.6.b.(1)(b)** and **F.6.b.(3)** are replaced by the following:

6. Valuable Papers And Records Endorsements

b. Special Coverage

(1) Coverage

- (b)** Special Coverage in Forms **HO 00 05** and **HO 00 04** with **HO 32 95** and **HO 00 06** with **HO 32 35;**

(3) Endorsement

Use Special Coverage For Valuable Papers And Records Endorsement **HO 32 57.**

**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.

RULE 531.
LIMITED THEFT COVERAGE OPTIONS FOR DWELLINGS NEWLY CONSTRUCTED OR UNDER CONSTRUCTION (Cont'd)

Rule 531. is replaced by the following:

A. Theft Coverage – Newly Constructed Dwelling

1. Coverage Description

The policy may be endorsed to provide theft coverage in or to a newly constructed, unoccupied dwelling.

2. Premium

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

3. Endorsement

Use Theft Coverage – Newly Constructed Unoccupied Dwelling – North Carolina Endorsement **HO 32 26**.

B. Theft Coverage – Dwelling Under Construction

1. Coverage Description

The policy may be endorsed to provide theft coverage in or to a dwelling under construction.

2. Premium

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

3. Endorsement

Use Theft Coverage – Dwelling Under Construction – North Carolina Endorsement **HO 32 25**.

PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED LIMITS/OTHER EXPOSURES – BASIC LIMITS

Paragraph **A.** is replaced by the following:

A. Residence Premises

1. Basic limits of liability for Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments to Others) are \$100,000 and \$1,000, respectively. The premium for these limits is included in the Base Premium.
2. Premium credits are provided for reduced Coverage **E** limits of \$50,000 and \$25,000. No other limits below \$100,000 are available.

3. Refer to the state rate pages Rule **601.** for increased and reduced limits rates.
4. If increased or reduced limits are written, then the same limits must apply to any other exposures covered under the policy, unless otherwise stated.

Paragraphs **B.3.** and **B.4.** are replaced by the following:

B. Other Exposures

3. For increased or reduced limits for Other Exposures, refer to Rules **701.** and **702.**
4. If increased or reduced limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

RULE 605.
OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES

Paragraph **A.1.** is replaced by the following:

A. Coverage Description

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes. When the rental is considered a home-sharing host activity, refer to the requirements for Broadened Home-sharing Host Activities in this manual.

RULE 606.
COMPUTER-RELATED DAMAGE OR INJURY EXCLUSION AND COVERAGE OPTIONS

Rule **606.** does not apply.

RULE 607.
HOME DAY CARE COVERAGE

Paragraphs **C.2.** and **C.3.** are replaced by the following:

C. Premium

2. This premium is for an annual aggregate limit of \$100,000 with a Coverage **F** sub-limit of \$1,000 per-person/per-accident. If other Section **II** exposures are written for higher or lower dollar limits, use the Coverage **E** increased or reduced limits factors to adjust the aggregate limit, and the Coverage **F** charges to raise the Coverage **F** sub-limit.
3. The premium is for 1 through 3 persons or 4 through 5 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 5 persons, other than insureds, refer to company.

**RULE 610.
PERSONAL INJURY COVERAGE**

Paragraph C. is replaced by the following:

C. Endorsement

Use Personal Injury Coverage Endorsement **HO 32 82** for providing coverage with the limit of liability on an "any one offense" basis.

Use Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 32 10** for providing coverage with the limit of liability on an annual aggregate limit basis.

**RULE 613.
OWNED SNOWMOBILE**

Rule **613.** does not apply.

**RULE 614.
FARMERS PERSONAL LIABILITY**

Rule **614.** does not apply.

**RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL AND LIMITED LEAD AND ESCAPED
LIQUID FUEL LIABILITY COVERAGES**

Rule **616.** does not apply.

**RULE 617.
CANINE LIABILITY EXCLUSION**

Rule **617.** does not apply.

**PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS**

**RULE 701.
OTHER EXPOSURES – PERSONAL LIABILITY
INCREASED OR REDUCED LIMITS**

Rule **701.** is replaced by the following:

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

| Limit | Factor |
|-----------|--------|
| \$ 25,000 | .67 |
| 50,000 | .83 |
| 200,000 | 1.15 |
| 300,000 | 1.24 |
| 400,000 | 1.30 |
| 500,000 | 1.35 |
| 750,000 | 1.41 |
| 1,000,000 | 1.47 |

Table 701. Personal Liability Increased Limits

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 | | | | | | |
|--|------------------|------------|------------|------------|------------|------------|
| | Territory | | | | | |
| | 110 | 120 | 130 | 140 | 150 | 160 |
| All Forms Except HO 00 04 And HO 00 06 | \$ 1,903 | \$ 2,634 | \$ 1,204 | \$ 1,659 | \$ 891 | \$ 966 |
| HO 00 04 | 76 | 92 | 36 | 46 | 13 | 22 |
| HO 00 06 | 53 | 80 | 34 | 36 | 17 | 17 |

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

| Masonry Construction | | | | | | |
|--|------------------|------------|------------|------------|------------|------------|
| | Territory | | | | | |
| | 110 | 120 | 130 | 140 | 150 | 160 |
| All Forms Except HO 00 04 And HO 00 06 | \$ 1,715 | \$ 2,372 | \$ 1,111 | \$ 1,479 | \$ 791 | \$ 867 |
| HO 00 04 | 68 | 83 | 34 | 42 | 12 | 20 |
| HO 00 06 | 47 | 71 | 30 | 33 | 15 | 15 |

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

RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06

Effective prior to March 31, 2019:

| Frame Construction | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$ 133 | \$ 180 | \$ 84 | \$ 113 | \$ 60 | \$ 65 |
| Opening Protection | 137 | 184 | 84 | 114 | 59 | 68 |
| Total Hip Roof and Opening Protection | 270 | 362 | 166 | 228 | 117 | 133 |
| IBHS Designation prior to March 31, 2019: | | | | | | |
| <i>Hurricane Fortified for Safer Living</i> [®] | 437 | 634 | 241 | 380 | 128 | 222 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Bronze Option 1 | 105 | 143 | 67 | 90 | 47 | 53 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Bronze Option 2 | 164 | 225 | 94 | 142 | 59 | 82 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Silver Option 1 | 262 | 382 | 135 | 231 | 62 | 133 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Silver Option 2 | 315 | 461 | 161 | 283 | 70 | 165 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Gold Option 1 | 335 | 485 | 180 | 288 | 92 | 168 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Gold Option 2 | 389 | 567 | 205 | 341 | 100 | 198 |

Table A9. Windstorm Loss Mitigation Credit – Frame

| Masonry Construction | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$ 121 | \$ 161 | \$ 77 | \$ 101 | \$ 54 | \$ 59 |
| Opening Protection | 123 | 165 | 77 | 103 | 52 | 60 |
| Total Hip Roof and Opening Protection | 243 | 326 | 154 | 205 | 104 | 120 |
| IBHS Designation prior to March 31, 2019: | | | | | | |
| <i>Hurricane Fortified for Safer Living</i> [®] | 394 | 570 | 222 | 338 | 114 | 199 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Bronze Option 1 | 94 | 130 | 60 | 79 | 42 | 47 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Bronze Option 2 | 146 | 203 | 87 | 127 | 52 | 74 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Silver Option 1 | 236 | 345 | 125 | 207 | 55 | 120 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Silver Option 2 | 283 | 415 | 148 | 252 | 62 | 147 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Gold Option 1 | 301 | 438 | 166 | 256 | 80 | 151 |
| <i>Hurricane Fortified for Existing Homes</i> [®] Gold Option 2 | 348 | 511 | 190 | 304 | 89 | 177 |

Table A9. Windstorm Loss Mitigation Credit – Masonry

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

Effective on or after March 31, 2019:

| Frame Construction | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$ 133 | \$ 180 | \$ 84 | \$ 113 | \$ 60 | \$ 65 |
| Opening Protection | 137 | 184 | 84 | 114 | 59 | 68 |
| Total Hip Roof and Opening Protection | 270 | 362 | 166 | 228 | 117 | 133 |
| IBHS Designation on or after March 31, 2019: | | | | | | |
| <i>FORTIFIED for Safer Living®</i> | 437 | 634 | 241 | 380 | 128 | 222 |
| FORTIFIED Roof – Hurricane – Existing Roof | 105 | 143 | 67 | 90 | 47 | 53 |
| FORTIFIED Roof – Hurricane – New Roof | 164 | 225 | 94 | 142 | 59 | 82 |
| FORTIFIED Home – Hurricane – Silver – Existing Roof | 262 | 382 | 135 | 231 | 62 | 133 |
| FORTIFIED Home – Hurricane – Silver – New Roof | 315 | 461 | 161 | 283 | 70 | 165 |
| FORTIFIED Home – Hurricane – Gold – Existing Roof | 335 | 485 | 180 | 288 | 92 | 168 |
| FORTIFIED Home – Hurricane – Gold – New Roof | 389 | 567 | 205 | 341 | 100 | 198 |

Table A9. Windstorm Loss Mitigation Credit – Frame

| Masonry Construction | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Mitigation Feature | Territory 110 | Territory 120 | Territory 130 | Territory 140 | Territory 150 | Territory 160 |
| Total Hip Roof | \$ 121 | \$ 161 | \$ 77 | \$ 101 | \$ 54 | \$ 59 |
| Opening Protection | 123 | 165 | 77 | 103 | 52 | 60 |
| Total Hip Roof and Opening Protection | 243 | 326 | 154 | 205 | 104 | 120 |
| IBHS Designation on or after March 31, 2019: | | | | | | |
| <i>FORTIFIED for Safer Living®</i> | 394 | 570 | 222 | 338 | 114 | 199 |
| FORTIFIED Roof – Hurricane – Existing Roof | 94 | 130 | 60 | 79 | 42 | 47 |
| FORTIFIED Roof – Hurricane – New Roof | 146 | 203 | 87 | 127 | 52 | 74 |
| FORTIFIED Home – Hurricane – Silver – Existing Roof | 236 | 345 | 125 | 207 | 55 | 120 |
| FORTIFIED Home – Hurricane – Silver – New Roof | 283 | 415 | 148 | 252 | 62 | 147 |
| FORTIFIED Home – Hurricane – Gold – Existing Roof | 301 | 438 | 166 | 256 | 80 | 151 |
| FORTIFIED Home – Hurricane – Gold – New Roof | 348 | 511 | 190 | 304 | 89 | 177 |

Table A9. Windstorm Loss Mitigation Credit – Masonry

**RULE A10.
BROADENED HOME-SHARING HOST ACTIVITIES
COVERAGE**

D. Premium

- 2. Increased Limits For Home-sharing Host Activities Damage To Property Of Others

| Limit | |
|----------|--------|
| \$ 5,000 | \$.20 |
| 10,000 | .45 |
| 25,000 | 1.20 |
| 50,000 | 2.46 |

Table A10.D.2. Additional Charge

**RULE A11.
DAMAGE TO PROPERTY OF OTHERS – INCREASED
LIMITS**

B. Premium

| Limit | |
|----------|--------|
| \$ 5,000 | \$.50 |
| 10,000 | 1.13 |
| 25,000 | 3.00 |
| 50,000 | 6.14 |

Table A11.B. Additional Charge

**RULE 105.
SECONDARY RESIDENCE PREMISES**

B. Premium Adjustment

- 2. Credit – \$10

**RULE 204.
MULTIPLE COMPANY INSURANCE**

C. Premium

- 3. Credit – \$10

**RULE 205.
MINIMUM PREMIUM**

- D. Minimum Premium – \$50

**RULE 207.
WAIVER OF PREMIUM**

- B. Amount that may be waived – \$3 or less

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

F. Premium Determination

- 4. Minimum additional charge – \$20

**RULE 404.
PROTECTIVE DEVICES**

C. Premium Development

Maximum credit allowed – \$75

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-premises

- 2. Rate per \$2,500 – \$50

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

B. Premium

| Limit | |
|---|------|
| \$ 1,000 | \$ 1 |
| 2,500 | 3 |
| 5,000 | 4 |
| 7,500 | 5 |
| 10,000+ | 6 |
| + For limits in excess of \$10,000, refer to company. | |

Table 504.B. Additional Charge

**RULE 505.
EARTHQUAKE COVERAGE**

D. Base Premium

| Base Deductible – Rate Per \$1,000 | | | | |
|--|-------------|---------------|-----------------|-----------------|
| | Zone | Frame+ | Masonry+ | Superior |
| Table A | | | | |
| All forms except HO 00 04 and HO 00 06 | 3 | \$.54 | \$ 1.24 | \$.86 |
| | 4 | .35 | 1.24 | .50 |
| | 5 | .27 | .86 | .36 |
| Table B | | | | |
| Form HO 00 04 or Form HO 00 06 (apply to Coverage C limit) and Higher Coverage C limits for other forms | 3 | \$.36 | \$.95 | \$.36 |
| | 4 | .23 | .82 | .23 |
| | 5 | .18 | .57 | .18 |
| Table C | | | | |
| Form HO 00 06 (apply to Coverage A limit), Higher Coverage D Limits, Endorsement HO 04 48 and Other Building Options | 3 | \$.36 | \$ 1.05 | \$.68 |
| | 4 | .23 | 1.05 | .39 |
| | 5 | .18 | .57 | .27 |
| +If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame. | | | | |

Table 505.D.#1 Premium For Base Deductible

| Zone 3 | | | |
|---------------|----------|-------------|----------|
| Anson | Columbus | Mecklenburg | Scotland |
| Brunswick | Davie | Montgomery | Stanly |
| Cabarrus | Gaston | Richmond | Union |
| Catawba | Iredell | Robeson | |
| Cleveland | Lincoln | Rowan | |

Table 505.D.#2 Earthquake Zone 3

| Zone 4 | | | |
|---------------|------------|-------------|--------------|
| Alexander | Clay | Macon | Rutherford |
| Alleghany | Cumberland | Madison | Surry |
| Ashe | Davidson | McDowell | Swain |
| Avery | Forsyth | Mitchell | Transylvania |
| Bladen | Graham | Moore | Watauga |
| Buncombe | Haywood | New Hanover | Wilkes |
| Burke | Henderson | Pender | Yadkin |
| Caldwell | Hoke | Polk | Yancey |
| Cherokee | Jackson | Randolph | |

Table 505.D.#3 Earthquake Zone 4

| Zone 5 | | | |
|------------------|--|--|--|
| Balance of State | | | |

Table 505.D.#4 Earthquake Zone 5

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND
INCREASED LIMITS AND SPECIAL COVERAGE
HO 00 06**

C. Special Coverage

1. Charge per policy for \$1,000 in basic form – \$2
2. Rate for each add'l \$1,000 of Coverage **A** – \$1

**RULE 509.
HOME DAY CARE COVERAGE**

D. Premium Computation

1. Section I

- c. Rate per \$1,000 for business in other structure – \$5

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE
PREMISES**

E. Premium Computation

1. Section I

- c. Rate per \$1,000 for business in other structure – \$5

**RULE 511.
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

A. Residence Premises

3. Premium

All forms except **HO 00 03, HO 00 05** or **HO 00 06** with **HO 32 34**

| New Amount Of Coverage | |
|-----------------------------------|------|
| \$ 5,000 | \$ 3 |
| 10,000 | 6 |
| Each add'l \$5,000 up to \$50,000 | 1 |

Table 511.A.3.#1 Additional Charge

HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

| New Amount Of Coverage | |
|-----------------------------------|------|
| \$ 5,000 | \$ 4 |
| 10,000 | 8 |
| Each add'l \$5,000 up to \$50,000 | 2 |

Table 511.A.3.#2 Additional Charge

B. Additional Locations

2. Premium

All forms except **HO 00 03, HO 00 05** or **HO 00 06** with **HO 32 34**

| New Amount Of Coverage | |
|-----------------------------------|------|
| \$ 1,000 | \$ 6 |
| 5,000 | 9 |
| 10,000 | 11 |
| Each add'l \$5,000 up to \$50,000 | 1 |

Table 511.B.2.#1 Additional Charge

HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

| New Amount Of Coverage | |
|-----------------------------------|------|
| \$ 1,000 | \$ 7 |
| 5,000 | 11 |
| 10,000 | 13 |
| Each add'l \$5,000 up to \$50,000 | 2 |

Table 511.B.2.#2 Additional Charge

**RULE 512.
LOSS OF USE – INCREASED LIMIT**

- B.** Rate per \$1,000 – \$4

**RULE 514.
OTHER STRUCTURES**

A. On-premises Structures

1. Specific Structure – Increased Limits

a. Premium

Rate per \$1,000 for policies with windstorm or hail coverage – \$4

Territories 110, 120, 130, 140, 150 And 160 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$2

2. Structure On The Residence Premises Rented To Others

a. Premium

- (1) Rate per \$1,000 for policies with windstorm or hail coverage – \$5

Territories 110, 120, 130, 140, 150 And 160 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$3

B. Structures Off The Residence Premises

1. Forms HO 00 02, HO 00 03 And HO 00 05

b. Premium

Off premises structures charge per policy – \$15

2. All Forms

a. Premium

- (2) Specific structures – Off-Premises Rate per \$1,000 – \$5

**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

| Limit | |
|-----------|-------|
| \$ 10,000 | \$ 30 |
| 15,000 | 35 |
| 25,000 | 40 |

Table 521.D.2. Increased Limits Premium

**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**

RULE 523.
ASSISTED LIVING CARE COVERAGE (Cont'd)

b. Coverage E (Coverage F does not apply to this option.)

| Reduced Coverage E Limits (Credit) | |
|---------------------------------------|-------|
| Limit | Rates |
| \$ 25,000 | \$ 6 |
| 50,000 | 3 |
| Basic And Increased Coverage E Limits | |
| Limit | Rates |
| \$ 200,000 | \$ 3 |
| 300,000 | 4 |
| 400,000 | 5 |
| 500,000 | 6 |
| 750,000 | 7 |
| 1,000,000 | 8 |

Table 523.C.2.b. Coverage E Limits

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

C. Premium

1. Section I and Section II Basic Limits
Rate per person named in the Schedule – \$60
2. Section II Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. For Coverage E:

| Reduced Coverage E Limits (Credit) | |
|---------------------------------------|-------|
| Limit | Rates |
| \$ 25,000 | \$ 17 |
| 50,000 | 9 |
| Basic And Increased Coverage E Limits | |
| Limit | Rates |
| \$ 200,000 | \$ 8 |
| 300,000 | 12 |
| 400,000 | 15 |
| 500,000 | 18 |
| 750,000 | 21 |
| 1,000,000 | 24 |

Table 524.C.2.a. Coverage E Limits

- b. For Coverage F:
Refer to Rule 702. for Rates for limits above \$1,000

RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

E. Premium

The following charge is the minimum annual premium for each motorized golf cart for any period within a policy year:

- Rate per motorized golf cart **without** collision – \$7
- Rate per motorized golf cart **with** collision – \$12

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

C. Premium

- For basic limits rates:
Trust charge per policy – \$26
- For increased limits:
For Coverage E:
Refer to Rule 701. for increased limits factors.
For Coverage F:
Refer to Rule 702. for increased limits charges.

RULE 527.
STUDENT AWAY FROM HOME

C. Premium Determination

1. Section I and Section II Basic Limits
Rate per location – \$68
2. Section II Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. For Coverage E:

| Reduced Coverage E Limits (Credit) | |
|---------------------------------------|-------|
| Limit | Rates |
| \$ 25,000 | \$ 17 |
| 50,000 | 9 |
| Basic And Increased Coverage E Limits | |
| Limit | Rates |
| \$ 200,000 | \$ 8 |
| 300,000 | 12 |
| 400,000 | 15 |
| 500,000 | 18 |
| 750,000 | 21 |
| 1,000,000 | 24 |

Table 527.C.2.a. Coverage E Limits

**RULE 527.
STUDENT AWAY FROM HOME (Cont'd)**

- b. For Coverage F:
Refer to Rule **702.** for Rates for limits above \$1,000.

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE**

D. Home Business Premium Computation

3. Section II – Business Liability

a. Basic Limits Premium

For Coverages **E** and **F**:

- (1) Office (Gross Annual Receipts up to \$250,000)

| Business Visitors Per Week* | Under 10 | 10 Or More |
|--------------------------------|----------|------------|
| | | \$ 2.44 |

* New Business, use 10 or more classification

Table 528.D.3.a.(1) Office Basic Limits Premium

(2) Service, Sales and Crafts

| Gross Annual Receipts** | Business Visitors Per Week* | | | | | |
|----------------------------|-----------------------------|------------|----------|------------|----------|------------|
| | Services | | Sales | | Crafts | |
| | Under 10 | 10 Or More | Under 10 | 10 Or More | Under 10 | 10 Or More |
| Up to \$50,000 | \$ 14.50 | \$ 21.75 | \$ 6.50 | \$ 9.75 | \$ 6.50 | \$ 9.75 |
| \$50,001 to \$100,000 | 43.50 | 65.25 | 19.50 | 29.25 | 19.50 | 29.25 |
| \$100,001 to \$175,000 | 79.75 | 119.63 | 35.75 | 53.63 | 35.75 | 53.63 |
| \$175,001 to \$250,000 | 123.25 | 184.88 | 55.25 | 82.88 | 55.25 | 82.88 |

* New Business, use 10 or more classification.
** New Business, use \$50,001 to \$100,000 classification.

Table 528.D.3.a.(2) Service, Sales And Crafts Basic Limits Premium

RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)

c. Coverage F – Increased Limits

(2) All home business classifications:

| | All Home Business Classifications | | | |
|----------------------------|---|----------|----------|----------|
| | Homeowners Increased Limit Of Liability | | | |
| Business Visitors Per Week | \$2,000 | \$3,000 | \$4,000 | \$5,000 |
| Under 10 | \$ 5.00 | \$ 10.00 | \$ 15.00 | \$ 19.00 |
| 10 or more | 7.00 | 12.00 | 18.00 | 22.00 |

Table 528.D.3.c.(2) Increased Limit

F. Options

1. Additional Insured

a. Managers Or Lessors Of Premises Leased To An Insured

(2) Premium

Rate per location/per additional insured – \$14

5. Special Coverage – Spoilage Of Perishable Stock

b. Premium

Rate per \$1,000:

(1) Florists – \$2

(2) Other Classes of Business – Refer to Company

6. Valuable Papers And Records Endorsements

Rate per \$1,000:

a. Increased Limits

For Endorsement **HO 07 56**:

(2) Premium

(a) Named Perils Coverage (**HO 00 02, HO 00 03, HO 00 04 and HO 00 06**) – \$1

(b) Open Perils Coverage (**HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35**) – \$2

b. Special Coverage

For Endorsements (**HO 07 56 and HO 32 57**):

(2) Premium

(a) First \$2,500:

HO 00 02, HO 00 03, HO 00 04 and HO 00 06 – \$3

HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35 – \$2

(b) Each additional \$1,000 – all forms – \$2

7. Off-Premises Property Coverage – Increased Limits

b. Premium

Rate per \$2,500:

HO 00 02, HO 00 03, HO 00 04 and HO 00 06 – \$25

HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35 – \$37

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

A. Theft Coverage – Newly Constructed Dwelling

2. Premium

Charge per policy – \$13

B. Theft Coverage – Dwelling Under Construction

2. Premium

Rate per \$1,000 of Coverage **A** limit – \$1

**RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

**A. Residence Premises
3. Increased Limits**

| Coverage E – Liability | | | |
|---|-------------|------------------------------|-------------|
| 1 and 2 Family Premium | | 3 or 4 Family Premium | |
| Reduced Coverage E Limit (Credit) | | | |
| Limit | Rate | Limit | Rate |
| \$ 25,000 | \$ 11 | \$ 25,000 | \$ 22 |
| 50,000 | 6 | 50,000 | 11 |
| Basic And Increased Coverage E Limit | | | |
| Limit | Rate | Limit | Rate |
| \$ 100,000 | – | 100,000 | – |
| 200,000 | \$ 5 | 200,000 | \$ 10 |
| 300,000 | 8 | 300,000 | 16 |
| 400,000 | 10 | 400,000 | 20 |
| 500,000 | 12 | 500,000 | 23 |
| 750,000 | 14 | 750,000 | 28 |
| 1,000,000 | 16 | 1,000,000 | 32 |

Table 601.A.3.#1 Coverage E – Liability

| Coverage F – Medical Payments | |
|--------------------------------------|-------------|
| Limit | Rate |
| \$ 1,000 | – |
| 2,000 | \$ 3 |
| 3,000 | 6 |
| 4,000 | 9 |
| 5,000 | 12 |

Table 601.A.3.#2 Coverage F – Medical Payments

**RULE 602.
OTHER INSURED LOCATION OCCUPIED BY INSURED**

- B. Premium**
Rate per Residence:
One Family – \$7
Two Family – \$14
Three Family – \$27
Four Family – \$29

**RULE 603.
RESIDENCE EMPLOYEES**

- B. Rate per Person in Excess of Two – \$5**

**RULE 604.
ADDITIONAL RESIDENCE RENTED TO OTHERS**

- B. Premium**
Rate per Residence:
One Family – \$32
Two Family – \$51
Three Family – \$86
Four Family – \$93

**RULE 605.
OTHER STRUCTURES RENTED TO OTHERS –
RESIDENCE PREMISES**

- B. Premium**
Rate per Structure – \$32

**RULE 607.
HOME DAY CARE COVERAGE**

- C. Premium**
1. Rate per Person:
1 – 3 Persons – \$114
4 – 5 Persons – \$199

**RULE 608.
PERMITTED INCIDENTAL OCCUPANCIES –
RESIDENCE PREMISES AND OTHER RESIDENCES**

B. Premium

Rate per Residence:

1. Residence Premises – \$17
2. Other Residence – \$17

**RULE 609.
BUSINESS PURSUITS**

B. Premium

Rate per Insured Person:

1. Clerical Employees – \$5
2. Sales person, Collector or Messenger – Installation, demonstration or servicing operation:
Included – \$7
Excluded – \$5
3. Teachers
 - a. Laboratory, athletic, manual or physical training – \$13
 - b. Not otherwise classified – \$6
 - c. Corporal punishment (add to Paragraph 3.a. or 3.b.) – \$5

**RULE 610.
PERSONAL INJURY COVERAGE**

B. Premium

Rate per Policy (Per Offense) – \$13

Rate per Policy (Aggregate) – \$12

**RULE 611.
INCIDENTAL LOW POWER RECREATIONAL MOTOR
VEHICLES**

B. Premium

Rate per Policy – \$15

**RULE 612.
OUTBOARD MOTORS AND WATERCRAFT**

C. Premium

1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors:

| Horsepower | Length | |
|------------|------------------|--------------------|
| | Up To 15 Feet | Over 15 To 26 Feet |
| | Rate | Rate |
| Up to 50* | \$ 41 | \$ 64 |
| 51 to 100 | 69 | 92 |
| 101 to 150 | 98 | 121 |
| 151 to 200 | Refer to Company | 149 |
| Over 200 | Refer to Company | Refer to Company |

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

Table 612.C.1. Outboard, Inboard, Or Inboard-Outdrive Engines Or Motors

2. Sailboats With or Without Auxiliary Power:

| Overall Length/Feet | Rate |
|---------------------|------------------|
| 26 to 40 feet* | \$ 44 |
| Over 40 feet | Refer to Company |

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

Table 612.C.2. Sailboats With Or Without Auxiliary Power

**RULE 613.
OWNED SNOWMOBILE**

B. Premium

Rate per Snowmobile – Not Applicable

**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY**

A. On The Residence Premises

2. Premium

Farming done On The Residence Premises – \$40

B. Away From The Residence Premises

2. Premium

Farming done Away From The Residence Premises – \$60

**RULE 702.
OTHER EXPOSURES – MEDICAL PAYMENTS TO
OTHERS INCREASED LIMITS**

| Basic Limit Rule # | Coverage F – Medical Payments | \$2,000 | \$3,000 | \$4,000 | \$5,000 |
|---------------------------|--|--------------------------------|----------------|----------------|----------------|
| 524. | Other Members of an Insured's Household | \$ 1 | \$ 2 | \$ 3 | \$ 4 |
| 526. | Residence Held in Trust All Forms Except HO 00 04 | 1 | 2 | 3 | 4 |
| 527. | Student Away From Home | 1 | 2 | 3 | 4 |
| 602. | Other Insured Locations Occupied By Insured | 1 | 2 | 3 | 4 |
| 603. | Residence Employees | 1 | 2 | 3 | 4 |
| 604. | Add'l. Residence Rented to Others | 1 | 2 | 3 | 4 |
| 605. | Other Structures Rented to Others – Residence Premises | 1 | 2 | 3 | 4 |
| 607. | Home Day Care Coverage | 5 | 10 | 15 | 19 |
| 608. | Permitted Incidental Occupancies | | | | |
| | 1. Residence Premises | 5 | 10 | 15 | 19 |
| | 2. Other Residence | 3 | 6 | 9 | 11 |
| 609. | Business Pursuits | | | | |
| | 1. Clerical Employees | 1 | 2 | 3 | 4 |
| | 2. Salesperson, Installation, etc. Included or Excluded | 1 | 2 | 3 | 4 |
| | 3. Teachers | | | | |
| | a. Lab, etc. | 2 | 4 | 6 | 7 |
| | b. Not otherwise classified | 1 | 2 | 3 | 4 |
| | c. Corporal Punishment | Medical Payments Not Available | | | |
| 611. | Incidental Motorized Land Conveyances | 1 | 2 | 3 | 4 |
| 612. | Outboard Motors and Watercraft | | | | |
| | 1. Outboard, Inboard or Inboard – Outboard engines or Motors | | | | |
| | a) Up to 15 feet: | | | | |
| | Up to 50 hp. | 3 | 6 | 9 | 11 |
| | 51 to 100 hp. | 4 | 8 | 12 | 14 |
| | 101 to 150 hp. | 6 | 12 | 18 | 21 |
| | 151 to 200 hp. | Refer to Company | | | |
| | Over 200 hp. | Refer to Company | | | |
| | b) Over 15 to 26 feet: | | | | |
| | Up to 50 hp. | 4 | 8 | 12 | 14 |
| | 51 to 100 hp. | 6 | 12 | 18 | 21 |
| | 101 to 150 hp. | 8 | 16 | 24 | 28 |
| | 151 to 200 hp. | 12 | 24 | 36 | 42 |
| | Over 200 hp. | Refer to Company | | | |
| | 2. Sailboats, with or without auxiliary power | | | | |
| | 26 to 40 feet | 3 | 6 | 9 | 11 |
| | Over 40 feet | Refer to Company | | | |
| 613. | Owned Snowmobile | Not Applicable | | | |
| 615. | Incidental Farming Personal Liability | 1 | 2 | 3 | 4 |

Table 702. Other Exposures – Medical Payments To Others Increased Limits

1. TERRITORY ASSIGNMENTS

If a territory shown is defined in terms of United States Postal Service (USPS) ZIP code:

- A.** Determine the applicable rating territory based on the location of the dwelling.
- B.** An insured's rates shall not be changed solely because the USPS changed his or her ZIP code and the physical boundaries of a rating territory shall be determined by the ZIP code boundaries in effect at the time of the latest rate filing defining the territory.

Territory boundaries in North Carolina are concurrent with USPS ZIP code boundaries in effect as of **July 1, 2013**. If the USPS introduces a new ZIP code or realigns a ZIP code boundary after **July 1, 2013**, the new ZIP code may not yet be listed in Rule **2.C**. If this is the case, assign the rating territory based on the ZIP code boundary that formerly applied to the dwelling before the USPS changed the ZIP code.

2. TERRITORY DEFINITIONS – (For all Coverages and Perils Other than Earthquake).

Assign the applicable territory using the following order of priority:

A. Counties

| County of | Code |
|------------------------------------|-------------|
| Alamance | 310 |
| Alexander | 340 |
| Alleghany | 360 |
| Anson | 300 |
| Ashe | 360 |
| Avery | 370 |
| Beaufort | 150 |
| Bertie | 180 |
| Bladen | 230 |
| Buncombe | 360 |
| Burke | 360 |
| Cabarrus | 320 |
| Caldwell | 360 |
| Camden | 150 |
| Caswell | 310 |
| Catawba | 360 |
| Chatham | 280 |
| Cherokee | 390 |
| Chowan | 150 |
| Clay | 390 |
| Cleveland | 350 |
| Columbus | 200 |
| Craven | 150 |
| Cumberland | 220 |
| Currituck (other than Beach Areas) | 130 |
| Dare (other than Beach Areas) | 130 |
| Davidson | 320 |
| Davie | 310 |
| Duplin | 190 |
| Durham | 270 |
| Edgecombe | 210 |
| Forsyth | 310 |
| Franklin | 240 |
| Gaston | 350 |

| County of | Code |
|-------------------------------|-------------|
| Gates | 170 |
| Graham | 390 |
| Granville | 260 |
| Greene | 180 |
| Guilford | 310 |
| Halifax | 240 |
| Harnett | 250 |
| Haywood | 380 |
| Henderson | 360 |
| Hertford | 170 |
| Hoke | 250 |
| Hyde (other than Beach Areas) | 130 |
| Iredell | 340 |
| Jackson | 390 |
| Johnston | 240 |
| Jones | 150 |
| Lee | 290 |
| Lenoir | 190 |
| Lincoln | 350 |
| Macon | 390 |
| Madison | 380 |
| Martin | 180 |
| McDowell | 360 |
| Mecklenburg | 340 |
| Mitchell | 370 |
| Montgomery | 300 |
| Moore | 290 |
| Nash | 240 |
| Northampton | 240 |
| Orange | 280 |
| Pamlico | 130 |
| Pasquotank | 150 |
| Perquimans | 150 |
| Person | 260 |
| Pitt | 180 |
| Polk | 360 |
| Randolph | 320 |
| Richmond | 300 |
| Robeson | 230 |
| Rockingham | 310 |
| Rowan | 320 |
| Rutherford | 350 |
| Sampson | 220 |
| Scotland | 250 |
| Stanly | 340 |
| Stokes | 310 |
| Surry | 310 |
| Swain | 380 |
| Transylvania | 380 |
| Tyrrell | 150 |
| Union | 340 |
| Vance | 260 |
| Wake | 270 |
| Warren | 260 |
| Washington | 150 |
| Watauga | 360 |
| Wayne | 180 |
| Wilkes | 340 |
| Wilson | 210 |
| Yadkin | 330 |
| Yancey | 360 |

B. Beach Areas

Beach Area – Localities south and east of the Inland Waterway from the South Carolina Line to Fort Macon (Beaufort Inlet), thence south and east of Core, Pamlico, Roanoke and Currituck Sounds to the Virginia Line, being those portions of land generally known as the "Outer Banks".

Beach Areas in Currituck, Dare and Hyde Counties: 110

Beach areas in Brunswick, Carteret, New Hanover, Onslow and Pender Counties: 120

C. Other Than Beach Areas Of Brunswick, Carteret, New Hanover, Onslow And Pender Counties

For areas of Brunswick, Carteret, New Hanover, Onslow and Pender Counties, other than the Beach Areas, refer to the following ZIP codes. If portions of these ZIP codes fall in Counties other than Brunswick, Carteret, New Hanover, Onslow and Pender Counties use the territory code for those Counties.

1. Eastern Coastal Territory

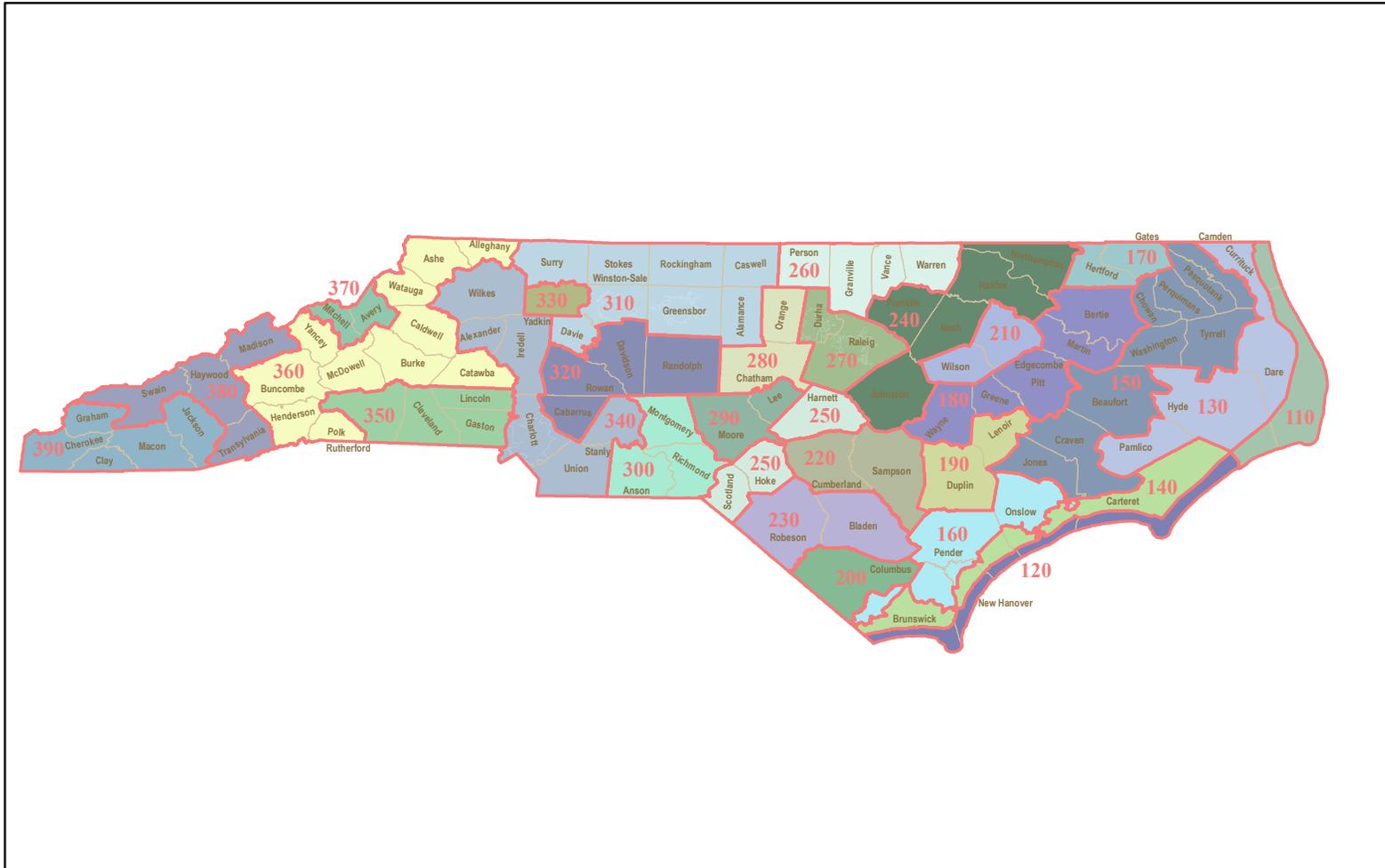
| ZIP Code | USPS ZIP Code Name | Code |
|----------|--------------------|------|
| 28403 | Wilmington | 140 |
| 28404 | Wilmington | 140 |
| 28405 | Wilmington | 140 |
| 28406 | Wilmington | 140 |
| 28407 | Wilmington | 140 |
| 28408 | Wilmington | 140 |
| 28409 | Wilmington | 140 |
| 28410 | Wilmington | 140 |
| 28411 | Wilmington | 140 |
| 28412 | Wilmington | 140 |
| 28422 | Bolivia | 140 |
| 28428 | Carolina Beach | 140 |
| 28443 | Hampstead | 140 |
| 28445 | Holly Ridge | 140 |
| 28459 | Shalotte | 140 |
| 28460 | Sneads Ferry | 140 |
| 28461 | Southport | 140 |
| 28462 | Supply | 140 |
| 28467 | Calabash | 140 |
| 28468 | Sunset Beach | 140 |
| 28469 | Ocean Isle Beach | 140 |
| 28470 | Shalotte | 140 |
| 28480 | Wrightsville Beach | 140 |
| 28511 | Atlantic | 140 |
| 28516 | Beaufort | 140 |
| 28520 | Cedar Island | 140 |
| 28524 | Davis | 140 |
| 28528 | Gloucester | 140 |

| ZIP Code | USPS ZIP Code Name | Code |
|----------|--------------------|------|
| 28531 | Harkers Island | 140 |
| 28532 | Havelock | 140 |
| 28533 | Cherry Point | 140 |
| 28539 | Hubert | 140 |
| 28553 | Marshallberg | 140 |
| 28557 | Morehead City | 140 |
| 28570 | Newport | 140 |
| 28577 | Sealevel | 140 |
| 28579 | Smyrna | 140 |
| 28581 | Stacy | 140 |
| 28584 | Swansboro | 140 |
| 28589 | Williston | 140 |

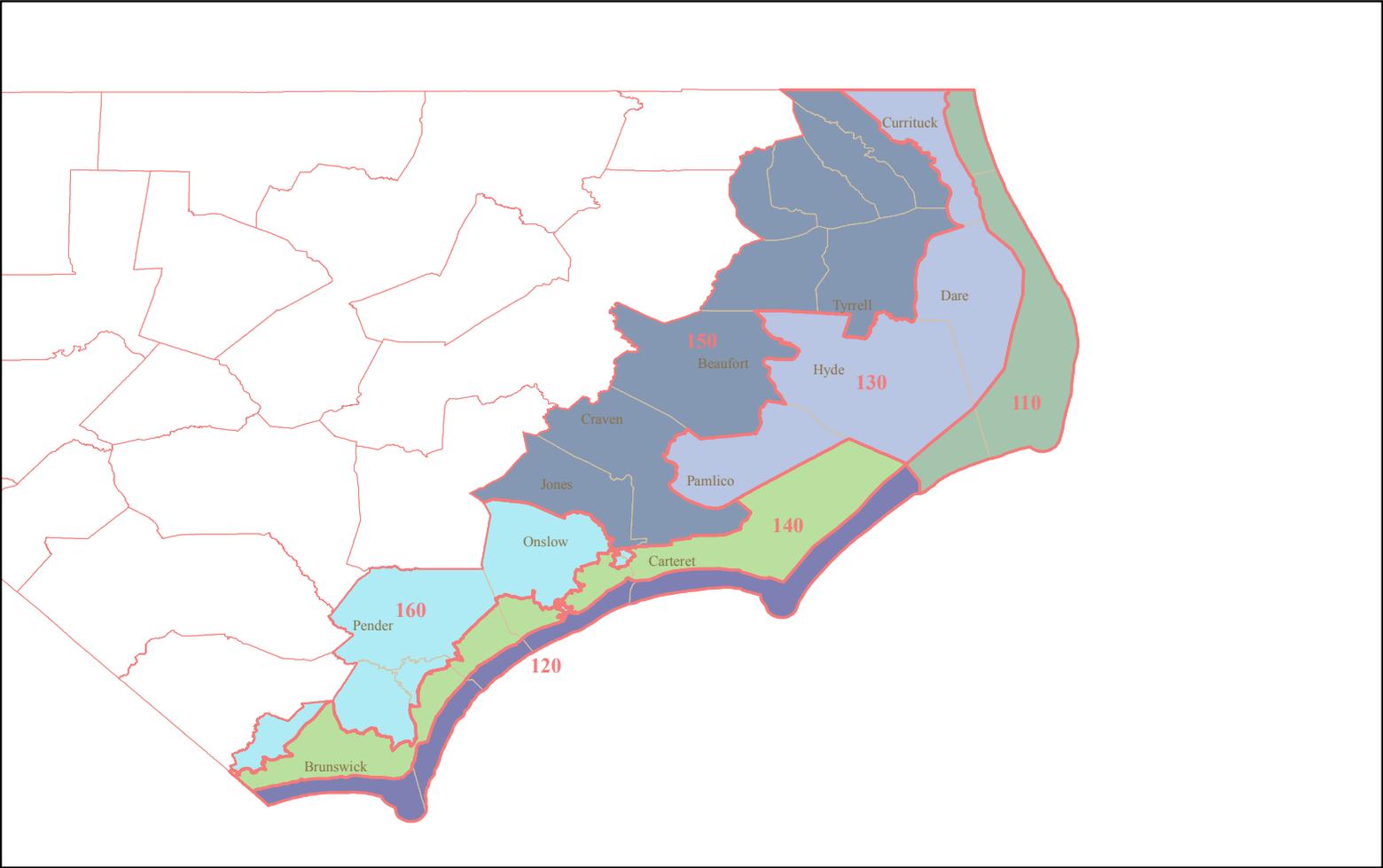
2. Western Coastal Territory

| ZIP Code | USPS ZIP Code Name | Code |
|----------|--------------------|------|
| 28401 | Wilmington | 160 |
| 28402 | Wilmington | 160 |
| 28420 | Ash | 160 |
| 28421 | Atkinson | 160 |
| 28425 | Burgaw | 160 |
| 28429 | Castle Hayne | 160 |
| 28435 | Currie | 160 |
| 28436 | Delco | 160 |
| 28447 | Ivanhoe | 160 |
| 28448 | Kelly | 160 |
| 28451 | Leland | 160 |
| 28452 | Longwood | 160 |
| 28454 | Maple Hill | 160 |
| 28456 | Riegelwood | 160 |
| 28457 | Rocky Point | 160 |
| 28466 | Wallace | 160 |
| 28478 | Willard | 160 |
| 28479 | Winnabow | 160 |
| 28518 | Beulaville | 160 |
| 28521 | Chinquapin | 160 |
| 28540 | Jacksonville | 160 |
| 28541 | Jacksonville | 160 |
| 28542 | Camp Lejeune | 160 |
| 28543 | Tarawa Terrace | 160 |
| 28544 | Midway Park | 160 |
| 28545 | McCutcheon Field | 160 |
| 28546 | Jacksonville | 160 |
| 28547 | Camp Lejeune | 160 |
| 28555 | Maysville | 160 |
| 28574 | Richlands | 160 |
| 28582 | Stella | 160 |

Dwelling and Homeowner Territories Statewide



Dwelling and Homeowner Territories Beach and Coastal Area



**PREFILED TESTIMONY
OF
MATTHEW BERRY
2020 HOMEOWNERS INSURANCE
RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q: Please state your name and your employer.

A: My name is Matthew Berry. I work at Allstate Insurance Company at 2775 Sanders Road, Northbrook, IL 60062.

Q: What is your educational background?

A: I received my Bachelors of Science in 2013 from Purdue University – West Lafayette with a double major in Actuarial Science (with Honors) and Applied Statistics.

Q: Do you have any additional certifications or qualifications?

A: Yes. I have been a Fellow of the Casualty Actuarial Society (CAS) since 2016 after passing each exam on my first attempt. I am a current member of the CAS Examination Committee where I volunteer for writing as well as grading committees. I also hold the Certified Specialist in Predictive Analytics (CSPA) credential awarded by the CAS Institute. I am a member of the American Academy of Actuaries (AAA) and meet all of its continuing education requirements. I am in good standing with the CAS, CAS Institute, and the AAA.

Q: What is your employment background?

A: I have worked as an Actuary for Allstate Insurance Company's Auto and Owners lines of business for my entire career since August 2013. I started on Allstate's Actuarial Training Unit before becoming an Actuarial Analyst in 2014 for the West Central region, which encompasses Colorado, North Dakota, South Dakota, Montana, Wyoming, Kansas, Nebraska, Iowa and Missouri. In 2016, I became an Actuarial Analyst for the state of California. Finally, in 2017, I was promoted to my current role as Actuarial Manager for the state of North Carolina.

Q: Do you have experience with homeowners insurance?

A: Yes. I have worked on homeowners insurance for my entire career. My most recent roles on California and North Carolina involved work on Owners, Condominium and Tenants forms, while my earlier roles solely involved the Owners form. On the Training Unit and West Central regions, I ran Owners rate-level indications where I analyzed factors that drove Owners loss and premium trends and evaluated the adequacy of segmented rates. While working on California, I led a research project on incorporating catastrophe exposure into

rate-level indications for Owners, Condo and Tenants that complied with the unique regulatory environment. That California catastrophe exposure methodology remains in place today and has been incorporated into multiple filings approved by the California Department of Insurance.

In my current role as Actuarial Manager for the state of North Carolina, I have led multiple initiatives to modernize Allstate's Owners product in the state of North Carolina through ratemaking improvements, including the creation of a brand-new rating plan for Allstate's House and Home product launch in North Carolina. Additionally, I have analyzed and implemented multiple North Carolina Rate Bureau ("Bureau") changes for the Owners, Condo and Tenants forms and run rate-level indications for the Owners form.

Q: What is your role with respect to homeowners insurance at the Bureau?

A: I am Chairman of the Property Rating Subcommittee of the Bureau. That Subcommittee has jurisdiction over homeowners insurance rates. I am also on the Property Committee of the Bureau. That Committee has jurisdiction over forms and rates for the homeowners line of insurance.

Q: Can you explain the nature and role of the Bureau in setting manual rates?

A: The Bureau was created by statute in 1977. Its jurisdiction and role include the establishment of policy forms and rates for residential real property insurance policies written in North Carolina. This jurisdiction includes all forms in the homeowners line of insurance. Homeowners policies in North Carolina are written by approximately 100 companies that are required by law to be members of the Bureau, as well as by the North Carolina Insurance Underwriting Association (which is commonly called the "Beach Plan"). The Beach Plan, a residual market mechanism that is discussed in more detail later in my testimony, is statutorily authorized to write homeowners policies in the 18 coastal counties using Bureau forms. Policyholders in those 18 counties have the option of purchasing insurance either from a company in the voluntary market or from the Beach Plan.

The manual rates for all homeowners policies written in the state (with the limited statutory exception of any that may be written pursuant to N.C. G. S. 58-36-50) are filed by the Bureau and are subject to approval by the Commissioner of Insurance in filings such as this one. Total written premium for homeowners insurance in North Carolina is in excess of \$2.94 billion dollars per year.

Individual companies can charge more or less than the approved Bureau manual rates through consent to rate and deviations, respectively. Such actions by individual companies require separate steps by that individual company and are subject to the ultimate approval of the Commissioner through statutory and regulatory provisions outside of the Bureau's jurisdiction.

Consent to rate is the procedure by which companies may charge premiums that are higher than the manual rate on individual policies after obtaining the consent of the policyholder. In recent years, there has been a significant growth in the use of consent to rate on homeowners policies.

When homeowners policies are written by the Beach Plan, the premium charged is the Bureau rate with an additional surcharge prescribed by statute. Despite that surcharge, the Beach Plan is the largest writer of homeowners policies in the 18 coastal counties.

The growth of consent to rate and the growth of the Beach Plan business both result from the fact that the Bureau rate level is inadequate.

Q: Can you explain the responsibilities of the Bureau's Property Rating Subcommittee?

A: The Property Rating Subcommittee (Subcommittee) is involved in the development of homeowners rating for the Bureau. Companies on the Subcommittee include American Bankers Insurance Company of Florida, American Modern Home Insurance Company, Farmers Insurance Exchange, Foremost Insurance Company, Horace Mann Insurance Company, Nationwide Mutual Insurance Company, N.C. Farm Bureau Mutual Insurance Company, State Farm Mutual Automobile Insurance Company, Travelers Indemnity Company, USAA and Allstate Insurance Company. Allstate Insurance Company chairs the Subcommittee. All representatives on the Subcommittee are actuaries and/or have extensive experience in ratemaking.

Q: Please describe how the Property Rating Subcommittee was involved in this particular Filing.

A: The Subcommittee analyzed the data and methodologies that were presented to the Subcommittee by the Bureau's consultants who are experts in their fields. This includes premium and loss data, expense data, modeled hurricane results, reinsurance analyses and economic analyses. The Subcommittee makes selections based on the data and the expertise provided by Paul Ericksen, Steve Conover and others of Insurance Services Office (ISO); Paul Anderson of Milliman; Dr. James Vander Weide; Dr. George Zanjani; and Minchong Mao and Steve Fiete of Aon.

Ultimately, the Subcommittee developed recommendations to the Property Committee and the Governing Committee as to rate levels that meet the statutory requirements that rates not be "excessive, inadequate, or unfairly discriminatory." Those committees adopted the recommendations of the Subcommittee as to the rate level change required to make homeowners rates actuarially sound and in accordance with the statutory standards.

The Subcommittee has always been involved in developing and recommending the methodology used in property filings to the Bureau. The approach in this

Filing meets the required statutory standards and is generally consistent with prior filings. It should be noted that some changes in procedures or methodologies were made in this Filing. These include changes to the trend procedure, changes to the excess wind procedure, and changes to the trending procedure applied to the Hurricane models.

Q: Please describe the overall ratemaking equation in the Filing.

A: The fundamental insurance ratemaking equation in this and prior filings is that premiums should equal expected losses plus expected expenses plus a margin for a fair and reasonable profit. In this Filing, the required base rate per policy is developed by adding the appropriate profit and contingencies to the estimated costs associated with the policy. The required base rate is then compared to the current base rate to determine the “indicated” rate change, which in this case is an overall 38.7% increase. The indicated rate change is the actuarially sound rate change necessary to meet the statutory standards that the rates not be excessive, inadequate or unfairly discriminatory.

Q: Why does the indicated rate change differ from the filed rate change?

A: The indicated rate level differs from the “filed” rate level because of capping. As a result of capping, the details of which will be discussed later in my testimony, the filed rate change is for an overall 24.5% increase. The Bureau’s Governing Committee elected to cap in order to mitigate the premium impact of this Filing on policyholders.

The Bureau’s statutory responsibility is to have rates eventually reach the full indicated rate level, but the Bureau has in the past engaged in a process of gradualism to reach the actuarially sound rate level. This practice is also common in the industry. As will be explained in detail below in my testimony, capping was applied across the state, with the change in each territory being capped at 25%.

Q: How does the methodology in the Filing account for the loss experience of all of the insurance companies and entities that write homeowners policies subject to the Bureau’s jurisdiction in North Carolina?

A: For purposes of Bureau rate filings for the homeowners line of insurance, all homeowners loss data in the state is consolidated to essentially assume a single insurance entity (often called the “hypothetical one company”). This data contains the aggregate loss and expense experience of all homeowners policies in the state and therefore reflects the rating characteristics of all those homeowners policies. Since the Beach Plan writes many of these policies, its losses and exposure data are included. ISO aggregates the data that it receives directly from insurers reporting to ISO, as well as the data compiled by other licensed statistical organizations.

There are three general types of forms in the Bureau's overall homeowners program: Owners, Tenants and Condominium forms. Page A-2 of the Filing shows the relationship between the amounts of premium written on these three types of forms, based on earned premiums at current rates (a calculation that restates premiums to today's rate level as well as to a common deductible of \$1,000). The vast majority of the premium is written on the Owners forms.

Q: How are the expected losses determined?

A: This Filing uses the loss experience of the most recent five accident years for which such experience is available. These are the years ending December 31, 2014 through December 31, 2018. Using five years is consistent with prior filings, North Carolina statutes and generally accepted homeowners ratemaking practices throughout the country.

The losses, excluding hurricane and excess wind losses, are adjusted to the base class level (\$1,000 deductible level) and loss development factors are applied. The loss development factors account for the fact that the ultimate losses are oftentimes different from early estimates. Reasons for loss development include but are not limited to claims that were incurred in the policy period but have not been reported yet, as well as reported claims for which their current estimate will ultimately be inaccurate.

As is explained in more detail below, hurricane losses were determined by modeling. As to non-hurricane wind losses, a smoothing factor for excess wind losses of 8.6% for Owners forms was determined based on historical experience and applied to each accident year. The use of an excess wind factor is consistent with the general actuarial approach of using either a greater number of years or a model-based approach to estimate exposures that tend to be significantly lower in frequency and higher in severity and therefore might not be properly reflected in the five years of experience data. The excess wind factor was determined based on the longstanding excess wind procedure employed by ISO in prior homeowners filings. Under that procedure, hurricane losses are first excluded. Then, the long-term excess factor is the ratio of the long-term average of the excess loss ratios to the average of the long-term normal loss ratios. Historical non-hurricane wind experience for the most recent 30 years is considered. This is a change from prior filings, where the non-hurricane wind experience back to 1950 was considered. As I noted in the 2018 filing, the excess wind factor determined using data back to 1950 was a very conservative estimate of excess wind losses because the actual data by year shows an increasing ratio of wind to non-wind losses as well as much more frequent excess wind loss years in the more recent timeframe. In my opinion, using 30 years of experience for the excess wind procedure provides a better estimate of excess wind losses, and an estimate that continues to be conservative given the more frequent excess wind loss years in the more recent years.

Losses are also trended to reflect the change in costs. The loss trend factor is selected for each sub-form by the Subcommittee after considering the frequency, severity, and pure premium experience in the Filing, Fast Track pure premium experience, as well as the Modified Consumer Price Index and CoreLogic Index. Unlike past filings, the trend factor is directly selected using these data sources to inform a selection rather than starting with the Modified Consumer Price Index and CoreLogic Index indicated loss trend factor and selecting an additional trend adjustment factor based on the frequency, severity, and pure premium experience in the Filing. Additionally, separate loss trend factors are selected for the historical and prospective periods whereas in prior filings there was only one loss trend factor selection by sub-form. The historical period encompasses the period between the historical loss experience in the Filing and the average occurrence data of the latest year in the Filing, which is 7/1/2018 for this Filing. The prospective period encompasses the period from 7/1/2018 to one year beyond the assumed effective date of the Filing, 8/1/2022.

The committee elected to use this trend selection method due to its wide acceptance in actuarial practice. This method also allows for greater flexibility in reflecting differences between the Historical and Prospective period loss trend factors as well as the flexibility to consider more sources of data when determining actuarially sound selections for each loss trend factor by sub-form.

After the loss trend factors are selected, the trended losses and loss adjustment expenses are divided by the earned house years (the exposure-base of this Filing) to determine the average trended loss cost. That cost is then converted to the trended base-class loss cost by dividing by the average rating factor for each accident year.

Each of the five accident years is applied a weight. The use of differing weights is a longstanding procedure in homeowners filings that is intended to reflect responsiveness to changes while incorporating the stability of multiple years of data. The weights are consistent with prior filings and are as follows: 30% for Accident Year (AY) 2018, 25% for AY 2017, 20% for AY 2016, 15% for AY 2015 and 10% for AY 2014.

Finally, the number of house years determines the credibility of trended base loss costs. For owners, tenants and condominiums, the data is considered fully credible.

Q: How are losses from North Carolina's hurricane exposure reflected?

A. The Subcommittee considered actual historical experience of hurricanes in North Carolina. However, hurricane losses are so extreme and volatile that the accepted procedure for determining prospective hurricane losses is with hurricane models rather than past hurricane losses. The Bureau began using hurricane modeling in 1993 with the AIR model, and the Bureau used that model

uniformly and exclusively in all property filings until 2015 when the Bureau resolved to use two models. The Bureau first filed using two models in its 2016 Dwelling filing. The decision to use two models was deliberate and the result of several considerations. They included the positions and statements of the North Carolina Commissioner of Insurance, the North Carolina Department of Insurance, legislation that had been proposed in the North Carolina legislature and the fact that many companies at that time were using two models (despite the significant extra expense and technical difficulty compared to only using one model). The Bureau decided that an actuarially appropriate methodology for a Bureau filing is to use two models and to weight their results equally. The legislature subsequently enacted a requirement that the Bureau use more than one hurricane model in Bureau property rate filings made after October 1, 2017. The Bureau uses two models in this Filing and thus satisfies this statutory requirement.

Prior to selecting the two modelers, the Subcommittee reviewed which modelers are most commonly relied upon by insurers, reinsurers and parties to related financial transactions. The Subcommittee found that AIR and RMS were the two most widely used hurricane modelers. Therefore, the Subcommittee selected RMS to be the second modeler and decided to continue using AIR as the Bureau has done since 1993. In this Filing, the Bureau has continued using AIR and RMS as the two modelers.

In determining prospective hurricane losses in the Filing, the Subcommittee made certain to use modelers whose models have been approved by the rigorous review process of the Florida Commission on Hurricane Loss Projection Methodology. That Commission has scrutinized hurricane models over many years and authorized their use in Florida rate filings. It retains experts in relevant fields who review the meteorological, wind engineering, damageability, claims, statistical, computer programming, economic and other aspects of modeling in great detail. Over the years, that Commission has recognized advancements in various scientific disciplines related to hurricane modeling and has required modelers to incorporate such advancements. It approves only those models that meet its rigorous standards.

The Subcommittee noted that it is natural and expected that model results will differ and will change over time. Different models project different loss costs in different areas. Prior to the Bureau's having a second model run for the first time, the Subcommittee concluded that the actuarially sound and fair approach to the use of two models is to blend those models by averaging the loss costs of the two models. The Subcommittee determined that Aon, one of the world's largest reinsurance brokers, with extensive experience with modeling, could run the models, blend the results, and provide those blended results for use in the rate filing. The blended results from the AIR standard catalogue and the RMS long term historical model are employed to determine the prospective hurricane losses on page C-1 of the Filing. As will be discussed further below, the AIR

warm sea surface temperature catalogue and the RMS medium term model are employed in the analysis by Aon of the net cost of reinsurance factor in the Filing.

The Subcommittee determined this year to refine the process of determining prospective hurricane losses by trending the exposures used in the models to the prospective period, using the exposure trend selected by the Subcommittee. By doing this, there was no longer any need to apply loss trend to the model results and therefore that was not done.

Finally, for catastrophe loss adjustment expenses in this Filing, the Bureau elected to employ the loss adjustment expense factor based on Aon's data as to catastrophes of 6% - a factor that is lower than the factor based on data in non-catastrophe situations of 13.9%.

Q. Does hurricane modeling produce artificially high rate levels?

A. Absolutely not. One of the great values of models is that they help stabilize rate levels. Without modeling, rate levels would fluctuate wildly following the occurrence or non-occurrence of significant hurricanes. Modeling is relied upon by all stakeholders in insurance, reinsurance, catastrophe bond and other financial transactions to give the best and most unbiased projection of future hurricane losses. Different parties to those transactions often have opposing economic interests but, nevertheless, uniformly rely on models in their negotiations with each other.

Further, the Subcommittee made decisions that led to a lower estimate of hurricane loss costs than could otherwise have resulted. For example, the Subcommittee chose not to utilize the storm surge component of the models. The storm surge component is intended to reflect the fact that losses from storm surge flooding, that are not intended to be covered under a homeowners policy, are sometimes paid as wind losses after a hurricane.

The model versions used in the Filing were RMS RiskLink v 18.1 and AIR Touchstone v 7.3. As is the customary and accepted practice in the insurance, reinsurance and catastrophe bond industries, the models were run with aggregate demand surge (AIR) and loss amplification (RMS) included. The aforementioned Florida Commission on Hurricane Loss Projection Methodology has approved the use of aggregate demand surge and loss amplification for the AIR and RMS models, respectively. These aspects of the models account for the expected additional cost for supplies and labor if a very large hurricane event or series of events occurs. Experience demonstrates that when such catastrophic events have occurred, there is significant increase in demand for the limited supply of plywood, shingles, labor, hotel rooms and other necessities. The high demand for specialized labor often requires contractors to come in from out of state. Fundamental economic principles dictate that such a spike in demand increases prices, and consequently results in larger than normal claims

payments in the aggregate. Additionally, there are delays in repairing properties, which can directly lead to longer stays in hotels, and there are other increased costs beyond those that occur after smaller hurricanes. Loss amplification also factors in claims inflation. Claims adjusters may not investigate every claim if it is under a certain threshold, given the volume of claims they have to settle post-event in a limited amount of time.

Q: How is the expense data compiled and reviewed?

A: The Bureau conducts special expense data calls annually. Companies individually complete the special expense call, which includes reporting expense dollars as well as premiums at collected level and adjusted to manual level. The Bureau checks and compiles this information for all companies and sends it to ISO to include in the Filing.

The percentages for Commissions and Brokerage and Taxes, Licenses, and Fees are a function of written premium. The determination of whether to select expenses as a percentage of written premium or as a percentage of earned premium is influenced by which premium best matches the time at which the expenses are incurred. The ratios for these expenses from the North Carolina special calls for 2015, 2016, 2017, 2018, and 2019 were considered. The most recent three-year average was selected. This equates to 12.1% for Commissions and Brokerage and 2.8% for Taxes, Licenses, and Fees. General and Other Acquisition Expenses are determined based on a ratio to earned premium at current manual level. The North Carolina special calls for 2015, 2016, 2017, 2018, and 2019 were used for these as well. The most recent three-year average was selected. This equates to 4.6% for General Expense and 6.6% for Other Acquisition Expense.

The loss adjustment expenses, both allocated and unallocated, are included with the losses in calculating the indication. Like the other expenses, the Subcommittee reviewed the data from NCRB's data calls. Experience from calendar years 2015-2019 was reviewed. The ratio of loss adjustment expenses to incurred losses was analyzed. Consistent with past filings, the highest and lowest years were removed to allow for more stability due to the variable nature of incurred losses. The selected loss adjustment expense was 13.9%. A lower loss adjustment expense provision for modeled hurricane losses of 6.0% was selected, based upon data from AON.

The Subcommittee reviewed expense index trends, including the All Items CPI Index (both with and without Energy) and the Total Compensation Cost Index – Insurance Carriers, Agent Brokers, and Service from the Bureau of Labor Statistics. Based on the review, the Subcommittee selected a 2.2% trend. This factor was then used to trend expense dollars from the midpoint of the expense experience period to the midpoint of the prospective loss period.

Q: Please describe the nature and the operations of the Beach Plan and FAIR Plan as they relate to homeowners insurance in North Carolina.

A. The “Beach Plan” and the FAIR Plan are both residual market mechanisms created by the North Carolina legislature to write property insurance. They exist by statute to provide alternatives for policyholders who cannot obtain insurance through the voluntary market, which consists of approximately 100 competing insurance companies.

The Beach Plan (officially the North Carolina Insurance Underwriting Association, authorized by Article 45 of the North Carolina insurance statutes) is highly relevant to homeowners ratemaking in North Carolina. It writes property insurance in the 18 coastal counties but not in the remaining 82 counties of North Carolina. In addition to writing homeowners policies, it writes dwelling fire and extended coverage and commercial property insurance policies.

The 18 coastal counties are divided into the “beach” area and the “coastal” area by statute. The beach area generally consists of areas south and east of the Inland Waterway, often called the Outer Banks or barrier islands. The coastal area consists of the remainder of those 18 counties. The Bureau subdivides these two areas into several insurance rating territories based on differences in expected loss costs. Currently, there are six distinct rating territories that together contain all of the 18 coastal counties.

The Beach Plan generally writes homeowners policies on the same forms filed by the Bureau and approved for use by all Bureau member companies when writing homeowners insurance. In some instances, the Beach Plan writes the entire homeowners policy. In other instances, it writes only the wind and hail portion of such policies, while companies in the voluntary market write the remainder of the policy. Loss data from all Beach Plan policies is considered in this Filing.

Voluntary insurance companies that desire to write homeowners insurance anywhere in North Carolina are required to be members of the Beach Plan, regardless of whether they write policies in the 18 coastal counties. Voluntary companies are statutorily prohibited from receiving a distribution or profit from the Beach Plan’s operations. In effect, companies give up any opportunity to make a profit on policyholders that are written in the Beach Plan. Even though the companies give up a chance to make a profit, they are nevertheless exposed to the losses sustained by the Beach Plan when those losses exceed the ability of the Beach Plan to pay.

Statutes provide for surcharges on Beach Plan homeowners policies above the Bureau manual rate. When a full homeowners policy is written by the Beach Plan, policyholders pay a 15% surcharge above the Bureau manual rate. When voluntary companies exclude the wind/hail portion of a policy and policyholders

obtain that coverage through the Beach Plan, there is a 5% surcharge on the Bureau manual rate for the wind/hail coverage.

When a prospective policyholder seeks homeowners insurance in the 18 coastal counties, it is not predetermined whether that policyholder will be written by the Beach Plan or by a voluntary company. Policyholders often switch back and forth depending on which option works best for them and whether a voluntary company will write them. The Beach Plan's exposures and loss experience are reported to ISO and are combined with the rest of the data as if the Beach Plan were a private insurance company for purposes of this Filing.

The other property residual market in North Carolina is the FAIR Plan. It writes dwelling fire and extended coverage policies throughout the state. These policies provide essential property coverage. Since the FAIR Plan does not write homeowners policies, data from its policies are not included in the loss data in this Filing, but such data has always been used in dwelling fire and extended coverage rate filings. As explained below, despite the fact that the FAIR Plan does not write homeowners policies, the growing number of FAIR Plan policies increases the risk of assessments on companies writing homeowners policies in North Carolina.

Q. Was the Beach Plan intended to be the dominant writer at the coast?

A. By statute, the Beach Plan was expressly intended to be "the market of last resort." The Beach Plan was designed to write homeowners policies only in situations where policyholders cannot obtain such policies from companies voluntarily writing homeowners policies in the competitive market. Essentially, the reason that companies are unwilling to write policies voluntarily is that the Bureau manual rates they are permitted to charge in the voluntary market are inadequate. As shown in the Filing, the current Bureau manual rate is too low in the beach and coastal territories. Even after the 15% or 5% surcharge is applied, depending on whether it is a full homeowners policy or a wind/hail peril policy, the rate currently charged by the Beach Plan is frequently much lower than the actuarially sound rate.

Q. Please comment on the size and financial condition of the Beach Plan as those factors impact homeowners ratemaking.

A. A very large percentage of homeowners premium in the 18 coastal counties goes to the Beach Plan. In the "beach" territories, approximately 67% of the homeowners premium is written by the Beach Plan, and in "coastal" territories approximately 52% of the homeowners premium is written by the Beach Plan. When compared to statewide premium, this means that approximately 10% of homeowners premium in North Carolina is written by the Beach Plan.

Another factor contributing to the size of the Beach Plan is the fact that the consent to rate process is impractical in the beach and coastal areas. The consent to rate process permits companies in the competitive market to charge a rate higher than the Bureau rate with the consent of the policyholder. Utilizing consent to rate at the beach and coast is impractical since the actuarially sound rate companies seek to charge is often much higher than the Beach Plan rate, even with the surcharge. Companies often encourage their customers to obtain a less expensive policy by referring them to the Beach Plan for a wind/hail policy. Doing so directly benefits their customers but may allow the company to retain the customer's business on the non-wind/hail coverage.

Thus, while the Beach Plan is intended by statute to be the market of last resort, it appears to have become the market of first resort in many instances. Again, this is largely because the currently approved Bureau manual rates are inadequate for the risk in those 18 coastal counties. Otherwise, with approximately 100 companies competing to write homeowners insurance in the state, normal competitive market forces would prevail and companies would write voluntarily.

Q. What are some of the other consequences of the inadequacy of Bureau manual rates at the coast?

The prospect of a Beach Plan assessment affects the willingness of a company to write in North Carolina. A company knows that following a powerful hurricane, it will be subject to Beach Plan assessments for huge losses on business that the company did not choose to write in the first place. Companies that elect to write in the state must assess the extent that they will do so in areas of the state such as the beach and coastal territories.

The fact that rates at the beach and coast are inadequate creates a dilemma for the Beach Plan. The inadequacy of rates diminishes the Beach Plan's ability to build up sufficient surplus from premiums in the "good" years, when there are no hurricanes, to provide a cushion to pay losses in the "bad" years when one or more severe hurricanes occur. Even in the good years, the Beach Plan still pays claims for more frequent insured events such as fires, thefts, non-hurricane wind, etc.

The Beach Plan addresses the risk of large losses, particularly from hurricane events, by purchasing reinsurance and engaging in the catastrophe bond market. However, whatever amounts the Beach Plan spends to protect itself by use of reinsurance and catastrophe bonds is at the expense of building up surplus in those good years when hurricanes do not affect North Carolina.

The greater the inadequacy of homeowners rates, the more policies the Beach Plan writes because the voluntary market is unwilling to write these policies. The

more policies written, the greater the chance that Beach Plan losses will have to be paid by companies throughout the state.

Q. Please explain assessments on companies and policyholders that will occur when a catastrophic hurricane hits the coastal area and exceeds the ability of the Beach Plan to pay losses.

A. When a truly catastrophic hurricane occurs, the inadequacy of rates at the beach and coast will lead to one and possibly two types of assessments to pay for Beach Plan losses: “non-recoupable assessments” on the companies that voluntarily write homeowners insurance throughout the state and “catastrophe recovery charges” on all property insurance policyholders throughout the state. These assessments are provided for in the Beach Plan statutes, and those statutes essentially provide that, in order to pay the Beach Plan’s losses after the Beach Plan’s surplus and reinsurance are exhausted, assessments will be made. The first assessment to occur is on companies and is capped at \$1 billion. As a practical matter, the Beach Plan in recent years has placed this \$1 billion in its overall funding plan after its surplus and before its reinsurance. The catastrophe recovery charge on property insurance policyholders statewide will occur following exhaustion of the \$1 billion assessment on companies and the Beach Plan’s reinsurance. Mr. Anderson’s testimony describes these mechanisms and the Beach Plan’s current reinsurance program in more detail.

Since the non-recoupable assessments will be imposed on companies in accordance with a formula reflecting each company’s property insurance writings across the entire state, a company will be assessed even if it elected not to write any homeowners policies in the beach and coastal counties.

Once the \$1 billion assessment on the companies is exhausted, the catastrophe recovery charge on policyholders throughout the state could be up to 10% of their premium per year. The voluntary companies will be required to administer the charge by billing and collecting the catastrophe recovery charge from policyholders. The 10% charge would continue annually as long as necessary to collect the amounts that were paid as Beach Plan losses.

The ultimate effect of the regulatory system in North Carolina is that rates for policyholders insured through the Beach Plan are being subsidized. The subsidy arises from the fact that insurance companies have to pay the first \$1 billion of losses over and above the Beach Plan’s existing surplus. In addition, there is the further subsidy in that policyholders across the state face the possibility of the 10% catastrophe recovery charge. Another way of looking at the situation is that the insurance industry and policyholders across the state are providing free reinsurance to the Beach Plan.

It is important to note that the companies’ exposure to losses of the FAIR Plan are not subject to the \$1 Billion cap that is applicable to Beach Plan losses.

While the FAIR Plan does not write homeowners policies, it writes dwelling fire and extended coverage policies statewide, except in the beach territories. Those policies are vulnerable to losses from catastrophic hurricanes. Companies are subject to unlimited assessments from these losses. The FAIR Plan has experienced significant growth in the years before and during the experience period of this Filing.

Q: Has the risk of residual market assessments been considered in the Filing?

A: Yes. The prospect of residual market assessments is a cost of doing business in the state and is a condition for writing homeowners insurance. This cost is imposed by state law and companies have no choice but to absorb it if they want to write in North Carolina. The statutes also provide that this prospective exposure to assessments is to be considered in the rates. As I pointed out above, in the event that payment of hurricane losses exhausts the Beach Plan's surplus and reinsurance, a non-recoupable assessment will be imposed of up to \$1 billion dollars annually on the voluntary companies. Losses from the FAIR Plan are also assessed on the companies, but they are not capped and are thus unlimited. Assessments by the Beach Plan and the FAIR Plan are a significant consideration for companies in terms of choosing to do business in North Carolina and selecting the amount of insurance they are willing to write. The voluntary companies need to have and retain capital to pay these potential assessments.

Mr. Anderson performed an analysis to quantify the cost of this prospective exposure to assessments. The Subcommittee reviewed that analysis, which is labeled "compensation for assessment risk," and determined that a 2.9% factor is appropriate to reflect in the Filing for this prospective exposure to assessments. It is important to note that the assessment potential changes with the surplus level of the Beach Plan and with the size of the FAIR Plan. The provision for the compensation for assessment risk would be much higher if the exposure for the voluntary market companies for Beach Plan losses were potentially greater than \$1 billion.

Q: Is the cost of reinsurance considered in the Filing?

A: Yes. Large catastrophe losses present a very real risk to the long-term viability of homeowners insurers and their ability to follow through on their promise to policyholders to pay losses when they occur. There are numerous scenarios where the potential losses due to a single hurricane are far greater than the entire premium collected by all the companies for the entire state of North Carolina. To remain viable long-term and protect against insolvency, the industry must purchase reinsurance to help cover this risk. The costs associated with such reinsurance are costs of doing business in the state. To reflect the portion

of those costs that is not already covered in the Filing, a provision for the net cost or reinsurance is included in the Filing.

Q: What is reinsurance?

A: Simply, reinsurance is insurance for insurers. When insurers are aware of scenarios in which the potential losses are greater than the company is willing or able to tolerate, they will frequently purchase reinsurance to mitigate the risk in those situations. Additionally, insurers may issue catastrophe bonds to protect themselves in those situations. Essentially the insurers will use a portion of the premium to purchase reinsurance. This is common across the industry, including at Allstate.

Q: How are the reinsurance costs reflected in the Filing?

A: The costs of reinsurance are incorporated through the work of Aon, one of the largest reinsurance brokers in the world. Based on Aon's extensive data and experience related to reinsurance transactions, Aon advised the Subcommittee as to the parameters of the reinsurance program that the hypothetical one company for which rates are being made in the Filing would reasonably select. Aon then applied the reinsurance program selected by the Subcommittee to calculate the net cost of reinsurance. Aon maintains extensive, current data on reinsurance transactions and has vast experience with those transactions. The parameters that were recommended by Aon and selected by the Subcommittee include the attachment and exhaustion points, the placement percentage, the perils that are commonly included in reinsurance treaties for a hurricane prone state such as North Carolina, and the inclusion of one reinstatement. The parameters reflect the amount of reinsurance that the hypothetical one company should purchase to optimally protect its solvency. Consistent with Aon's vast experience and sound advice, the Subcommittee recommended the use of AIR's warm sea surface temperature event set and RMS' medium term model as the bases for determining the provision for reinsurance costs. Reinsurers, primary insurers and other parties customarily use such models to determine reinsurance rates. The results from those two models were used in the calculation of the net cost of reinsurance displayed on pages C-2, C-3, and C-4 of the Filing.

Q: Can reinsurance payments by each company writing in North Carolina be allocated and aggregated for use in this Filing?

A: No. It is not possible to measure reinsurance costs of the various insurance companies applicable specifically to homeowners insurance written in North Carolina. The first reason is that companies often do not enter reinsurance treaties exclusive to only one line of insurance. The approximately 100 individual insurance companies have hundreds of different treaties that cover many different lines of insurance (automobile, commercial property, other residential property, etc.) as well as homeowners. Second, reinsurance treaties often are

not exclusive to just North Carolina or for only one peril. Companies negotiate reinsurance treaties in many different geographical areas (portion of a state, single state, multiple states, Atlantic Basin areas, countrywide, international, etc.), and covering many different perils (such as automobile flooding, hurricanes, direct earthquake losses, tornados, wildfires, etc.). Finally, reinsurance for a given set of risk exposure (such as North Carolina homeowners) is often not limited to one treaty. An individual company will purchase reinsurance from different reinsurers for different layers of loss under different types of treaties or also use catastrophe bonds for different layers of loss. For these reasons, it is not feasible to measure reinsurance costs specific to North Carolina and specific to the line of homeowners insurance in each individual treaty or bond or for each individual company.

It is important to note that the calculation of the net cost of reinsurance in this Filing relates exclusively to the loss costs in North Carolina. It would not be appropriate for North Carolina insureds to assume the reinsurance costs of exposures in other states and vice-versa. Aon's database is based on actual reinsurance transactions and on conditions in the current reinsurance market and is updated regularly to reflect changes in actual market conditions. Aon's database and expertise are a great source of information as to actual reinsurance practices and costs for the hypothetical one company writing homeowners insurance in North Carolina.

Q. Are the reasons that the Beach Plan purchases reinsurance similar to the reasons that the hypothetical one company must purchase reinsurance?

A. Yes. The Beach Plan and companies must purchase reinsurance for essentially the same reasons. Likewise, for ratemaking purposes, the hypothetical "one company" for which the Bureau files rates must purchase reinsurance. That hypothetical one company is faced with numerous realistic hurricane loss scenarios that far exceed its ability to pay.

The hypothetical one company (voluntary companies plus the Beach Plan) receives more than \$2.9 billion in homeowners written premium annually in North Carolina. There are many scenarios in which hurricane losses are projected to be many multiples of that amount. If an individual company experienced a loss many multiples of its collected premium, it would first look to its surplus and reinsurance. If the surplus and reinsurance were not sufficient, then that company would become insolvent. Individual companies do not have a backstop like the Beach Plan, which can call upon the companies and policyholders across the state to pay its claims. There has been a history of company insolvencies following major hurricanes in the United States. Following Hurricane Hugo that hit Charleston, South Carolina and Hurricane Andrew that hit Florida, there were multiple insolvencies.

It would be irresponsible and imprudent for the hypothetical one company not to purchase reinsurance. The net cost of reinsurance analysis prepared by Aon reflects the need of that hypothetical one company to purchase and maintain reinsurance. Aon has access to the world's largest database of reinsurance transactions and uses that database to calculate the net cost of reinsurance provision used in the Filing. The Rating Subcommittee reviewed and approved Aon's analysis.

Q: Have dividends to policyholders been considered in the Filing?

A: Yes. According to the Statement of Principles Regarding Property and Casualty Insurance Company Ratemaking, the rates should contemplate the cost of policyholder dividends. Policyholder dividends are returns of premium to a company's policyholders and are not the same as dividends that publicly traded stock companies (owned by shareholders) pay to their shareholders. The Subcommittee reviewed policyholder dividends over the years 2014 through 2019. It noted that payments have consistently been made and in material amounts. Therefore, the Filing has incorporated a provision of 0.4% of premium to reflect anticipated dividends during the prospective period for which rates are being made in this Filing. Reflecting anticipated dividends is an actuarially sound methodology in a rating bureau context such as that in North Carolina where rates are made for all companies.

Q: Have deviations been considered in the Filing?

A: Yes. Deviations are a cost of doing business in North Carolina for the insurers that have them approved by the Department. They are a cost of risk transfer and therefore need to be contemplated in the rates according to the Statement of Principles Regarding Property and Casualty Insurance Ratemaking. They constitute "savings" that must be considered pursuant to statute. Companies are required to report their approved deviations. If rates were set without contemplating deviations, the industry would not achieve the profit provision included in the rates. The Subcommittee reviewed the net variances from manual premium from deviations, consent to rate and Beach Plan surcharges and did not elect to include a factor for deviations in this Filing.

Q: Did the Subcommittee consider the profit provision?

A: Yes. The Subcommittee picked a conservative underwriting profit provision. Dr. Vander Weide provided a range for the current cost of capital, which was relied on by the Subcommittee. The range varied from 8.0% to 10.7% on net worth.

The Subcommittee selected an underwriting profit provision of 9.0% of premium.

Based on Dr. Zanjani's analysis, this 9% underwriting profit provision would generate a statutory return on net worth of 7.4%. That return is below Dr. Vander Weide's lower bound of 8.0%.

It is the statutory return that should be considered when determining the underwriting profit in North Carolina because it does not take into account investment income on surplus. Clearly, the Subcommittee is being very conservative with its selection. Even if investment income on surplus were to be considered in addition to investment income from insurance operations, the estimated return on net worth generated by the 9% underwriting profit provision would be 9.9%. That return is within Dr. Vander Weide's range, and thus the selected underwriting profit provision remains a selection that is not excessive.

Furthermore, the Bureau has capped the filed rate changes below the indicated rates to no more than 25% in any territory. Assuming all other assumptions in the Filing are realized, that would result in even lower profit margins being realized.

Q: Did the Subcommittee consider a contingency provision?

A: Yes, the Subcommittee selected a 1% contingency provision. This is consistent with past filings and is a common industrywide practice across the country. The contingency provision accounts for the total systematic bias from multiple sources that tends to cause the indicated rate level to be inadequate. These biases can cause actual losses to be higher than reflected in the rates, or cause actual premiums to be lower, or both. Either way, when realized, the systematic bias typically renders the indicated rate inadequate.

Sources of this systematic bias in property insurance include, but are not limited to, judicial decisions that extend policy coverage beyond what was anticipated in the rates, legislative changes, regulatory delay in achieving the indicated rate change or regulatory reduction of the rate change.

Courts rarely restrict coverage to less than intended in the policy forms and frequently expand coverage beyond what was intended. In addition, major unexpected losses can and do come from large and infrequent events of a type and magnitude that are not reflected in the experience period.

One historical example for homeowners insurance is the sudden surge of mold claims around the early 2000's that far exceeded the amounts seen in experience periods. In addition to unforeseen claims, rate filings are often not approved prior to their intended effective date, while some much-needed rate filings are denied altogether. The Subcommittee reviewed the analysis performed by Mr. Anderson in Exhibit RB-10 showing that the historical delays in effective date for Bureau Homeowners and Dwelling filings resulted in an average impact of 1.1% to the indicated rate level. This analysis alone, which only covers one

potential source of need for a contingency provision, supports the 1% provision selected by the Subcommittee.

Because of these factors, estimated premium that does not reflect a provision for contingencies will fall short of adequate premium very frequently. When these premiums are inadequate and underwriting losses are observed, an insurer must borrow from surplus to indemnify its policyholders or claimants. According to the Actuarial Standard of Practice #30, “the actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.” The Subcommittee believes that a contingency provision is appropriate and necessary, and has selected a 1% factor in this Filing, the same as with all recent property insurance filings. The Subcommittee also believes this is a conservative estimate given the multitude of factors that could influence this provision.

Q. Did the Subcommittee consider the potential impact on homeowners insurance of COVID-19 and the current pandemic?

A. Yes, the Subcommittee contemplated the impact of COVID-19 and the current pandemic on homeowners insurance but decided not to make an adjustment to the Filing. The Subcommittee was unaware of any quantitative evidence that supported an adjustment to the historical loss costs or other components of the Filing. Additionally, even if 2020 data suggested a possible adjustment to the Filing’s projected loss costs, the prospective nature of ratemaking requires the Subcommittee to make further assumptions around whether COVID-related shifts in loss costs would exist as of the implementation date of 8/1/2021 and into the period the rates will be in effect for this Filing. Given the lack of quantitative evidence and inability to accurately project whether a hypothetical adjustment should apply to the prospective period beginning 8/1/2021, the Subcommittee agreed that an adjustment should not be pursued for this Filing.

Q: Are the data in the Filing reliable and accurate for ratemaking purposes?

A. Yes. The data underlying the Filing are reliable, accurate and appropriate for ratemaking. There are three levels of quality checks performed by individual companies, statistical agents and ISO. Individual insurance companies employ extensive procedures to assure the quality and reliability of ratemaking data used in the Filing. When individual companies submit their data to their statistical agents, the statistical agents review the data for possible errors and compliance with approved statistical plans. If an error is suspected, the statistical agents ask the company to review the data and to correct the data if necessary.

When ISO aggregates premium, loss and expense data from the statistical agents, it reviews the accuracy of the data and similarly requests that the data be reviewed and corrected if errors are suspected.

These data include data for business written at or below the Bureau manual rates, business written under consent to rate procedures and therefore above the Bureau manual rate, and business written in residual markets (the Beach Plan and FAIR Plan). When the Bureau assembles expense data and furnishes it to ISO, they also perform checks to determine the data's accuracy. Sometimes it is not feasible for a company to correct its data, and in these cases that company's data is excluded from the Filing and that fact is noted in the Filing.

An additional check is that the Bureau requested that the statistical agents produce exhibits for the 10 largest writers displaying exposure distributions for key factors (such as territory, amount of insurance and protection class) for the experience years in the Filing. Each company was asked to review and evaluate the accuracy of its data as reported to its statistical agent. Companies have confirmed that they have performed these reviews and that to the best of their knowledge their data are correct in all material respects.

Q: You referred earlier to the difference between the “indicated” rate level and the “filed” rate level. Can you please explain the nature and the effect of capping in this Filing?

The indicated rate level is the actuarially sound rate level. It is the rate level necessary to ensure that rates cover prospective losses and expenses and provide a fair and reasonable profit. The indicated rate level is the one that complies with the statutory standards that the rates be neither excessive, inadequate nor unfairly discriminatory.

In the case of the homeowners forms, the indicated overall rate level change is 38.7%. That rate level change is the statewide composite of indications that vary by territory throughout the state.

The “filed” rates represent the rate changes proposed by the Bureau. The filed rates reflect a procedure known as “capping.” The Bureau’s Governing Committee reviewed the actuarially sound rate level indications determined by the Rating Subcommittee and elected to reduce the impact on policyholders by capping the indications at 25% in each territory.

These caps result in a reduction from the overall indicated rate level change of 38.7% to a filed rate level change of 24.5%. Capping is a common and justifiable practice in the industry that limits premium disruption to policyholders, and the modest extent of capping in this Filing still allows for significant and meaningful movement towards the full actuarial indicated rate level.

Q. From the standpoint of individual companies, how does homeowners ratemaking in North Carolina differ from other states?

A. In almost every other state, each company files its own homeowners rates independently. However, in North Carolina, the Bureau has the responsibility to file rates on behalf of the entire industry. The filing process in North Carolina establishes a system of “Bureau rates” (often called “manual” rates) for use on all homeowners policies written in the state.

In essence, the Bureau makes rates based on the aggregate policyholder attributes and loss experience of all the homeowners policies written in the state. Those policies include characteristics such as the dollar amount of insurance written on each home, the geographic location of the home, the protection class of the area in which the house is located, the type of construction, the deductible amount, etc.

Once the Bureau rate has been set through the filing and approval process, Bureau companies must charge that rate unless they file their own deviations with the Commissioner or engage in the consent to rate process. A company’s proposed premium may exceed the Bureau rate through the consent to rate process only if that higher premium is charged in accordance with rules adopted by the Commissioner.

Q. You stated earlier that premiums should be established at a level equal to expected losses plus expected expenses and a margin for a fair and reasonable profit. Does this mean that homeowners ratemaking is a simple matter of adding up past losses, past expenses and past profit and then putting them into a simple equation to equal premium?

A. That is not at all the case, for numerous reasons. The first reason is that ratemaking is prospective in nature. The ratemaking process requires the determination of the expected future losses and the expected future expenses of the composite company that will be incurred in the projection period. While it is important to consider past losses and expenses in determining expected future losses and expenses, the process is much more complex than that. There may be many reasons why past losses and expenses are not a perfectly accurate reflection of future loss and expense levels. Loss and expense cost trends can be driven by a wide range of factors such as inflation, cost of building materials, frequency of weather events, etc. Therefore, trends need to be projected into the future to determine accurate projected losses and expenses.

Further, it is particularly difficult to estimate prospective losses for property lines of business such as homeowners insurance because loss amounts in those lines are so volatile. The average frequency of claims in homeowners is lower than other lines of business, thereby providing fewer claims in the historical data to inform future loss levels. Another difficulty is that homeowners policies offer

multiple types of coverage and cover so many perils of loss. For instance, homeowners policies must pay for losses to buildings and contents for fires, as well as losses for numerous types of weather events, thefts and lawsuits. Even putting aside the potential impact of hurricanes, property lines are highly impacted by weather events such as tornado outbreaks, winter storms, hail storms, freezing temperatures, etc.

Such volatility is greatly compounded in hurricane prone states such as North Carolina. In North Carolina and other hurricane prone states, a significant percentage of the prospective long-term average annual losses in certain territories of the state are caused by intense hurricanes, which are relatively infrequent but are devastating when they do occur. It would be actuarially unsound to rely on a few years of actual hurricane losses to estimate prospective hurricane losses because of the volatility of these losses driven by low frequency and high severity.

The volatility of property insurance in a hurricane prone state can be explained in part by a statistical concept of "independence" that is useful to consider in distinguishing between different lines of property casualty insurance. If one home is damaged by a hurricane, it is very likely that many other homes in the same geographic region will be damaged at the same time. The risk of damage for each individual home is not independent of the risk of damage to the other homes because a single event can cause widespread damage. As a contrast, in auto liability insurance, when there is one auto collision there generally is not a greater likelihood of there being numerous other auto collisions in the same geographic region at the same time. While the amount paid under bodily injury or property damage coverage because of that single auto collision may far exceed the premium collected for the individual policy involved, that fact is not replicated to numerous other policies because auto collisions are generally random and independent events. However, when intense hurricanes occur, there are likely to be payments far greater than the total premium collected on a large number of policies due to the geographic concentration of the event.

Q. Does the Filing in any manner require policyholders in North Carolina to pay the losses or subsidize the rates of policyholders in other states, particularly hurricane prone states such as the Gulf Coast states?

A: No, it would be actuarially inappropriate to do so. Each state is evaluated separately, and rates in North Carolina are based only on North Carolina's loss potential. Imposing such a subsidy would not be fair to North Carolina policyholders and would not be permitted by North Carolina regulators. There is a greater risk of hurricane losses in Florida and some other Gulf states than in North Carolina, and it would not be fair or actuarially sound for North Carolina policyholders to pay for their losses or subsidize the insurance costs for persons in those areas. For the same reason, it would not be fair or actuarially sound for the Bureau to attempt to spread the hurricane exposure of the hypothetical one

company in North Carolina to persons in other states such as in the Midwest where there is little hurricane exposure. Policyholders and regulators in Iowa, for example, would not be willing to share that risk. To summarize, using other states' losses to determine North Carolina rates is unfair and inequitable, and the Bureau does not do this for these reasons.

Q. Did the Subcommittee review rate level adequacy by territory?

A. Yes, the Subcommittee asked ISO to calculate the indicated rate level changes by territory. The indicated change for a particular territory, as you would calculate indicated change for any given rating group, was calculated by dividing the required base class rate by the existing base class rate and subtracting 1.

First, ISO calculated the indicated base class loss cost by territory. This resulted from calculating the total loss cost by territory and applying the resulting territorial relativity to the indicated statewide base loss cost. The territorial indicated base class loss cost was converted to the required base class rate by performing expense, profit, and deviation adjustments at the territorial level – similar to how adjustments were performed at the statewide level for these ratemaking elements. The indicated changes by territory show the rate levels by territory needed to spread the overall rate level equitably.

Q. Can you identify Exhibit RB-1?

A. Yes. This is a large portion of the Filing submitted by the Bureau with respect to revised homeowners insurance rates in North Carolina. Exhibit RB-1 includes numerous exhibits, regulation responses and explanations pertaining to the indicated and filed rate level changes. The Filing also includes the rate manual (Exhibit RB-2), as well as the prefiled testimony and exhibits of six witnesses in addition to mine (Exhibits RB-3 through RB-20).

Q. Can you identify the document marked Exhibit RB-2 and entitled “Homeowners Policy Program Manual”?

A. Yes. As I mentioned, Exhibit RB-2 includes the current manual of rules, rates and classifications used to write homeowners insurance in North Carolina. The manual and any amendments have been approved by and are on file with the Commissioner. Copies are maintained at the offices of the Bureau.

Q. Are you aware of changes in this Filing other than to the homeowners rates?

A. Yes. In addition to the homeowners base rates, the Windstorm or Hail Exclusion Credits and Windstorm Mitigation Program Factors are changing. Additionally, Age of Construction factors are changing. Finally, there are changes to the Wind Only Program.

Q. What is your opinion as to whether the indicated rate level changes in the Filing are excessive, inadequate or unfairly discriminatory?

A. It is my opinion that the indicated rates in the Filing are actuarially sound and meet the legal standards of producing rates that are not excessive, inadequate or unfairly discriminatory. In that regard, I have relied upon the accuracy of the data and analyses supplied by the statistical agents, the Bureau, Aon and Milliman as reviewed and checked. I have also relied on the reinsurance and profit analyses performed by Aon, Dr. Zanjani and Dr. Vander Weide. I qualify my opinion by noting that the filed rates have been developed by applying territory caps to the indicated rates. The filed rates are not excessive and the 24.5% filed rate increase is a reasonable step toward the adequate rate level.

Q. Does this conclude your prefiled testimony?

A. Yes.

**PREFILED TESTIMONY
OF
PAUL ERICKSEN**

**2020 HOMEOWNERS INSURANCE
RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q: Please state your name and business address.

A: My name is Paul Ericksen. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.

Q: Please describe your educational background and your background in actuarial science.

A: I graduated from Princeton University in 1992 with a B.A. in mathematics.

I became a Fellow of the Casualty Actuarial Society (CAS) in 1995 and am a member of the American Academy of Actuaries (AAA). I am in good standing with those organizations.

I served as a member of the CAS Examination Committee from 1996 through 2009, and I have given multiple presentations at CAS meetings.

Q: By whom are you employed?

A: I am employed by Insurance Services Office (ISO) and started employment at ISO in 1992.

Q: What are your current responsibilities at ISO?

A: I lead the Actuarial Consulting unit at ISO. ISO's Actuarial Consulting unit specializes in providing a wide array of consulting services to individual companies. I have been responsible for managing, overseeing, and developing customized actuarial analyses including ratemaking, reserving, and other miscellaneous studies. I have provided services to insurers, captives, managing general agents, law firms, and insurance departments.

Q: What is your employment background?

A: I started my career in 1992 as an actuarial assistant in the increased limits division of ISO. In 1993, I left ISO and spent a year as a consulting actuary in the New York

office of Milliman, working primarily on medical malpractice projects. I returned to ISO in 1994 as an actuarial associate in the Financial Analysis division. In 1999, I transferred to ISO's Actuarial Consulting unit and assisted clients as a consulting actuary. In 2007, I was promoted to Principal of the Actuarial Consulting unit.

During the past 21 years that I have provided actuarial consulting services, I have worked on a wide range of projects involving several different lines of insurance within the property/casualty insurance industry. I have prepared rate analyses for Homeowners, Dwelling, and other lines of insurance. I have also conducted reserve analyses as the Appointed Actuary for several insurers.

A large part of my consulting experience has dealt with property insurance in areas of the country that have exposure to hurricane losses. For example, I have been the Appointed Actuary for Citizens Property Insurance Corporation of Florida ("Citizens") for four years (2004, 2005, 2007 and 2009), and was also responsible for preparing rate analyses for Citizens' Homeowners, Mobile Home, Dwelling, and Commercial Property programs. Citizens is the insurer of last resort in Florida, and has been one of the largest property insurers in the state. In addition to work performed on behalf of Citizens, I have also conducted ratemaking and reserving projects for several voluntary insurers that write Homeowners business in Florida. I have developed indicated rates for both multi-peril policies and wind-only policies. I have extensive experience working with multiple hurricane models (including both AIR and RMS) and developing provisions for the cost of reinsurance.

In North Carolina, I have provided actuarial consulting services to both the North Carolina Insurance Underwriting Association ("NCIUA") and the North Carolina Joint Underwriting Association ("NCJUA"). Those organizations rely upon the rates set in filings by the North Carolina Rate Bureau ("Bureau").

Q: Are you familiar with homeowners insurance ratemaking in North Carolina and other states?

A: Yes. ISO has provided actuarial consulting to the Bureau on North Carolina Homeowners rate filings since the Bureau was created. I have longstanding knowledge of the methodologies employed by ISO and the Bureau in this filing as well as in past Bureau Homeowners filings. I provided written testimony in support of the Bureau's 2018 Homeowner's rate filing.

As part of a consulting assignment that I performed for the NCIUA and NCJUA, I have also reviewed prior Homeowners filings by the Bureau on which ISO provided actuarial consulting and filing preparation assistance. I have prepared many Homeowners rate analyses in several different states. In addition, I have testified as an expert witness in support of my clients' Homeowners rate filings in various hearings that were held in Florida and Massachusetts. In Florida, I have testified in support of rate filings submitted by Citizens.

Q: What work has ISO performed with respect to the Bureau's 2020 homeowners rate filing in North Carolina?

A: First, ISO, as a licensed statistical agent in North Carolina, collects homeowners insurance data from a significant number of the companies writing that line in North Carolina, as well as from the North Carolina Insurance Underwriting Association (commonly called the "Beach Plan" and discussed further below).

Second, ISO collects, reviews and compiles data from three other statistical organizations licensed in North Carolina that collect homeowners data from Bureau member companies. All companies writing homeowners insurance in North Carolina must report to one of these four organizations. The other three organizations are: the Independent Statistical Service (ISS), the American Association of Insurance Services (AAIS) and the National Independent Statistical Service (NISS).

Third, ISO provides consulting actuarial services directly to the Bureau. As in the past, ISO staff compiled the ratemaking data to be reviewed by the Bureau's Property Rating Subcommittee, Property Committee and Governing Committee in preparation of rate reviews and filings.

Fourth, ISO staff put together much of the data, information and calculations contained in Exhibit RB-1. This lengthy process was performed under the direction of the Bureau committees. ISO staff attended meetings of those Bureau committees.

Finally, I have reviewed the filed rates to determine if they are calculated in accordance with the CAS guidance, including the Statement of Principles Regarding Property and Casualty Insurance Ratemaking and the Actuarial Standards of Practice. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the applicable rate standards set forth in Article 36 of Chapter 58 of the North Carolina General Statutes, including but not limited to N.C.G.S. 58-36-10, i.e., that rates must not be excessive, inadequate or unfairly discriminatory and that certain statutory rating factors must be considered.

Q: What is the source of the data utilized in Exhibit RB-1?

A: The Bureau has the responsibility of filing forms and making rates for all homeowners insurance policies written in North Carolina (with the exception of such policies that may be written by county farm mutuals pursuant to N.C.G.S. 58-36-50). ISO, on behalf of the Bureau, combines the data as to those policies in its filings as if there were a single company with the aggregate loss experience of all those policies. Rates are then analyzed in rate filings as if those rates were being made for this hypothetical one company. The ratemaking data reflected in Exhibit RB-1 is, in general, based on the aggregate homeowners experience of the approximately 100

individual insurance companies that write homeowners policies in North Carolina, together with the experience written on homeowners insurance policies in the Beach Plan. Those entities submit their data to one of the four statistical agents described above. The four statistical agents subject each entity's data to a series of verification edits and then consolidate the individual company data. The non-ISO statistical agents then transmit their consolidated data to ISO for final review and consolidation with the ISO data. After consolidating the data, ISO produces exhibits of the combined data in a format and detail necessary for review by the Bureau committees and ultimately for use in rate filings.

The statistical agents are licensed by the Commissioner of Insurance in North Carolina. They have collected, reviewed, compiled and submitted the data underlying this filing in the regular course of their business responsibilities.

Q. Please describe what is commonly called the "Beach Plan" and the role of its loss data in this filing?

A. The term "Beach Plan" is a commonly used name for the North Carolina Insurance Underwriting Association. It is a residual market organization created by the North Carolina legislature in Article 45 of the insurance statutes. It writes homeowners and other lines of insurance for policyholders in the 18 coastal counties. It uses forms, rules and rates filed by the Bureau.

A residual market organization writes policies for policyholders who cannot obtain insurance in the voluntary market. Although voluntary companies have chosen not to accept the risk of writing those homeowners policies, North Carolina law requires those companies to be responsible for payment of any losses that exceed the Beach Plan's resources, up to an aggregate statutory cap of \$1 billion annually. The significance of such non-recoupable assessments on the companies will be discussed elsewhere in my testimony.

The Beach Plan uses the same homeowners forms that are used by the voluntary companies. Those forms have been prepared and filed by the Bureau on behalf of all member companies. The Beach Plan writes policies in its own name. The Beach Plan receives and retains premiums, adjusts losses (on full homeowners policies), reports statistics and operates in a manner similar to voluntary insurance companies in many respects. It uses classifications and rating plans filed by the Bureau. It uses rates filed by the Bureau, except that, by statute, the Beach Plan applies a 15% surcharge above the Bureau rate on full homeowners policies and a 5% surcharge on the wind rate where it writes only the wind and hail coverage on homeowners policies. When the Beach Plan reports its statistical data to ISO, ISO reviews those statistical data in the same manner that it does for voluntary companies.

Statutes distinguish between the "beach" areas under the Beach Plan's jurisdiction and the "coastal" areas under its jurisdiction. In the "beach" territories (territories 110 and 120), approximately 65% of the homeowners premium was written by the

Beach Plan in 2018, and in “coastal” territories (territories 130, 140, 150 and 160), approximately 50% of the homeowners premium was written in the Beach Plan. On a statewide basis, approximately 10% of homeowners premium was written in the Beach Plan even though the Beach Plan is only able to write policies in the 18 coastal counties.

Over the years, the Beach Plan’s large market share reflects the fact that voluntary companies are unwilling to write in the beach and coast, due in large part to the inadequacy of the Bureau manual rate in those areas. This high market share has occurred despite the fact that the legislature intended the Beach Plan to be the “market of last resort” in those areas.

The Beach Plan also writes dwelling fire and extended coverage insurance policies (“essential property insurance”) in the geographic area under its jurisdiction. Dwelling fire and extended coverage is a line of insurance distinct from the homeowners line of insurance.

There is a second statutory residual market mechanism in North Carolina called the North Carolina Joint Underwriting Association or Fair Access to Insurance Requirements organization (commonly called the “FAIR Plan.”) It writes in all areas of the state except the beach. It writes dwelling fire and extended coverage policies but does not write homeowners policies. Its premium volume has been growing rapidly in recent years.

Loss and exposure data from these two residual market organizations have always been included in Bureau property filings for the line of insurance (the homeowners line of insurance or the dwelling fire and extended coverage line of insurance) under review, in the same manner as data from voluntary insurance companies that write that line of insurance. It is actuarially appropriate and necessary to include the residual market data with the voluntary data to ensure that the rates developed are representative of the entire market, since every policy has the potential to be written in the voluntary market. Since the FAIR Plan does not write homeowners policies, its data are not included in this filing. Only the homeowners data from the Beach Plan are included in this filing.

Q: What statistical data supporting the filing are contained in Exhibit RB-1?

A: In general, the supporting data for the rate level changes are contained in Section C. The most recent five years of experience are displayed in Section C.

The loss experience used in the filing is what we call “accident year” experience for the years ended December 31, 2014 through December 31, 2018. This is the most recent five years of data available. I can explain what is meant by accident year experience by providing an example. The losses for the accident year ended December 31, 2018 consist of all losses caused by accidents which occurred during the one-year period ended December 31, 2018. If an accident occurred on

December 29, 2018 and resulted in either a loss being paid or a reserve being established after January 1, 2019, that loss would be a part of the accident year losses for the period ended December 31, 2018. The basis for assigning losses to individual accident years is the date the accident occurred. The term "accident year" is an insurance accounting term that includes the various incidents that give rise to a homeowners insurance claim, including fires, hurricanes, tornados, etc. during a 12-month period.

Q: What is the reason for using five years of data to determine the indicated rate level change?

A: Ratemaking is prospective in nature. The objective is to set rates at the level that is sufficient to pay expected losses, expected expenses, and to allow insurance companies to earn a reasonable margin for profit. This is the fundamental equation in insurance ratemaking for determining an adequate rate level; i.e., a rate level that is not "excessive, inadequate or unfairly discriminatory" as required by law.

Rates are set for the period when they will be in effect, which is often the year after the effective date of the filing. The assumed effective date for this filing is August 1, 2021. Historical loss data are generally used for the purpose of projecting expected losses. For non-catastrophic types of loss, five years of data balance the stability of the rates with responsiveness to more recent conditions. For catastrophic hurricane losses, the average of modeled losses from two hurricane models is used. For non-hurricane catastrophic wind losses, a separate excess wind smoothing procedure is employed to reduce large swings in the indications due to irregular events in the experience period. The North Carolina statutes allow the Bureau to review five years of experience in its rate level filings in addition to other factors that are to be considered.

Traditional homeowners ratemaking has for many years relied on the consideration of five years of experience with weights of 0.10, 0.15, 0.20, 0.25 and 0.30 being given to each year respectively. Those weights are used in this filing as in past Bureau homeowners filings. The weights used by the Bureau are identical to those used by ISO in all other states for homeowners insurance. These weights are generally accepted in all jurisdictions in which ISO makes homeowners filings. By giving some weight to each of the five years, we help alleviate some of the stochastic uncertainty associated with the results for any single year. By giving greater weight to the more recent years, we recognize that the more recent years in the experience period may be more reflective of future conditions.

Q: Please turn to page C-2 of Exhibit RB-1. Would you explain what that page shows?

A: Page C-2 is what is called a statewide rate level calculation for homeowners forms 2, 3, 5, 7 and 8 for North Carolina. These are the forms commonly referred to as the "owners forms." Page C-2 determines the actuarially indicated rate level changes

for policy forms 2, 3, 5, 7, and 8. The data shown are for all business written in the state on those forms.

The overall homeowners program to which this filing applies consists of three categories of forms: the forms identified above for "owners," as well as form 4 for "tenants" and form 6 for "condominium owners." Page C-2 shows the statewide rate level calculation for the owners forms, and similar calculations are shown on C-3 for tenants and on C-4 for condominium owners. In my testimony, I will generally refer to the owners forms, but it should be noted that my testimony generally applies to the analysis and calculations as to the tenants and condominium owners forms as well, unless otherwise noted. As can be seen in the filing, the owners forms constitute the overwhelming majority of the premium volume.

Q: Referring to column 1 on page C-2, what are "Incurred Losses Excluding Hurricane"?

A: The incurred losses in column 1 are the losses from all causes, except those losses identified as caused by hurricanes, from insured events that occurred during each of the five respective accident years. The figure includes losses which have already been paid, losses which are not yet paid and are represented by outstanding claim reserves, and losses which have been incurred but for which no individual reserve yet exists because they have not yet been reported. Actual hurricane losses have been removed so that they can be replaced with average modelled losses from two modelers, as discussed later in my testimony.

Q: Have the losses excluding hurricanes as shown in column (1) been adjusted in any way?

A: Yes, as explained below, there are two adjustments. First, these losses have been adjusted to a common \$1,000 deductible level. Second, these losses have been developed to ultimate by applying the loss development factors.

Q: Please explain what is done to adjust losses to a common deductible level.

A: In order to properly analyze losses for ratemaking, it is necessary to adjust losses from all policies to some common deductible level. The common deductible level that is assumed for owners forms is the base deductible of \$1,000. The common deductible level that is assumed for the tenants and condominium owner forms is the base deductible of \$500. Loss elimination ratios (LERs) are applied to the reported losses in order to account for the difference between the reported deductible and the assumed common deductible.

Q: What is the purpose of adjusting the reported losses by applying loss development factors?

A: The losses in column 1 of page C-2 include losses from events which have happened but which have not yet been reported. Such events are included by what is known as an adjustment for IBNR (incurred but not reported) losses.

In addition, adjustments must be made to reflect that loss payments occur over time. The losses, as they are reported to statistical agents, cover all accidents which occur during the respective accident years ended December 31. When they are reported to the statistical agent, they are evaluated as of March 31 of the next year. As of March 31 some of the losses have already been paid and some have not. Those that have not are represented by loss reserves. Loss reserves are estimates of what will ultimately be paid on these outstanding claims.

Since we want the losses used in the filing to be as accurate as possible, we look at history to see how losses have changed, or "developed," from the time they were initially reported to the time they were ultimately paid. For example, if we want to evaluate how losses reported in 2018 will eventually turn out, we look back and see what has happened in the past. If historically there has been a 5% increase in the dollar amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development will hold true for losses incurred during the accident year ended December 31, 2018. Accordingly, we would make an adjustment by increasing the losses as they are initially reported to us by 5%.

Q: What causes losses to change or develop as you have described?

A: Changes to the reserve portion of the losses typically result from the fact that the ultimate loss payments turn out to be more or less than estimated at the time of the initial report that led to the reserve. Another factor that could lead to changes in losses is the late reporting of claims. For example, if a loss event occurred in late December of any given year and for some reason was not timely reported to the company by the end of the year, it might very well be that the losses as initially reported would not include any provision for that particular claim. By next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q: Please refer to page D-12 of RB-1 and explain how the loss development factors used in the filing for owners forms were calculated.

A: In calculating loss development factors, we have used the data of companies reporting to ISO and three large writers reporting to other statistical agents. We calculate separate loss development factors for owners, tenants and condominium owners forms. The illustrations below are based on information from page D-12 and are for the owners forms, but the method applies the same way to other forms. The top section of that page shows the incurred losses evaluated as of 15, 27, 39, 51 and

63 months for the accident years for which available data are shown. For instance, the 15-month entry for the accident year ended December 31, 2015 is \$695,963,699. This is the first evaluation of the losses caused by loss events which occurred during the year which ended December 31, 2015. The evaluation was made as of March 31, 2016, 15 months after the beginning of the accident year. Twelve months later (March 31, 2017) the losses caused by accidents which occurred during the year ended December 31, 2015 had grown to \$712,314,248. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$696 million to \$712 million represents a growth in losses, or a positive development, of 2.3% (or 1.023) as shown in the column under Link Ratios located lower on that page labeled "27:15." As shown on page D-12, we have looked at the development from 15 months to 27 months for all years. The average development for these years was 3.0%. The selected loss development factor for 15 to 27 months is 1.030.

Q: Does page D-12 also show development figures for periods longer than 27 months?

A: Yes. We also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months and 51 months to 63 months. Studies have shown that for homeowners insurance virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For example, by the time of the 63 month evaluation, the losses for the accident year ended December 31, 2014 had become \$750,655,503. This amount is about 0.006% less than the value of the losses for the same accident year evaluated as of 51 months. The average development over the period 51 months to 63 months for the years for which the data are available was 0.999, or -0.1%.

Q: Please explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2018 losses was determined.

A: For the owner forms, the loss development factors for each of the applicable periods, as shown on page D-12, are:

| <u>Development Period</u> | <u>Factor</u> |
|---------------------------|---------------|
| 15 to 27 | 1.030 |
| 27 to 39 | 1.003 |
| 39 to 51 | 0.999 |
| 51 to 63 | 0.999 |

If you multiply all of these factors together, you will get a factor of 1.031 to apply to the year ended December 31, 2018 losses.

Q: You referred earlier to a separate procedure for dealing with non-hurricane excess wind losses. Please describe that procedure.

A: At a high-level, the excess wind procedure involves removing actual excess non-hurricane wind losses during the 5-year experience period and replacing these values with a provision that is based on reviewing a much longer 30-year time period.

An adjustment was made to the non-hurricane wind losses in the years in which there were severe storms such as tornadoes, thunderstorms, hailstorms, derechos and other damaging windstorms, other than hurricanes. The adjustment caps average losses by territory in years where abnormally high losses coincide with severe non-hurricane windstorm activity. The adjustment relies on a factor developed by using a statewide average. As a result of this procedure, a long-term Excess Factor of 1.086 was calculated and therefore applied to the losses. This general procedure has been employed in past homeowners filings and is customarily employed to smooth out and appropriately reflect prospective non-hurricane wind losses. In this filing, more non-hurricane wind losses have been removed than have been added back in by applying the 1.086 factor. Accident years 2016 and 2017 had unusually high non-hurricane wind losses, which were smoothed out by way of the excess wind procedure.

Q: Compared to the NCRB's previous Homeowners rate filing, have there been any changes to the way the excess wind procedure has been applied?

A: Yes. Although the general excess wind methodology is the same, the number of years relied on to calculate the excess factor was reduced from 61 years in the previous analysis to 30 years in the current analysis. Use of 30 years was selected by the Bureau's Property Rating Subcommittee. In my opinion, use of 30 years (instead of 61 years) to measure the impact of excess non-hurricane wind losses is more effective at balancing the trade-off between stability and responsiveness in the calculation.

Relying on 30 years of experience will produce results that are more reflective of current North Carolina exposures than relying on an experience period of over 60 years. At the same time, use of a 30-year period will still achieve sufficient stability. For comparison purposes, in California it is required that insurers use at least 20 years of actual experience to develop a provision for catastrophic events such as wildfires.

Q: Was it necessary to exclude hurricane losses in calculating the excess wind factor?

A: Yes, it is necessary to exclude hurricane losses when calculating the excess wind factor because the provision for hurricane losses is developed separately by way of hurricane models. Hurricane losses have been excluded in the calculation of the Excess Factor as derived on page D-31.

Q: How have hurricane losses been identified in order to be excluded from the Derivation of Excess Factor (Excludes Hurricane Losses) exhibit on page D-31?

- A: The method to remove hurricane losses from the derivation of the excess factor depends on the detail of the available data during different periods of time.

For the period 1989 to September 1995, territory losses by month are available for ISO data only. The territory non-hurricane losses for this period are calculated as follows: first, the average losses for the month in which the hurricane occurred are calculated based on the non-hurricane years. The average monthly losses are then added to the eleven remaining months of the hurricane year and divided by the hurricane year annual losses resulting in a non-hurricane adjustment factor. This factor is then applied to either reported losses or adjusted losses by territory for all statistical agents to obtain non-hurricane losses. For hurricanes, wind losses are sometimes reported as water losses or "all other" property damage losses. To accurately estimate the non-hurricane losses, the above non-hurricane factors are calculated for water and all other property damage and then applied to the water losses and the all other property damage losses.

For the period October 1995 to 2002, based on information from NOAA and other sources, the specific dates on which a given hurricane was active in North Carolina are determined. The loss experience for ISO is then examined by date and cause-of-loss. Wind losses and losses for other weather-related perils which occurred on these dates are assumed to be hurricane losses. For ISO data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO, the percentage of hurricane losses in the ISO data (relative to the ISO yearly total) is applied to the total loss amounts for the other statistical agents.

For 2003-2018, the data described above (for the period from October 1995 to 2002) is also available from ISS and has been examined together with the ISO data. For the combined ISO and ISS data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO and ISS, the combined percentage of hurricane losses from ISO and ISS data (relative to the ISO and ISS yearly total) is applied to the total loss amounts for the other statistical agents.

- Q. Can you provide an example of how excess wind losses have been smoothed by applying the excess wind procedure?
- A. On page C-2 of Exhibit RB-1, Column (2) shows the actual excess losses for each of the accident years. Accident year 2017 was impacted by a high level of non-hurricane wind losses. By removing the actual level of excess losses for this year and replacing it with an expected provision (by applying the excess factor of 1.086), the resulting smoothed value of incurred losses shown in Column (3) is lower than the original value shown in Column (1).

Unlike the situation for accident year 2017, accident year 2015 isn't associated with any actual excess wind losses. By applying the excess factor of 1.086 to

accident year 2015, the smoothed value of incurred losses shown in Column (3) is higher than the original value shown in Column (1) for 2015.

On page C-2, the sum of the "smoothed" losses in Column (3) is about \$49 million less than the sum of the losses in Column (1). This illustrates that more non-hurricane wind losses have been removed from the 5-year experience period than have been added back in by applying the 1.086 excess factor.

Q: Please refer to column 4 of page C-2. With reference to the column headed "Adjusted Incurred Losses Including LAE," please tell us what the figure 1,131,545,090 represents.

A: These are the losses and loss adjustment expenses associated with claims or accidents that occurred in the accident year ended December 31, 2018. The losses are the sum of the adjusted incurred losses excluding hurricane losses found in Column (1), minus the adjusted excess losses in Column (2), all multiplied by the non-modeled excess factor of 1.086, adjusted by a trended loss adjustment expense factor of 1.118.

Q: How is the trended loss adjustment expense factor of 1.118 developed?

A: Each year the Bureau sends a call to its member companies for expense-related data. These calls showed that loss adjustment expenses for the calendar years December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018 and December 31, 2019, after dropping the high and low values, averaged 13.9% for the period, as shown on page D-27

This factor of 13.9% must be adjusted for the change in cost levels of the items that go into loss adjustment expenses. These expenses include items such as adjuster's salaries, rents and overhead items related to claims settlement. In essence, these items will vary as general economic trends vary. We adjust the loss adjustment expense factor by taking a ratio of the expense trend to the loss trend on page D-28. This adjustment results in a trended loss adjustment factor of 1.118.

The Bureau relied on Aon for the loss adjustment expense factor relating to modeled hurricane losses. Aon's data showed that the factor for loss adjustment expenses on modeled hurricane losses is 6%, which is lower than the loss adjustment expense for non-hurricane losses. These hurricane loss adjustment expenses are reflected in the trended modeled hurricane base class loss costs that are shown later in the statewide rate level calculation.

Q: Please explain how the expense trend used to adjust the loss adjustment expense factor is developed.

A: The expense trend used to adjust the loss adjustment expense factor is based on an analysis of the Current Expense Index, which is an index based on a 50% weighting

to the Compensation Cost Index, a 25% weight to the all items CPI (less energy) and a 25% weight to the all items CPI (including energy). The latest available information for marine, fire and casualty insurance was used. The data for this index are shown on pages D-22-23. Based on an analysis of these data, an annual rate of change of 2.2% was selected by the Property Rating Subcommittee of the Bureau.

Q: Please explain the development and application of the expense projection factor in arriving at the loss adjustment expense factor.

A: The loss adjustment expense factor of 13.9% is equal to the five-year average (excluding the high and low values). As such, the factor is representative of the time period corresponding to July 1, 2017.

Since the Loss Adjustment Expense ratio is at the cost level corresponding to July 1, 2017, it is necessary to project this cost to the average date of accident for the period during which our rates are assumed to be effective, August 1, 2022 (one year beyond our assumed effective date of August 1, 2021). This calculation is displayed on page D-28.

Q: What other adjustments must be made to the Loss Adjustment Expense factor in order to use it?

A: The Loss Adjustment Expense Factor is determined as the ratio of loss adjustment expenses to losses. Having adjusted the expense portion of the factor in the numerator, we also need to adjust the losses in the denominator by the relevant loss trend. This calculation is performed on page D-28.

Q: Please explain the purpose of trending losses.

A: Since ratemaking is prospective in nature, historical losses need to be adjusted to reflect the cost levels anticipated to prevail during the period that the proposed rates are expected to be in effect. This adjustment to historical losses is made by applying loss trend factors. For this filing, the assumed effective date is August 1, 2021. Historical losses are trended to reflect an average accident date of August 1, 2022 (which is one year after the assumed effective date of August 1, 2021). The loss trend factors are shown in Column (5) of page C-2 of Exhibit RB-1.

If the filing were to become effective on a date later than the August 1, 2021 assumed effective date, then the rate indications would be higher than those set forth in the filing for the owners and condominium forms and lower for the tenants form.

Q: Please describe how the loss trend factors are calculated for non-hurricane losses.

A: For non-hurricane losses, loss trend factors are calculated on pages D-15 to D-18 of Exhibit RB-1.

Loss trend factors are calculated in a two-step process. The first step is the selection of annual changes in losses. The second step is converting the selected annual change in losses to loss trend factors that can be applied to each of the accident years.

Page D-15 shows historical growth in claim frequencies, loss severities, and pure premiums that occurred during the historical experience period for owners forms. This information is shown separately by cause-of-loss group and for all non-hurricane losses combined. Based on this information, the Bureau's Property Rating Subcommittee selected annual rates of change in frequencies, severities, and pure premiums. Separate annual rates of change were selected for two different time periods (the historical time period, and the prospective time period). Annual rates of change for the historical time period are used to trend the historical loss experience to the average accident date of the latest year (July 1, 2018). Annual rates of change for the prospective time period are used to trend losses from the latest year to an average accident date of August 1, 2022 (which is one year after the assumed effective date of August 1, 2021).

Page D-18 shows how the selected annual change in losses was converted to loss trend factors that can be applied to each of the accident years. The loss trend factors shown in Column (7) reflect the combined impact of loss trend over the historical and the prospective time periods. These loss trend factors also appear in Column (5) of page C-2.

Q: Compared to the Bureau's previous Homeowners rate filing, have there been any changes to the way non-hurricane loss trend was calculated?

A: Yes. In this filing, historical and prospective annual loss trends were selected to trend the losses to one year beyond the assumed effective date. In the previous filing, this was accomplished using Current Cost Factors and Loss Projection Factors based on external indices, and Loss Trend Adjustment Factors that reflected the difference between the historical experience and the external indices.

Although the Bureau's Property Rating Subcommittee considered external indices for this filing, the non-hurricane loss trend selections are based on claim frequency, loss severity, and pure premium trends observed during the experience period.

In the prior filing, loss trends were initially selected based on external economic indices. However, these initial loss trends were subsequently modified by way of a "loss trend adjustment" to reflect the observed changes in actual loss experience. In the current filing, the annual loss trends were selected in a more direct manner by relying on actual non-hurricane loss experience in North Carolina.

Q: Did the Bureau consider the potential impact of Covid-19 when selecting loss trend factors?

A: Yes. The Bureau's Property Rating Subcommittee considered the potential impact of Covid-19 when selecting annual loss trend factors.

The loss experience relied on in the rate analysis includes losses incurred on or before December 31, 2018. As such, the historical experience period was not impacted by Covid-19. The proposed rates are assumed to become effective on August 1, 2021, with an average accident date of August 1, 2022. Depending on the success of future vaccines, homeowners loss experience during this prospective time period may be minimally impacted by Covid-19.

In the near term (for example accident year 2020), it is unknown what impact Covid-19 may have on homeowners loss experience. As people spend more time at home during the Covid-19 pandemic, certain types of claims (such as theft and vandalism) may be lower because the homeowner may be able to prevent the loss from occurring. However, with more people at home, other types of claims may become more prevalent if they are caused by people's activities (such as dropped objects or fires due to smoking).

The annual loss trend factors were selected after considering the uncertain impact of Covid-19 on homeowners loss experience, and the fact that the proposed rates aren't assumed to go into effect until August 1, 2021.

Q: Please explain the purpose of premium trend factors in Column (7) of page C-2.

A: Since ratemaking is prospective in nature, it is important to adjust historical experience so that it will be reflective of future conditions. Due to the impact of inflation, insureds generally purchase higher policy limits over time. Premium trend factors are used to adjust historical experience to be reflective of subsequent changes in average policy limits over time.

Q: Please describe the calculation of the premium trend factors in Column (7) of page C-2.

A: The premium trend procedure is based on the annual growth in average policy amount relativities during the experience period. This procedure is displayed on pages D-19 and D-20.

The premium trend factors are calculated in a two-step process. The first step involves calculating Current Amount Factors for each year. The Current Amount Factors trend the average policy amount relativity from a given historical year to the average date of writing for the latest accident year of the review (January 1, 2018).

The Current Amount Factors are calculated by taking the ratio of the average policy size relativity for the most recent year to the average policy size relativity for each of the five years in the experience period. For a given year, the average policy size

relativity is calculated by taking a weighted average of the policy size relativity factor for each amount of insurance, using the exposures for each amount of insurance as weights.

The second step involves accounting for the trend in average policy size relativities from January 1, 2018 (which is the average date of writing for accident year 2018) to February 1, 2022 (which is six months beyond the assumed effective date of August 1, 2021). The prospective annual change in policy size relativities was selected by the Bureau's Property Rating Subcommittee after reviewing the fitted annual rate of change in policy size relativities during the historical experience period.

Q: Could you please explain Column (9) on page C-2?

A: Column (9) is the average rating factor for the policies purchased in each year. The average rating factor is the ratio of the average rate at manual level to the average current base rate. The average current base rate assumes a base coverage A amount of insurance of \$200,000. For example, let's assume that the current territory base rate for frame construction with \$200,000 coverage A is \$100, that the rating factor for masonry is 0.9 and that the rating factor to purchase an additional \$25,000 of coverage A is 1.2. Then the average rating factor for a \$225,000 coverage A masonry policy is calculated as:

$$(100 * 1.2 * 0.9) / 100 = 1.08$$

This factor is needed to adjust the average trended loss costs in Column (8) to a base class level. Since most policyholders do not purchase exactly the base amount of coverage, the average trended loss cost is divided by the average rating factor to convert this average trended loss cost into a trended base class loss cost which is shown in Column (10). The derivation of the average rating factors is shown on pages D-42 to D-59.

Q: Please explain Line 12 on page C-2.

A: Line 12 is the resulting Weighted Trended Non-hurricane Base Class Loss Cost obtained by applying the accident year weights shown in Column (11) to the Trended Base Class Loss Cost for each year shown in Column (10). This Weighted Trended Base Class Loss Cost is the forecasted Base Class Non-hurricane Loss Cost for policies written during the one-year period after the assumed effective date of August 1, 2021.

Q: Please explain Line 13 on page C-2.

A: Line 13 is the reflection of the credibility of the experience based on the number of house years during the five year experience period. The full credibility standard is based on a procedure considering the frequency of claims and the variability of the size of those claims. The procedure is explained in a CAS Proceedings Paper

“Credibility of the Pure Premium” by Mayerson, Jones and Bowers. The full credibility standard is based on a normal distribution with a 90% probability of the pure premium being within 5% of the expected value. The full credibility standard for the owners forms is 240,000 house years.

Q: Please explain the figure contained on Line 14 of page C-2 labeled "Trended Modeled Hurricane Base-Class Loss Cost".

A: That figure is the expected hurricane losses for a base risk written during the prospective time period. Aon provided the average modeled hurricane losses from running two hurricane simulation models developed by AIR Worldwide (AIR) and Risk Management Solutions (RMS). The average modeled hurricane losses were then loaded with catastrophe loss adjustment expenses (LAE). To obtain an average loss cost value, the modeled loss amounts are divided by earned house years for calendar year 2018. To convert the average trended modeled hurricane losses with LAE to base class level, it is divided by the latest year trended average rating factor. The trended average rating factor is calculated as the product of 2018 average rating factor and the premium trend factor for calendar year 2018. The derivation of the modeled hurricane base class loss cost is shown on pages D-78 to D-80.

Q: How were the modeled hurricane losses calibrated so they would be applicable to the prospective time period that the proposed rates will be in effect?

A: The exposures that were used in the hurricane model runs were trended to six months beyond the assumed effective date of August 1, 2021. Page D-21 shows the calculation of the annual rate of change that was used to trend the exposures that were used as inputs to the hurricane models.

Q: Compared to the Bureau's previous Homeowners rate filing, have there been any changes to the way trend was accounted for in the provision for hurricane losses?

A: Yes. In this filing, the exposures that were input into the hurricane models were trended by ISO. By doing this, it was not necessary to apply trend to the average annual hurricane losses that were generated by the hurricane models, and the results could be used directly from the model output.

In the Bureau's prior filing, the hurricane models were run on historical (un-trended) exposures. As a result, loss trend factors were applied to the average annual hurricane losses that were generated by the hurricane models.

Q: Did the Bureau consider actual hurricane losses?

A: Yes. The actual hurricane losses during the five years of experience were reviewed and considered; however, as has been done in Bureau filings since 1993, those losses have been excluded from the historical losses used in the filing and have been replaced by modeled losses.

Q: What were the amounts of actual hurricane losses that were excluded from the losses in the five years of experience?

A: The statewide hurricane losses that were excluded are:

| Year | Owners Forms | Tenants | Condos | Total |
|-------------|---------------------|----------------|---------------|-----------------|
| 2014 | \$8,221,171 | \$73,160 | \$99,496 | \$8,393,827 |
| 2015 | 21,717,710 | 128,709 | 122,465 | 21,968,884 |
| 2016 | 240,689,252 | 1,267,489 | 838,325 | 242,795,066 |
| 2017 | 2,536,385 | 24,800 | 158,041 | 2,719,226 |
| 2018 | 1,469,096,310 | 10,623,896 | 11,830,964 | 1,491,551,170 |
| Total | \$1,742,260,828 | \$12,118,054 | \$13,049,291 | \$1,767,428,173 |

The excluded losses by territory are shown on pages D-60 to D-77. The excluded hurricane losses reflect adjustment to base deductible level and application of loss development factors so as to be consistent with the total adjusted incurred losses from which the hurricane losses are being removed.

Q: In addition to excluding actual hurricane losses on Page C-2, have such hurricane losses been excluded anywhere else in the filing?

A. Yes, the actual hurricane losses have been excluded in the development of the indications by class and by territory, and in the calculation of the non-hurricane excess factor that was explained earlier in my testimony.

Q. Why were models used to develop the projected hurricane losses instead of using actual hurricane losses?

A. The catastrophic nature of the hurricane peril makes it a very volatile peril in terms of loss severity, frequency and location of occurrence. Catastrophe losses in general tend to be high severity, low frequency events. Since we use five years of loss experience data in homeowners rate making calculations, it is likely that there will be scenarios ranging from no hurricane losses to extremely severe hurricane losses during the experience period. Also, if a hurricane were to hit a particular area of the state, the losses might be reflected only in that area of the state, with little or no reflection in other areas of the state. Therefore, if we analyze hurricane losses without any adjustment, the indicated rate level need will be subject to large yearly fluctuations resulting in rates beyond the actuarially sound level.

The excess loss smoothing procedure described earlier in my testimony to smooth non-hurricane wind will not work for hurricanes given that hurricanes occur so infrequently and result in huge volatility in the loss amounts when they occur. Devastating hurricanes are relatively uncommon events in comparison with other causes of loss. The occurrence or non-occurrence of actual hurricane events is not

properly predictive of the range of hurricane events that can occur or the probability of occurrence of those events. In addition, there is not enough experience with hurricanes since accurate insurance loss records began to be maintained for actuaries to employ actual losses as opposed to models. For the older years, much of the past insurance data is quite outdated for the purpose of examining hurricane exposure and is of limited utility in projecting future hurricane losses. It includes losses from hurricanes that occurred when housing patterns were different, population density was lower, houses were built differently, building codes were different, construction prices were different, houses had fewer and less expensive contents and labor costs and practices were different, etc.

The hurricane models are based on publicly available scientific data, mathematical and empirical models, and the experience of engineering, geological, meteorological, economic and insurance experts. Actual hurricane loss experience is also used to calibrate the models. The models are run for a large number of simulated events (e.g. 100K years) to estimate what would be the expected long term average hurricane losses for a given risk profile. The modeled hurricane losses are accurate, stable, and represent projections of the long-term average annual hurricane losses. There are several benefits of using models to project hurricane losses over using actual hurricane losses, including the following: First, the models improve the accuracy of hurricane loss projection in a long-term average view as described above. Second, replacing the volatile actual hurricane losses with modeled hurricane losses will smooth out the periodic spikes in the indications following hurricanes. Hurricane modeling is the widely accepted and most accurate way of considering the hurricane exposure. Modeling has become the standard practice in the insurance industry for insurers to estimate long term expected hurricane losses for ratemaking purposes and has been widely accepted by the regulatory bodies in the United States. Modeling is also uniformly employed in the reinsurance industry, financial markets and meteorological field to determine expected prospective hurricane losses. Scientists who work on the models update those models frequently to reflect the latest understanding of meteorological science.

An example of the need and value of models in producing stable loss costs can be seen from the hurricane season of 2018. In 2018, North Carolina was significantly impacted by Hurricane Florence. If the current rate analysis included the losses due to Hurricane Florence, rather than losses generated by hurricane models, rates would spike up. Conversely, if the rates were based on there being no major hurricane strikes during the preceding five-year experience period, it would not be actuarially appropriate to assume that the absence of hurricane losses would be the expectation for a future prospective rating period.

From a practical and public policy standpoint, raising rates significantly following a devastating and often tragic hurricane is the worst time for the policyholder. The use of simulation models produces a stable and actuarially sound projection of the true loss potential both in terms of statewide exposure values and in terms of territorial

distribution of that exposure. Modeling is far preferable to any analysis based on the happenstance nature of historical hurricane loss data.

The Property Rating Subcommittee and ISO Staff have examined actual hurricane losses in North Carolina and have excluded those losses from the incurred losses in filings for a number of years. As done for the 2018 homeowners filing, we have replaced the actual hurricane losses with the average modeled hurricane losses from two hurricane models for the rate review underlying this filing, which I deem to be the actuarially sound practice for the hurricane peril.

Q: As an actuary, how have you determined that it is reasonable to rely on output from the hurricane models for purposes of the Bureau's homeowners rate filing?

A. Hurricane models incorporate specialized knowledge (including meteorology and engineering) that is outside the area of expertise of most actuaries, including myself. Actuarial Standard of Practice ("ASOP") 38 titled "Using Models Outside the Actuary's Area of Expertise (Property Casualty)" provides guidance to actuaries in this situation.

I have reviewed the pre-filed testimony of Minchong Mao, including her statement of compliance with ASOP 38 for both the RMS and AIR hurricane models for purposes of the Bureau's Homeowners rate filing. Ms. Mao is employed by Aon and is an FCAS with extensive experience dealing with catastrophe models. As documented in her testimony, Ms. Mao has conducted an evaluation of the RMS and AIR hurricane models and has concluded that the modeled hurricane losses are reasonable and appropriate projections of expected hurricane losses for use by the Bureau in its Homeowners rate filing.

In addition to relying on the work conducted by Ms. Mao, I have independently evaluated the RMS and AIR hurricane models for purposes of compliance with ASOP 38 with respect to including output from the RMS and AIR hurricane models as part of the Bureau's Homeowners rate filing. Some of the conclusions of my ASOP 38 investigations include the following:

- Both the RMS and AIR models were developed and maintained by experts in a wide range of disciplines. This is illustrated by the numerous employees with expertise in key aspects of the models, including meteorology, vulnerability, actuarial science, statistics, and computer science.
- Both the RMS and AIR models have gone through rigorous external review, including being found acceptable by the Florida Commission on Hurricane Loss Projection Methodology.

- Results from the RMS and AIR models yield projected hurricane frequencies and severities that are reasonable when compared to actual hurricane experience observed in North Carolina.

Q. What did the Bureau furnish to Aon to enable Aon to perform its analysis?

A. At the direction of the Bureau, ISO furnished to Aon the North Carolina insurance exposure data on the total number of earned house years and earned insurance years by territory for the most recent year in the experience period. These data included ISO, Beach Plan, NISS and ISS data that were compiled by ISO. These data are correct to the best of my knowledge, information and belief.

ISO provided both actual (un-trended) and trended coverage limits to Aon. As discussed earlier in my testimony, the trended exposures were used as inputs when Aon ran the hurricane models.

Q. How were modeled hurricane losses derived?

A. Aon ran two hurricane models, one from RMS and one from AIR. These two models are the most widely used and relied upon hurricane models. The use of multiple models is required by statute starting with filings made on or after October 1, 2017.

The hurricane models simulate many years of hurricanes and resulting losses for the portfolio of North Carolina exposures. The results of the two models were averaged by Aon. The Property Rating Subcommittee reviewed the blended model results provided by Aon and found them to be actuarially sound. By averaging the two models, the Bureau has elected to give each model equal weight. Given the legislature's mandate to use more than one model, it would be inappropriate to employ the results of just a single model. Using an average of the two models also produces an unbiased estimate for future hurricane losses.

Aon accounted for loss adjustment expenses (LAE). Aon's data shows that LAE, as a percentage of hurricane losses, is lower than the LAE percentage for non-hurricane losses. Therefore, after review of Aon's data, the Property Rating Subcommittee selected a 6% provision to be applied to the modeled hurricane losses.

The modeled hurricane losses (including LAE) are shown on pages D-78 to D-80.

Q: Please explain what Line 15 entitled "fixed expense per policy" on page C-2 refers to and what it represents.

A: Line 15 "fixed expense per policy" refers to the amount of the prospective premium dollar needed to cover general expenses on policies written in the prospective period. General expenses along with other acquisition expenses constitute the so-called fixed expenses. They are fixed in that they do not vary as a direct function of the premium dollar. For example, the cost of office equipment, rent and other overhead-

type expenses are fixed expenses. Expenses such as commissions and premium taxes, on the other hand, are examples of expenses that rise or fall directly with premium. The number shown on Line 15, \$87.73, represents the dollars of general and other acquisition expenses trended to the levels anticipated to prevail during the prospective period. This is appropriate because general and other acquisition expenses are normally incurred at the time a policy is written.

Q: Please explain how the figure \$87.73 on Line 15 of page C-2 was derived.

A: The derivation of the figure \$87.73 is shown on page D-29. The untrended general expense ratio of 0.046 and the other acquisition expense ratio of 0.066 are obtained from the expense data collected by the Bureau and based on an average of the 2017, 2018 and 2019 ratios. These are shown on page D-25. This average represents the average fixed expense ratio corresponding to calendar year 2018. In order to trend these to the cost levels anticipated to prevail, we project these forward to the prospective period. The average selected expense trend of 2.2% is applied over the time period from July 1, 2018 (the average date of the experience on which the general expense ratio is based) to February 1, 2022 (the average date of writing policies under the proposed rates). Since this ratio is relative to premium, we must also project the amount of insurance from 2018 levels to the level anticipated to be in effect on business written between August 1, 2021 and July 31, 2022. This is done by using the Premium Trend Factor for 2018 of 1.046, which I have previously discussed. The resulting calculation is:

$$\frac{(0.046 + 0.066) \times 1.081}{1.046} = 0.116$$

This trended fixed expense ratio is then multiplied by the trended average rate for all forms of \$963.24. The result is a statewide all forms fixed expense loading of \$111.74. It is projected that forms 4 and 6 need 50% of the fixed expenses of Forms 1-3, 5, 7, and 8. Since general expense and other acquisition expense information is not available separately by policy form, selections were made by the Bureau's Property Rating Subcommittee to reflect the expectation that general and other acquisition expenses for the Tenant and Condominium forms are expected to be significantly less than the Owners forms.

A calculation is then performed to ensure that the average fixed expense loadings by form balance to the \$111.74. The average dollar loading for owners forms is \$124.34, as shown in Column (8) on page D-29. This is adjusted to a base policy level by dividing by the average rating factor of 1.355 and the premium trend factor of 1.046. This results in a fixed expense loading of \$87.73.

Q: What does Line 16 show on page C-2?

A: Line 16 is a combination of the Trended Base Class Loss Cost and the Trended General Expense and Other Acquisition expenses. The figure \$671.65 is the dollar amount that is required to cover the portion of the base rate that covers losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q: What does Line 17 on page C-2 show?

A: Line 17 takes into account the variable expenses which include profit, contingencies and dividends. From page D-25, we see that the commission and brokerage ratio is 12.1%, and taxes, licenses and fees ratio is 2.8%. The provision for dividends is 0.4%. The provision for underwriting profit is 9%.

As in past homeowners filings, Bureau committees reviewed the latest available policyholder dividends payment data as well as the multi-year history of companies consistently paying dividends to policyholders. The Bureau's subcommittee concluded that a factor for expected dividends is appropriate to include in this filing. The data contained on page D-25 show that the dividends, though constituting a small percentage of premium, have been paid consistently and in material amounts over the years. Based on these facts, the Bureau has included a provision of 0.4% of premium to reflect anticipated dividends during the experience period. Given the consistency of the historical data as to the payment of dividends, this is a reasonable assumption. Reflecting dividends in a filing by a rating bureau is an actuarially sound methodology. If dividends were not reflected, the profit level in the filing would not be achieved because of dividends paid to policyholders.

The 9% underwriting profit provision was selected by the Bureau's committees based on reviewing the analyses by Dr. Vander Weide and Dr. Zanjani. This filing also contains a 1% margin for contingencies. The profit and contingency factors are applied equally across the state.

The items known as variable expenses are reflected in Line 17. They vary in direct proportion with the premium dollar.

Combining variable expenses, profit, contingencies, and dividends results in 25.3 cents of every premium dollar being paid for these expenses. The remaining 74.7 cents pays for losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q: What is the source of the percentages on page D-25 with respect to commissions and brokerage and taxes, licenses, and fees?

A: They were calculated from the 2015, 2016, 2017, 2018 and 2019 North Carolina expense calls for data undertaken by the Bureau.

Q: What is the source of the percentage on page D-25 for contingencies?

A: The Bureau committees selected that factor, and I agree with it. A 1% factor has been consistently employed in past Bureau property insurance rate filings. A 1% contingency factor is a standard factor that has been used for many years across the country in property insurance ratemaking. The factor was selected by the Bureau committees based upon recognition of the systematic bias that causes actual underwriting results, analyzed over time, to be worse than the provision assumed in the rates. Reasons for this bias are many.

One reason is that property insurance involves many risks, but not all of them are observable in the experience or are adequately recognized in normal ratemaking.

In addition, the writing of property insurance in North Carolina is subject to law changes, court interpretations, jury verdicts and judicial decisions that expand losses beyond what was contemplated when the policies were written.

Additional considerations justifying a contingency factor are the delay, uncertainty and difficulty in obtaining needed rate increases in North Carolina. In North Carolina and a very few other states, insurance companies writing homeowners insurance are required to go through rating bureaus in order to achieve needed rate increases. This regulatory system can cause significant delay in obtaining needed rate level increases. North Carolina differs from states that rely more on competition to set rates. The system in this state requires that data be collected from almost a hundred companies writing homeowners insurance and then aggregated and analyzed prior to making a filing for needed higher rates on behalf of all companies. As the physical size of this 2020 filing demonstrates, the amount of information required to be submitted is massive, and it takes significant time to compile that information. Mr. Anderson of Milliman (see his pre-filed testimony and exhibits) has concluded that a 1% contingency provision is fully supported by this single issue regarding the delay in obtaining needed rate increases in North Carolina.

Q: Would you explain Line 18 on page C-2 entitled "Base Class Rate Excluding Comp. for Assess. Risk, Net Reinsurance Cost, Deviations"?

A: The net base rate per policy is calculated by dividing the Loss and Fixed expenses in Line 16 by the expected loss and expense ratio in Line 17. This is the net base rate before incorporating the factors for deviations, the compensation for assessment risk and the net cost of reinsurance per policy.

Q: Would you explain line 19 on page C-2 entitled "Compensation for Assessment Risk per Policy"?

A: Compensation for assessment risk is a provision that is calculated by Mr. Anderson of Milliman (see his prefiled testimony and exhibits) to reflect the cost to voluntary market insurers of maintaining sufficient capital to pay the assessments for residual market losses, to the extent required by law. If the two residual market mechanisms (the Beach Plan and the FAIR Plan) do not have sufficient capital,

reinsurance and reserves to pay losses for a catastrophic hurricane event or series of events, then companies writing homeowners in the voluntary market will be assessed for such losses even if they had chosen not to write in the coastal or beach areas where the losses originated. In effect, the voluntary market companies are being required to provide free reinsurance to the residual market and its policyholders who can only find coverage in the residual market. The voluntary market companies must therefore maintain capital sufficient to cover such losses, in addition to their own losses, even though those companies have elected not to write the policies that give rise to those losses. The compensation for assessment risk factor is the provision that must be included in the rates in order to compensate voluntary market insurers for bearing this risk of assessments from the Beach/FAIR Plans.

As a result of legislative action in 2009, some of the exposure of the voluntary market companies to residual market assessments has been capped at one billion dollars per year. Milliman's analysis of the necessary compensation for the risk of residual market assessments incorporates this cap.

It should be noted that the \$1 billion cap only applies to assessments by the Beach Plan (i.e., for losses in the beach and coastal areas) and does not apply to assessments to pay for losses in the FAIR Plan. In the recent several years, the FAIR Plan has rapidly increased its writings statewide. As the number of policies and amount of uncapped exposure in the FAIR Plan grows, that growth is reflected in the factor for the compensation for assessment risk.

The compensation for assessment risk of \$27.80 is calculated by first multiplying the 2.9% provision by the current average statewide base rate of \$815.67, resulting in a value of \$23.65. To be incorporated in the rates, however, this provision must be adjusted to account for the commissions and the taxes, licenses and fees that the companies will need to pay on this additional premium. That is done by dividing the 23.65 by 1 minus the sum of commission and brokerage expense and taxes, licenses and fees expense as shown below:

$$\frac{23.65}{1 - 0.121 - 0.028} = 27.80$$

Q: What is the source of the \$206.64 for net cost of reinsurance in Line 20?

A: The source of the \$206.64 for net cost of reinsurance is an analysis performed for the Bureau by Aon. In that analysis, Aon determined the expected net cost of reinsurance for the composite one company writing homeowners in North Carolina. The need for reinsurance results from the fact that companies need to buy catastrophe reinsurance due to North Carolina's significant hurricane exposure. The net cost of that reinsurance is the expense and profit component of the reinsurance premium paid by insurers (the loss component is in the direct losses used in the

overall rate determination). More details of the analysis are included in the testimony of other witnesses.

The Bureau relies upon the data that Aon has accumulated as to the actual cost of purchasing reinsurance in the current reinsurance market. Aon is one of the largest reinsurance brokers in the world.

To calculate the net cost of reinsurance per policy, the amount of total dollars of reinsurance is divided by the number of house years for 2018 times the 2018 average rating factor, and the 2018 premium trend factor. This quantity is then divided by the expected loss and fixed expense ratio. For owners, the actual calculation is:

$$\frac{427,840,344}{1,955,603 * 1.355 * 1.046 * 0.747} = 206.64$$

Q: What is the source of the percentages used on Line 22 for anticipated deviations?

A: As in past homeowners filings, the Bureau committees reviewed deviations. The Bureau reviewed them in conjunction with consent to rate data and surcharges on homeowners policies written in the Beach Plan. The Bureau and ISO believe that it is actuarially appropriate for filings made by rating bureaus to contain a factor to reflect expected deviations and other variations from the manual rate that would result in the filed profit level not being achieved. However, in this filing the Bureau elected to file a provision of zero for deviations.

Q: Would you explain Line 24 on page C-2 entitled "Required Base Class Rate per Policy"?

A: Line 24 is the required base rate that is needed to ensure that sufficient revenue is collected to cover the losses and expenses that are expected to result from the policies written during the year following the effective date of this filing.

Q: Would you explain Line 25 on page C-2 entitled "Current Average Base Class Rate"?

A: Line 25 is the current average base class rate for all of the owners policies included in the review. This rate assumes that each policyholder is buying only the base coverage.

Q: Would you explain line 26 on page C-2 entitled "Indicated Rate Level Change"?

A: Line 26 is the percentage change in the current rates that will be necessary to make the rates adequate for the cost levels that are expected to prevail in the one-year period following the effective date of the filing. The percentage change is determined by taking the required base rate per policy on Line 24 and dividing it by the current

base rate from Line 25. This results in an indicated rate level change for the owners forms of 39.0%.

Q: Does the filing contain a revision of the present territory rate levels?

A: Yes. In connection with the overall rate level change we have been discussing, new territory rates are displayed on page A-4.

The development of the indicated relative change by territory is completed in such a way that the overall effect is to balance to the overall statewide change. This is shown in Column 12 of page C-8.

Q: How has the Bureau treated general and other acquisition expense by territory?

A: The Bureau has treated general expense and other acquisition expense as not varying by territory.

Q: Have the indications been voluntarily capped by the Bureau?

A: Yes. For all forms, the indicated rate level changes by territory were capped at +25%.

Q. Thus far in your prefiled testimony, you have been primarily describing the data and calculations for the owners forms. In general, are the calculations for tenants forms (Form 4) and condominium owners forms (Form 6) on pages C-3 and C-4, respectively, the same or similar to the calculations you have described for the owners forms on Page C-2?

A. Yes, they are, with a few exceptions as previously noted or apparent from the calculations and exhibits relating to those forms. For Form 4 (tenants) and Form 6 (condominium owners) there is no non-hurricane excess wind procedure used in determining the statewide rate level change. Other parts of the calculations are the same or similar.

Q: What other changes does the filing make for homeowners insurance?

A: In addition to revising the base rates, the filing revises the credits for Windstorm or Hail Exclusion and the Age of Construction factors.

The filing revises the credits for the windstorm or hail exclusion that are available in Territories 110, 120, 130, 140, 150 and 160. The derivation of these credits is shown on pages C-14 and C-15. These credits are used when policies are written "ex. wind;" i.e., referring to those situations in the beach and coastal territories where companies voluntarily write homeowners policies covering perils other than wind and hail, and the Beach Plan writes the wind and hail coverage. When this is done, the Beach Plan applies a 5% statutory surcharge above the Bureau rates. The wind only rates are also being revised in this filing. The wind mitigation credits for these territories

are also being revised in accordance with the data and methodology shown in the filing.

Q. How are Age of Construction factors used?

A. Age of Construction factors are used to reflect the impact that the age of a building has on expected losses. In general, newer homes experience fewer losses than older homes. As such, newer homes receive a premium credit compared to older homes.

Although the Bureau's Homeowners program already includes Age of Construction factors as part of its rating structure, the Bureau is proposing to revise these factors. Currently, homes that are five years old and newer receive a premium credit. The Bureau is proposing to increase the credit for homes that are five years old and newer, and introduce premium credits for homes that are between 6 years old and 14 years old.

The proposed Age of Construction factors are being introduced on a revenue-neutral basis through the application of territorial off-balance factors.

Q. You made reference to off-balance factors when discussing changes to the Age of Construction factors. What are off-balance factors, and why are they used?

A. Off-balance factors represent the rate level effect that would result if the revised factors were implemented without any adjustments to the base rates. Off-balance factors are used in the calculation of revised base rates to remove the rate impact associated with the revised rating factors. In other words, use of off-balance factors will ensure that the revised rating factors will be implemented on a revenue-neutral basis.

Separate off-balance factors are applied for each territory. As such, the revised Age of Construction factors will be revenue-neutral for each territory. However, individual policyholders may see either a premium reduction or increase as a result of the change in rating factors. Pages F-7 and F-8 show the estimated impact to policyholders as a result of the filed change to the Age of Construction factors.

Q: Please turn to page A-2 of Exhibit RB-1 and explain what is shown on that page.

A: Page A-2 of Exhibit RB-1 shows the indicated and filed statewide rate level changes. The differences between these percentages are due to capping as previously described.

Q: What is shown on Page A-3 of Exhibit RB-1?

A: Page A-3 shows the indicated and filed rate level change for each territory.

Q: Do you have an opinion as to whether the data utilized and the methods of calculating the indicated rate level changes contained in the filing are actuarially sound and reliable and if so, what is that opinion?

A: Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Bureau are based on and consistent with generally accepted actuarial principles and procedures, and the indicated rates are actuarially sound and reliable. In my opinion the ratemaking methodology is actuarially sound and produces indicated rates that meet the statutory standard of being not excessive, inadequate or unfairly discriminatory. The filed rates differ from the actuarially indicated rates because of territory caps of +25% as previously described. The filed rates are a reasonable step toward an adequate level.

Q: Do you have an opinion as to whether the indicated rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?

A: In my opinion, the indicated rate level changes are fully justified and are not excessive or unfairly discriminatory in any respect.

Q: Are there any qualifications you wish to attach to your opinion?

A: Yes. In reaching my opinion, I have relied on the accuracy of the data supplied by the Bureau, by ISS, AAIS, NISS, by the individual companies that reported their data to ISO and the other statistical agents and by the Beach Plan and FAIR Plan. I have relied on Dr. Vander Weide and Dr. Zanjani for the determination of the appropriate profit. I have relied on Mr. Anderson as to the compensation for assessment risk component of the rates. I have relied on Aon for the net cost of reinsurance component of the rates. Additionally, I have relied upon Aon for the blended output of the AIR and RMS models. I have relied on Ms. Mao for her review of the AIR and RMS hurricane models and Mr. Fiete regarding his testimony that supports the provision for the net cost of reinsurance. I have also relied upon and concur with the decisions and the actuarial judgments of the persons on the Bureau's committees, who in many cases are actuaries. I have also reviewed, approved and rely on the work conducted by ISO staff with regards to the preparation of the ISO portions of the rate filing. I have applied appropriate actuarial standards when reviewing these various data sources.

Q: Does that conclude your testimony?

A: Yes, it does.

1 **PRE-FILED DIRECT TESTIMONY OF MINCHONG MAO**

2
3 **2020 HOMEOWNERS INSURANCE RATE FILING**

4 **by the**

5 **NORTH CAROLINA RATE BUREAU**

6
7
8 **Q. Please state your full name and business address for the record.**

9
10 A. My name is Minchong Mao. My business address is Aon, 200 East Randolph
11 Street, 11th Floor, Chicago, Illinois 60601.

12
13 **Q. What is your involvement in this matter?**

14
15 A. My employer, Aon, has been retained by the North Carolina Rate Bureau
16 (NCRB) to provide catastrophe and reinsurance analytics with respect to the
17 expected hurricane losses utilized in the NCRB 2020 Homeowners Insurance
18 rate filing. I am part of the catastrophe analytics team at Aon that performed
19 these services.

20
21 **Q. What are your primary responsibilities for Aon?**

22
23 A. I am a Managing Director and a Catastrophe Actuary at Aon's Reinsurance
24 Solutions - Catastrophe Risk Analytics group. I advise clients on catastrophe
25 actuarial services, such as rate indications, rate filing strategy, underwriting

1 strategy, and use of catastrophe models in risk management. I am responsible
2 for Aon's compliance on ASOP 38 regarding use of catastrophe models. I am a
3 consulting actuary for Aon's in-house model Impact Forecasting, LLC. I work
4 with a group of catastrophe modelers to provide catastrophe modeling support
5 for reinsurance placements. Our client services include but are not limited to
6 support for multi-model analytics, customized view of risks, catastrophe pricing,
7 catastrophe risk selections, data augmentation, model evaluation, real-time event
8 response, portfolio optimization, actuarial support, reinsurance cost allocations,
9 and rating agency questionnaire support.

10

11 **Q. Describe your professional and educational background.**

12

13 A. I have been with Aon for 2 years since September 2018. Prior to joining Aon, I
14 worked at State Farm Insurance Companies for over 17 years from 2001 to 2018
15 where I served as the head of the catastrophe modeling functions since 2005.
16 During my tenure at State Farm, I was responsible for State Farm's use of
17 catastrophe models in pricing, underwriting, claims, reinsurance, securitization,
18 enterprise risk managements, and rating agency reporting.

19

20 I had 2 years of rate making experience as a pricing actuary for Homeowner lines
21 at State Farm. I am familiar with the development and implementation of
22 Homeowner rates and rules. I understand the challenges for an insurer to
23 balance rate adequacy, competitiveness, and meet financial objectives at the
24 same time.

1

2 I have a Bachelor's degree in Biochemical Engineering from Beijing University of
3 Chemical Technology, a Master's degree in Chemistry from Eastern Illinois
4 University, and a Master's degree in Computer Science from the University of
5 Missouri - Columbia.

6

7 **Q. Are you a member of any professional actuarial organizations?**

8

9 A. Yes. I am a Fellow of the Casualty Actuarial Society (FCAS), and a Member
10 of the American Academy of Actuaries (MAAA). I am a Certified Catastrophe
11 Risk Management Professional (CCRMP), a new designation created by the
12 CAS Institute (iCAS) and International Society of Catastrophe Managers (ISCM).
13 I am currently serving on the Casualty Actuarial Society's Climate Change
14 Committee, American Academy of Actuaries' Extreme Event Risk Committee,
15 and on the advisory board for CCRMP designation. I am in good standing with
16 the requirements of all of these organizations.

17

18 I am part of a working group that authored the following monographs for the
19 American Academy of Actuaries:

- 20 • The National Flood Insurance Program: Challenges and Solutions (2017)
- 21 • Uses of Catastrophe Model Output (2018)
- 22 • Wildfire: An Issue Paper - Lessons Learned from the 2017–2018
23 California Events (2019)

1 I am one of the recipients of the Casualty Actuarial Society's Above and Beyond
2 Achievement Award in 2019 to recognize my leadership and contributions to
3 establish the CCRMP designation for the insurance industry.

4

5 **Q. Please describe your relevant experience and qualifications for this**
6 **proceeding.**

7

8 A. I started practicing in the catastrophe risk management field in 2005. During
9 my tenure at State Farm, I managed State Farm's catastrophe modeling function
10 from 2005 to 2018. I managed vendor relationships with AIR, EQECAT, ARA,
11 and RMS. I provided filing support and helped my employer through many
12 regulatory challenges related to the use of models in insurance operations. I
13 provided actuarial opinions on State Farm's use of catastrophe models. I
14 established the due diligence and model validation framework to ensure
15 catastrophe modeling practices at State Farm met the actuarial standards and
16 complied with laws and regulatory requirements. My team provided various
17 catastrophe risk measures and analytics for State Farm Fire and affiliates for rate
18 making, exposure management, claims, ERM, rating agency reporting,
19 reinsurance and securitization purposes.

20

21 From 2010 to 2013, I was a member of an advisory group to the Insurance
22 Bureau of Canada (IBC) and Office of the Superintendent of Financial Institutions
23 (OSFI) to provide expert opinions on insurance and economic impact of major

1 earthquakes in Canada. From 2011 to 2013, I was a member of an advisory
2 group for IBC and OSFI to revise OSFI Guideline B-9 (Earthquake Exposure
3 Management Sound Practice Guideline for insurance companies). I led a State
4 Farm team to establish the compliance framework to meet OSFI B-9 regulation
5 requirements.

6

7 In January 2015, I was appointed by Florida CFO Jeff Atwater to serve on the
8 Florida Commission on Hurricane Loss Projection Methodology (FCHLPM) as
9 the industry actuary. From January 2015 to September 2018, I represented the
10 property insurance industry on the FCHLPM to review and accept hurricane
11 models for use in ratemaking in the State of Florida. My term on the FCHLPM
12 ended in September 2018 due to my job change.

13

14 The hurricane models used for this rate filing, AIR Touchstone V7.3 and RMS
15 RiskLink V18.1, are both certified by FCHLPM.

16

17 **Q. Please describe how ASOP 38 is applicable in this rate filing?**

18

19 A. The Actuarial Standard of Practice Number 38 (ASOP 38) has been in effect
20 since December 2000. ASOP 38 was created, to some extent, to address the
21 use of stochastic computer hurricane simulation models in the insurance rate
22 making process. ASOP 38 established certain requirements for actuaries who
23 use output from a model that is outside of that actuary's area of expertise.

1 Hurricane models are developed by a group of experts including meteorologists,
2 structural engineers, actuaries, statisticians and computer scientists. Some
3 model components are outside of the area of expertise of actuaries. Due to their
4 complexity and reliance on different science disciplines, as well as the relative
5 newness of their use in establishing property insurance rates at the time, many
6 actuaries are not as knowledgeable about these models as they are about the
7 traditional rate making methodologies.

8

9 Hurricane models are utilized to establish the hurricane loss cost and
10 reinsurance cost allocation for this NCRB filing. Therefore, compliance with
11 ASOP 38 is relevant to the filing.

12

13 **Q. Is Aon's use of catastrophe models in compliance with ASOP 38?**

14

15 A. Yes, Aon's catastrophe modeling practice is in compliance with ASOP 38.

16 ASOP 38 provides guidance to the actuary in using models that incorporate
17 specialized knowledge outside the actuary's own area of expertise when
18 developing an actuarial work product. When using such a model, the standard
19 requires that the actuary perform five specific tasks:

20

21 a. Determine appropriate reliance on experts;

22 b. Have a basic understanding of the model;

23 c. Evaluate whether the model is appropriate for the intended application;

1 d. Determine that appropriate validation has occurred; and

2 e. Determine the appropriate use of the model.

3

4 In addition to relying on vendors' experts, Aon has an in-house model evaluation
5 team. This team consists of members with advanced degrees in meteorology,
6 structural engineering and statistics. Soon after models are released, the model
7 evaluation team performs sensitivity testing to identify key drivers of model
8 changes and potential anomalies. I work closely with the model evaluation team
9 to ensure the sensitivity testing covers all aspects of ASOP 38 requirements. I
10 review the testing results through an analytics dashboard. I document my
11 reviews for each peril model. Upon completion of the review, I sign an ASOP 38
12 attestation document. Copies of the current ASOP 38 attestations for the AIR
13 and RMS models are included in the filing as Exhibits RB-6B and RB-6C.

14

15 **Q. Describe the role of Aon Reinsurance Solutions Analytics and**
16 **Catastrophe Risk Analytics.**

17

18 A. Aon Reinsurance Solutions Analytics (a.k.a Reinsurance Analytics) provides
19 consultative services to Aon's clients who place catastrophe reinsurance through
20 Aon. These clients are primary insurers selling property insurance products in
21 catastrophe prone areas. Aon Reinsurance Analytics provides value added
22 service which is above and beyond reinsurance brokering transactions. Our
23 client services include but are not limited to support for multi-model analytics,

1 customized view of risks, catastrophe pricing, catastrophe risk selections, data
2 augmentation, model evaluation, real-time event response, portfolio optimization,
3 reinsurance cost allocations, actuarial support and rating agency questionnaire
4 support.

5

6

7 Within the Reinsurance Analytics, there is a team specialized in catastrophe risk
8 analytics. I am part of the catastrophe risk analytics team that provides clients
9 with catastrophe risk management information and assists clients with their
10 reinsurance purchasing decisions.

11

12 **Q. Describe your experience with catastrophe models.**

13

14 A. From 2005 to 2006, I performed the catastrophe modeling analyst's role,
15 which includes hands-on experience with multiple models - from data preparation
16 to running the models, to post model aggregation. My daily work involved data
17 preparation and converting exposure data into model input files. I gained
18 knowledge about how different models handle building characteristics and
19 insurance terms. I used RMS RiskLink, AIR Clasic/2, and EQECAT models on a
20 daily basis. I developed understanding about models' back end database and
21 output. I performed post model analysis and wrote programs to develop risk
22 metrics such as PMLs, AALs, and TVaR to help State Farm assess and manage
23 catastrophe risks. Later in my career, I built a team and delegated many

1 modeling tasks to my colleagues. I stayed involved by providing guidance and
2 managing the day to day work of the catastrophe modeling unit.

3

4 **Q. Describe your experience with catastrophe reinsurance.**

5

6 A. My experience with reinsurance started in 2005 at State Farm. State Farm is
7 a reinsurance buyer and I was a part of the company's reinsurance buying team.
8 I supported the reinsurance function in multiple dimensions. My work included
9 using catastrophe model output and financial information to help my employer in
10 structuring reinsurance, conducting technical pricing, drafting and reviewing
11 reinsurance contracts, and participating in reinsurance buying trips. I evaluated
12 catastrophe risks and cost of capital from both ceding and assuming parties. I
13 worked closely with our reinsurance broker to validate our view of risks using
14 external benchmarks. At Aon, I am directly involved with our clients who are
15 seeking to purchase catastrophe reinsurance. Output from models is used by
16 our brokers, clients, and capital markets to determine the reinsurance structure
17 and pricing. We customize reinsurance solutions based on clients' risk appetite
18 and risk profile.

19

20 **Q. Do you speak on topics pertaining to catastrophe modeling?**

21

22 A. Yes. I have presented at CAS Ratemaking, Product and Modeling
23 Conferences. I am a frequent speaker at Reinsurance Association of America's
24 annual catastrophe modeling conference. My topics have included model

1 blending, model regulation, wildfire modeling, etc. From 2012 to 2018, I was a
2 visiting instructor for the Illinois State University Math Department Actuarial
3 Science program. I presented catastrophe modeling and regulatory topics to
4 actuarial students. From 2016 to 2018, I was a member of the planning
5 committee for the Reinsurance Association of America's annual catastrophe
6 modeling conference. I organized and moderated panels and engaged speakers
7 to cover a variety of catastrophe topics.

8

9 **Q. What was Aon's role in this filing with respect to expected hurricane**
10 **losses?**

11

12 A. Aon performed data validation and shared control totals with NCRB; Aon's
13 catastrophe modelers ran AIR Touchstone V7.3 and RMS RiskLink V18.1
14 models based on exposure data provided by NCRB; Aon blended the model
15 results for NCRB based on well-established methodology and provided the
16 modeled average annual loss to NCRB; Aon conducted industry research,
17 recommended and applied loss adjustment factors for NCRB.

18

19 **Q. Did the NCRB ask Aon to run the AIR and RMS models?**

20

21 A. Yes. Aon ran AIR Touchstone and RMS RiskLink for the NCRB under the
22 NCRB's direction. AIR and RMS are the most commonly used catastrophe
23 models in the insurance and reinsurance industry. Aon runs these two models
24 on all of Aon clients' exposure data pertinent to reinsurance transactions. The

1 majority of Aon's clients use either one or both of these two models when
2 evaluating their catastrophe risk.

3

4 **Q. How are losses from two models blended?**

5

6 A. Model results are blended by taking a straight average toward the end of the
7 process. This means that we run the individual models and determine the
8 appropriate loss costs and reinsurance cost allocation independently for each
9 model. Then the outcome from the two models is averaged.

10

11 **Q. Is it common that modeled losses will differ between the various model
12 vendors?**

13

14 A. Yes. Catastrophe models are complex. When modeling vendors develop a
15 hurricane model, they start from similar underlying information, such as the
16 National Hurricane Center's historical hurricane dataset, land use/land cover
17 database, similar wind engineering principles and statistical theories. However,
18 there are differences between modeling vendors in their approaches to
19 interpreting and supplementing the data to build a robust model. Different
20 assumptions and judgements are made by model developers. Vendors may also
21 use claims data from different data sources to calibrate their model. All these
22 different assumptions, judgements, and methodologies will result in different
23 model results. Model results deviate more at location level than at the state
24 level. When models generate different results, it does not necessarily mean any

1 model is wrong. The spread among different views of the same risk reflects the
2 inherent uncertainties of catastrophe modeling.

3

4 Given the number of variables involved in the development of a catastrophe
5 model and the degree of uncertainty associated with each variable, we would not
6 expect that two independently developed models would result in the same output
7 or conclusions on a given set of data.

8

9 **Q. How do the models change over time?**

10

11 A. Catastrophe models are built based on the state of the art science and
12 technology at the time. As science continues to evolve and computing powers
13 continue to advance, modeling technology will improve. In addition, research into
14 past and recent events, updates to building practices and building codes, and
15 data from engineering experiments will also provide insights to enable model
16 developers to enhance their models. Each modeling vendor takes a different
17 approach on how frequently it updates its models and which perils and regions
18 will be updated. As noted above, because different assumptions and judgements
19 are made when information is applied, the impact of an update could vary greatly
20 between models. Changes due to model updates are to be expected.

21

22 **Q. Is using multiple models to determine catastrophe risk actuarially**
23 **sound?**

24

1 A. Yes. Using multiple models allows users to incorporate different views of risk
2 into their exposure management. Using multiple models can effectively mitigate
3 modeling volatility and smooth out significant model changes. Using multiple
4 models is a practice endorsed by major rating agencies such as AM Best and
5 S&P.

6

7 **Q. How does the NCRB exposure data impact model output?**

8

9 A. The following data factors would impact model output:

- 10 • Changes in coverage and/or policy conditions such as deductible and
11 limits, and the underlying policies-in-force
- 12 • Changes in an insurer's portfolio composition such as geographic
13 concentration
- 14 • Changes in building characteristics, such as loss mitigation features, and
15 age of roof
- 16 • Changes in data quality, such as replacing unknown building
17 characteristics with known building characteristics

18

19 **Q. Please describe the client data that was employed as input for the model**
20 **runs?**

21

22 A. The underlying exposure data was provided to Aon by the NCRB. To the best
23 of my knowledge, the data had been compiled on behalf of the NCRB by
24 Insurance Services Office (ISO). NCRB's exposure data sent to Aon consisted

1 of the trended aggregate exposure information for all Homeowners risks in North
2 Carolina, including voluntary business written by insurance companies and
3 written by the residual market (NCIUA and NCJUA). NCRB instructed Aon to run
4 the models using the aggregate data at zip code and territory level for the entire
5 North Carolina portfolio in a single model run. Model results were aggregated at
6 the territory level.

7

8 ISO provided trended exposure data to Aon. In the 2018 filing, trending factors
9 were applied to modeled losses after model runs. This new method is a more
10 precise way to reflect policy terms in modeled results.

11

12 **Q. Please describe what Aon Reinsurance Solutions then did with the data**
13 **provided by the NCRB.**

14

15 A. We reviewed the data received from the NCRB for completeness and
16 reasonableness before we input it into the AIR and RMS models. Since the two
17 models have different formats for inputting data, we worked with the NCRB to
18 assure that the exposure data was properly and consistently mapped in the
19 required format for each model. NCRB provided earned insurance years (EIY),
20 which is the sum of primary coverage amount expressed in thousands, and
21 earned house years (EHY), which is the number of risks. Limit by coverage is
22 calculated from EIY and EHY as instructed by the NCRB. A comparison of this
23 year's data with last year's data was conducted. Any anomalies were
24 investigated.

1

2 The next step was to input the data and run the models. We ran the AIR
3 Standard model using 100K event catalogue and the RMS Historical model (both
4 are long term views of the hurricane risk) for the purpose of determining the
5 modeled hurricane loss cost. We also ran the AIR Warm Sea Surface
6 Temperature (WSST) model and the RMS Medium Term Rate model (both are
7 near term views of hurricane risk) for the purpose of analyzing the cost of
8 reinsurance. It is a standard practice throughout the industry to rely upon the
9 models we used to determine modeled hurricane loss cost and reinsurance
10 placements, and this has been true since the 1990s.

11

12 After the models were run, we reviewed each model's output separately to
13 ensure data integrity. We then blended the results of the two models by taking a
14 straight average of the results. Additional reviews were conducted on the
15 blended results to ensure that the blending procedures were correctly performed
16 and that the blended results were reasonable. The blended modeled hurricane
17 loss results were provided to the NCRB for use in its Homeowners rate review.
18 At the NCRB's request, we also provided the results to Milliman for its use in its
19 rate filing work as part of the NCRB's Homeowners rate review. Exhibit RB-6A
20 sets forth the blended modeled hurricane losses resulting from the work I have
21 described. Based on my knowledge and experience, and the input data provided
22 by the NCRB, these modeled hurricane losses are reasonable and appropriate

1 projections of expected hurricane losses for use by the NCRB in its Homeowners
2 rate review and rate filing.

3

4 Also, we employed the modeled hurricane losses as part of our work in
5 determining and allocating the cost of reinsurance. My colleague, Steve Fiete,
6 led our analysis of the net cost of reinsurance, and his testimony is also included
7 in this filing.

8

9 **Q. Did Aon make adjustments to modeled results?**

10

11 Yes. A 6% loss adjustment expense (LAE) factor was applied to modeled
12 losses. This factor was recommended by Aon based on a broad industry study
13 at the state level. The application of the LAE factor was reviewed and approved
14 by the NCRB.

15

16 **Q. Does that conclude your testimony?**

17

18 A. Yes.

North Carolina Rate Bureau
Gross Modeled Hurricane Expected Losses including Cat LAE

| <u>Total</u> | <u>317,289,546</u> | <u>2,979,615</u> | <u>1,794,123</u> | <u>322,063,283</u> |
|------------------|--------------------|------------------|-------------------------|--------------------|
| <u>Territory</u> | <u>Owners Form</u> | <u>Tenants</u> | <u>Condo Unit Owner</u> | <u>Sum</u> |
| 110 | 27,196,079 | 36,960 | 37,485 | 27,270,525 |
| 120 | 32,188,382 | 220,334 | 413,843 | 32,822,559 |
| 130 | 8,960,671 | 27,385 | 24,678 | 9,012,735 |
| 140 | 81,161,415 | 868,111 | 782,841 | 82,812,367 |
| 150 | 16,852,593 | 127,829 | 32,264 | 17,012,685 |
| 160 | 14,434,687 | 191,311 | 94,670 | 14,720,668 |
| 170 | 542,991 | 3,477 | - | 546,469 |
| 180 | 12,387,511 | 162,664 | 20,126 | 12,570,301 |
| 190 | 4,095,261 | 30,067 | 809 | 4,126,137 |
| 200 | 2,215,507 | 11,464 | 41 | 2,227,013 |
| 210 | 3,347,839 | 33,018 | 1,125 | 3,381,982 |
| 220 | 9,127,570 | 87,420 | 16,042 | 9,231,032 |
| 230 | 3,140,233 | 24,999 | 1,359 | 3,166,591 |
| 240 | 9,729,584 | 66,345 | 4,525 | 9,800,454 |
| 250 | 4,196,687 | 30,917 | 1,063 | 4,228,667 |
| 260 | 1,877,910 | 11,222 | 110 | 1,889,242 |
| 270 | 31,553,620 | 482,567 | 110,428 | 32,146,616 |
| 280 | 4,146,065 | 49,447 | 21,426 | 4,216,939 |
| 290 | 3,934,743 | 24,613 | 11,236 | 3,970,591 |
| 300 | 1,009,642 | 5,313 | 193 | 1,015,148 |
| 310 | 11,986,283 | 144,734 | 46,220 | 12,177,238 |
| 320 | 6,217,179 | 47,746 | 10,022 | 6,274,947 |
| 330 | 215,847 | 996 | 119 | 216,962 |
| 340 | 18,103,174 | 230,930 | 136,812 | 18,470,915 |
| 350 | 3,246,398 | 22,014 | 6,105 | 3,274,517 |
| 360 | 4,170,387 | 33,017 | 16,253 | 4,219,657 |
| 370 | 186,708 | 552 | 2,058 | 189,318 |
| 380 | 515,720 | 2,337 | 1,180 | 519,237 |
| 390 | 548,861 | 1,822 | 1,090 | 551,773 |

Modeled hurricane expected losses for North Carolina Rate Bureau, net of limits and deductibles. Results include demand surge and exclude storm surge. Losses represent 50/50 blend of AIRv7.3 100k Standard event set and RMSv18.1 Historical event set. Results also include provisions for LAE.

Aon ASOP 38 attestation - AIR Model



Statement of Compliance with Actuarial Standard of Practice 38 Minchong Mao, FCAS, MAAA

Background

Actuarial Standard of Practice 38 provides guidance to the actuary in using models that incorporate specialized knowledge outside the actuary's own area of expertise when developing an actuarial work product. When using such a model, the standard requires that the actuary perform five specific tasks, as described below using the numbering system of the standard. This document certifies that Minchong Mao, FCAS, MAAA, has performed these tasks for the catastrophe loss model(s) relied upon in the actuarial work product to which it is attached. It is intended that actuaries utilizing the actuarial work product in their insurance ratemaking efforts can rely on my model evaluation in accordance with Section 3.7 of the standard of practice.

Model Versions Covered by this document

- AIR Hurricane model for the United States v17.0.0 utilized in Touchstone versions 6.1.0, 7.0 and 7.x, released in 2019
- AIR Severe Thunderstorm Model for the United States v7.0 implemented in Touchstone version 5, 6, 7 and 7.x, released in 2019
- AIR Winter Storm Model for the United States v1.5 implemented in Touchstone version 5, 6, 7 and 7.x, released in 2019
- AIR Wildfire Model for the United States v2 implemented in Touchstone version 6, 7 and 7.x, released in 2019
- AIR Earthquake and Fire Following Model for the United States v10.1 implemented in Touchstone version 6, 7 and 7.x, released in 2019. This version included Time Dependent Earthquake Hazard Adjustment.

3.2 Appropriate Reliance on Experts

An actuary may rely on experts concerning those aspects of a model that are outside of the actuary's own area of expertise. The experts relied upon may either be the experts who provided the model or other experts.

For those aspects of the model that are outside my area of expertise, I have relied on the list of experts provided by the modeler. Please see the modeler's ASOP 38 document and supporting documentation for additional information.

In determining the appropriate level of reliance, the actuary should consider the following:



a. whether the individual or individuals upon whom the actuary is relying are experts in the applicable field;

The individuals listed as employees of the modeler appear to be experts in their respective fields.

b. the extent to which the model has been reviewed or opined on by experts in the applicable field, including any known significant differences of opinion among experts concerning aspects of the model that could be material to the actuary's use of the model; and

The modeler has provided documentation of reviews by outside experts. Many of these reviewers are well-recognized experts in their fields. I have reviewed the findings of the outside experts and found no significant differences of opinion with respect to the validity of the model.

c. whether there are standards that apply to the model or to the testing or validation of the model, and whether the model has been certified as having met such standards.

Standards for catastrophe loss models have been promulgated by a few states. Most notably, the Florida Commission on Hurricane Loss Projection Methodology was created to review catastrophe loss models. The model(s) used in this work product, or derivatives thereof, have been certified by the Florida Commission on Hurricane Loss Projection Methodology.

3.3 Understanding of the Model

The actuary should be reasonably familiar with the basic components of the model and understand both the user input and the model output, as discussed below.

I have reviewed the modeler's ASOP 38 document and supporting documentation describing the model's components, input, and output, as well as other documentation, to comply with this requirement. In addition, I have specialized in actuarial applications of catastrophe model output since 2005.

3.3.1 Model Components—The actuary should be reasonably familiar with the basic components of the model and have a basic understanding of how such components interrelate within the model. In addition, the actuary should identify which fields of expertise were used in developing or updating the model, and should make a reasonable effort to determine if the model is based on generally accepted practices within the applicable fields of expertise. The actuary should also be reasonably familiar with how the model was tested or validated and the level of independent expert review and testing.

I am reasonably familiar with the basic components of the model and have a basic understanding of how such components interrelate within the model. I have identified the fields of expertise used in developing and updating the model and have determined that the model is based on generally accepted practices within the applicable fields of expertise. I am reasonably familiar with how the model was validated and have reviewed the documentation of reviews by outside experts.

3.3.2 User Input—Certain user input may be required to produce model output for the specific application. The actuary should understand the user input that is required to produce the model output. This understanding includes the level of detail required in the user input to produce results that are consistent with the intended use of the model.

I understand the user input required to produce model output, including the level of detail required to produce results that are consistent with insurance ratemaking and risk management applications.



3.3.3 Model Output—The actuary should determine that the model output is consistent with the actuary's intended use of the model.

I have determined that the model output is consistent with the insurance ratemaking applications for which it was used. We most often use event loss detail in our work, so we are always careful that our results balance to the model's prepared exhibits.

3.4 Appropriateness of the Model for the Intended Application

The actuary should evaluate whether the model is appropriate for the particular actuarial analysis, and consider limitations of the model, modifications to the model, and the assumptions needed in order to apply the model output.

The catastrophe model(s) we have relied upon were developed for purposes related to the management of risk. I have evaluated the model(s) in light of available alternatives and determined that the catastrophe loss model is the most appropriate method of estimating expected catastrophe loss distributions for insurance ratemaking.

Some additional considerations include the following:

a. Applicability of Historical Data—To the extent historical data are used in the development of the model or the establishment of model parameters, the actuary should consider the adequacy of the historical data in representing the range of reasonably expected outcomes consistent with current knowledge about the phenomena being analyzed.

Historical data is relied upon extensively in the development and validation of catastrophe loss models. Smoothing procedures are applied in cases where reasonably foreseeable events are underrepresented in the historical data.

b. Developments in Relevant Fields—The actuary should make a reasonable effort to be aware of significant developments in relevant fields of expertise. The actuary should evaluate whether such developments are likely to materially affect the current actuarial analysis.

Catastrophe loss models are typically updated on an annual basis in order to incorporate the most current scientific research and information from recent catastrophe events.

I have made a reasonable effort to be aware of significant developments in the relevant fields of expertise. In particular, meteorological studies related to the current period of elevated hurricane activity are important in determining which of a model's frequency assumptions should be utilized in insurance ratemaking applications involving hurricane-exposed risk portfolios. Aon maintains a documentation library containing current research in the science of catastrophe perils.

3.5 Appropriate Validation

The actuary should evaluate the user input and the reasonableness of the model output, as discussed below.



3.5.1 User Input—With respect to the quality and availability of the user input data to be used in the model, the actuary should refer to ASOP No. 23, Data Quality.

The model input data for this analysis was supplied by the client. The data was reviewed for reasonableness in accordance with ASOP 23.

3.5.2 Model Output—In view of the intended use of the model, the actuary should examine the model output for reasonableness, considering factors such as the following:

a. the results derived from alternate models or methods, where available and appropriate;

In addition, Aon conducts extensive testing of each model that we license whenever a new model is released. Output from Model output is checked for reasonability against other models and for consistency with the modeler's representations as to changes incorporated in the current version. I have reviewed the results of these tests and found the model used in this analysis to provide reasonable output.

b. how historical observations, if applicable, compare to results produced by the model;

Catastrophes, by their nature, involve significant uncertainty in the amount of insured losses they produce. In light of this uncertainty, the model has been shown to produce reasonable estimates of losses incurred from historical events.

I have reviewed the modeler's ASOP 38 document and supporting documentation describing comparisons of model output to historical observations and found that the model produces reasonable estimates.

c. the consistency and reasonableness of relationships among various output results; and

I have reviewed the relationships among output results and found them to be consistent and reasonable.

d. the sensitivity of the model output to variations in the user input and model assumptions.

Aon conducts extensive testing of each model that we license with respect to the sensitivity of model output to variations in the user input and model assumptions. I have reviewed the results of these tests and obtained an understanding of the model's sensitivity.

3.6 Appropriate Use of the Model

Having completed the analysis described in sections 3.2–3.5 above, the actuary should use his or her professional judgment to determine whether it is appropriate to use the model results, subject to any appropriate adjustments. The actuary should disclose any such adjustments in accordance with section 4.3.

In my professional judgment, it is appropriate to use the model results, without adjustment, for the purposes of the actuarial work product to which this document is attached.



3.7 Reliance on Model Evaluation by Another Actuary

The actuary may rely on another actuary who has, for a particular model, conducted some or all of the evaluations and processes described in this standard. However, the relying actuary should be satisfied that the other actuary's evaluation was performed in accordance with this standard and is appropriate for the intended application. The actuary should document the extent of such reliance in accordance with section 4.1.

Actuaries utilizing the actuarial work product to which this document is attached can rely on my complete evaluation of the model(s) used as described above. In doing so, they should document the extent of such reliance in their work.

Minchong Mao FCAS, MAAA

A handwritten signature in black ink that reads "Minchong Mao". The signature is written in a cursive, flowing style.

Aug 13th 2020

Aon ASOP 38 attestation - RMS Model



Statement of Compliance with Actuarial Standard of Practice 38 Minchong Mao, FCAS, MAAA

Background

Actuarial Standard of Practice 38 provides guidance to the actuary in using models that incorporate specialized knowledge outside the actuary's own area of expertise when developing an actuarial work product. When using such a model, the standard requires that the actuary perform five specific tasks, as described below using the numbering system of the standard. This document certifies that Minchong Mao, FCAS, MAAA, has performed these tasks for the catastrophe loss model(s) relied upon in the actuarial work product to which it is attached. It is intended that actuaries utilizing the actuarial work product in their insurance ratemaking efforts can rely on my model evaluation in accordance with Section 3.7 of the standard of practice.

Model Versions Covered by this document

- RMS North Atlantic Hurricane Model v18.1, released in 2019, implemented in RiskLink V18.1
- RMS North America Earthquake Model v17.0, released in 2017, implemented in RiskLink V17, 18, and 18.1
- RMS Sever Convective Storm Model for the United States, released in 2014, implemented in RiskLink V17, 18, and 18.1
- RMS Winter Storm Model for the United States, release in 2013, implemented in RiskLink V17, 18, and 18.1

3.2 Appropriate Reliance on Experts

An actuary may rely on experts concerning those aspects of a model that are outside of the actuary's own area of expertise. The experts relied upon may either be the experts who provided the model or other experts.

For those aspects of the model that are outside my area of expertise, I have relied on the list of experts provided by the modeler. Please see the modeler's ASOP 38 document and supporting documentation for additional information.

In determining the appropriate level of reliance, the actuary should consider the following:

a. whether the individual or individuals upon whom the actuary is relying are experts in the applicable field;

The individuals listed as employees of the modeler appear to be experts in their respective fields.

b. the extent to which the model has been reviewed or opined on by experts in the applicable field, including any known significant differences of opinion among experts concerning aspects of the model that could be material to the actuary's use of the model; and



The modeler has provided documentation of reviews by outside experts. Many of these reviewers are well-recognized experts in their fields. I have reviewed the findings of the outside experts and found no significant differences of opinion with respect to the validity of the model.

c. whether there are standards that apply to the model or to the testing or validation of the model, and whether the model has been certified as having met such standards.

Standards for catastrophe loss models have been promulgated by a few states. Most notably, the Florida Commission on Hurricane Loss Projection Methodology was created to review catastrophe loss models. The model(s) used in this work product, or derivatives thereof, have been certified by the Florida Commission on Hurricane Loss Projection Methodology.

3.3 Understanding of the Model

The actuary should be reasonably familiar with the basic components of the model and understand both the user input and the model output, as discussed below.

I have reviewed the modeler's ASOP 38 document and supporting documentation describing the model's components, input, and output, as well as other documentation, to comply with this requirement. In addition, I have specialized in actuarial applications of catastrophe model output since 2005.

3.3.1 Model Components—The actuary should be reasonably familiar with the basic components of the model and have a basic understanding of how such components interrelate within the model. In addition, the actuary should identify which fields of expertise were used in developing or updating the model, and should make a reasonable effort to determine if the model is based on generally accepted practices within the applicable fields of expertise. The actuary should also be reasonably familiar with how the model was tested or validated and the level of independent expert review and testing.

I am reasonably familiar with the basic components of the model and have a basic understanding of how such components interrelate within the model. I have identified the fields of expertise used in developing and updating the model and have determined that the model is based on generally accepted practices within the applicable fields of expertise. I am reasonably familiar with how the model was validated and have reviewed the documentation of reviews by outside experts.

3.3.2 User Input—Certain user input may be required to produce model output for the specific application. The actuary should understand the user input that is required to produce the model output. This understanding includes the level of detail required in the user input to produce results that are consistent with the intended use of the model.

I understand the user input required to produce model output, including the level of detail required to produce results that are consistent with insurance ratemaking and risk management applications.

3.3.3 Model Output—The actuary should determine that the model output is consistent with the actuary's intended use of the model.

I have determined that the model output is consistent with the insurance ratemaking applications for which it was used. We most often use event loss detail in our work, so we are always careful that our results balance to the model's prepared exhibits.



3.4 Appropriateness of the Model for the Intended Application

The actuary should evaluate whether the model is appropriate for the particular actuarial analysis, and consider limitations of the model, modifications to the model, and the assumptions needed in order to apply the model output.

The catastrophe model(s) we have relied upon were developed for purposes related to the management of risk. I have evaluated the model(s) in light of available alternatives and determined that the catastrophe loss model is the most appropriate method of estimating expected catastrophe loss distributions for insurance ratemaking.

Some additional considerations include the following:

a. Applicability of Historical Data—To the extent historical data are used in the development of the model or the establishment of model parameters, the actuary should consider the adequacy of the historical data in representing the range of reasonably expected outcomes consistent with current knowledge about the phenomena being analyzed.

Historical data is relied upon extensively in the development and validation of catastrophe loss models. Smoothing procedures are applied in cases where reasonably foreseeable events are underrepresented in the historical data.

b. Developments in Relevant Fields—The actuary should make a reasonable effort to be aware of significant developments in relevant fields of expertise. The actuary should evaluate whether such developments are likely to materially affect the current actuarial analysis.

Catastrophe loss models are typically updated on an annual basis in order to incorporate the most current scientific research and information from recent catastrophe events.

I have made a reasonable effort to be aware of significant developments in the relevant fields of expertise. In particular, meteorological studies related to the current period of elevated hurricane activity are important in determining which of a model's frequency assumptions should be utilized in insurance ratemaking applications involving hurricane-exposed risk portfolios. Aon maintains a documentation library containing current research in the science of catastrophe perils.

3.5 Appropriate Validation

The actuary should evaluate the user input and the reasonableness of the model output, as discussed below.

3.5.1 User Input—With respect to the quality and availability of the user input data to be used in the model, the actuary should refer to ASOP No. 23, Data Quality.

The model input data for this analysis was supplied by the client. The data was reviewed for reasonableness in accordance with ASOP 23.

3.5.2 Model Output—In view of the intended use of the model, the actuary should examine the model output for reasonableness, considering factors such as the following:

a. the results derived from alternate models or methods, where available and appropriate;



In addition, Aon conducts extensive testing of each model that we license whenever a new model is released. Output from Model output is checked for reasonability against other models and for consistency with the modeler's representations as to changes incorporated in the current version. I have reviewed the results of these tests and found the model used in this analysis to provide reasonable output.

b. how historical observations, if applicable, compare to results produced by the model;

Catastrophes, by their nature, involve significant uncertainty in the amount of insured losses they produce. In light of this uncertainty, the model has been shown to produce reasonable estimates of losses incurred from historical events.

I have reviewed the modeler's ASOP 38 document and supporting documentation describing comparisons of model output to historical observations and found that the model produces reasonable estimates.

c. the consistency and reasonableness of relationships among various output results; and

I have reviewed the relationships among output results and found them to be consistent and reasonable.

d. the sensitivity of the model output to variations in the user input and model assumptions.

Aon conducts extensive testing of each model that we license with respect to the sensitivity of model output to variations in the user input and model assumptions. I have reviewed the results of these tests and obtained an understanding of the model's sensitivity.

3.6 Appropriate Use of the Model

Having completed the analysis described in sections 3.2–3.5 above, the actuary should use his or her professional judgment to determine whether it is appropriate to use the model results, subject to any appropriate adjustments. The actuary should disclose any such adjustments in accordance with section 4.3.

In my professional judgment, it is appropriate to use the model results, without adjustment, for the purposes of the actuarial work product to which this document is attached.

3.7 Reliance on Model Evaluation by Another Actuary

The actuary may rely on another actuary who has, for a particular model, conducted some or all of the evaluations and processes described in this standard. However, the relying actuary should be satisfied that the other actuary's evaluation was performed in accordance with this standard and is appropriate for the intended application. The actuary should document the extent of such reliance in accordance with section 4.1.

Actuaries utilizing the actuarial work product to which this document is attached can rely on my complete evaluation of the model(s) used as described above. In doing so, they should document the extent of such reliance in their work.



Empower Results®

Minchong Mao FCAS, MAAA

A handwritten signature in black ink that reads "Minchong Mao". The signature is written in a cursive style.

Aug 13th 2020

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PRE-FILED DIRECT TESTIMONY OF MINCHONG MAO
2020 HOMEOWNERS INSURANCE RATE FILING
by the
NORTH CAROLINA RATE BUREAU

Q. Please state your full name and business address for the record.

A. My name is Minchong Mao. My business address is Aon, 200 East Randolph Street, 11th Floor, Chicago, Illinois 60601.

Q. What is your involvement in this matter?

A. My employer, Aon, has been retained by the North Carolina Rate Bureau (NCRB) to provide catastrophe and reinsurance analytics with respect to the expected hurricane losses and net cost of reinsurance utilized in the NCRB 2020 Homeowners Insurance rate filing. I am part of the catastrophe analytics team at Aon that performed these services.

Q. What are your primary responsibilities for Aon?

A. I am a Senior Managing Director and a Catastrophe Actuary at Aon's Reinsurance Solutions - Catastrophe Risk Analytics group. I advise clients on catastrophe actuarial services, such as rate indications, rate filing strategy,

1 underwriting strategy, and use of catastrophe models in risk management. I am
2 responsible for Aon's compliance on ASOP 38 regarding use of catastrophe
3 models. I am a consulting actuary for Aon's in-house model Impact Forecasting,
4 LLC. I work with a group of catastrophe modelers to provide catastrophe
5 modeling support for reinsurance placements. Our client services include but are
6 not limited to support for multi-model analytics, customized view of risks,
7 catastrophe pricing, catastrophe risk selections, data augmentation, model
8 evaluation, real-time event response, portfolio optimization, actuarial support,
9 reinsurance cost allocations, and rating agency questionnaire support.

10

11 **Q. Describe your professional and educational background.**

12

13 A. I have been with Aon since September 2018. Prior to joining Aon, I worked at
14 State Farm Insurance Companies for over 17 years from 2001 to 2018 where I
15 served as the head of the catastrophe modeling functions since 2005. During my
16 tenure at State Farm, I was responsible for State Farm's use of catastrophe
17 models in pricing, underwriting, claims, reinsurance, securitization, enterprise risk
18 managements, and rating agency reporting.

19

20 I had 2 years of rate making experience as a pricing actuary for Homeowner lines
21 at State Farm. I am familiar with the development and implementation of
22 Homeowner rates and rules. I understand the challenges for an insurer to
23 balance rate adequacy, competitiveness, and meet financial objectives at the
24 same time.

1

2 I have a Bachelor's degree in Biochemical Engineering from Beijing University of
3 Chemical Technology, a Master's degree in Chemistry from Eastern Illinois
4 University, and a Master's degree in Computer Science from the University of
5 Missouri - Columbia.

6

7 **Q. Are you a member of any professional actuarial organizations?**

8

9 A. Yes. I am a Fellow of the Casualty Actuarial Society (FCAS), and a Member
10 of the American Academy of Actuaries (MAAA). I am a Certified Catastrophe
11 Risk Management Professional (CCRMP), a new designation created by the
12 CAS Institute (iCAS) and International Society of Catastrophe Managers (ISCM).
13 I am currently serving on the Casualty Actuarial Society's Climate Change
14 Committee, American Academy of Actuaries' Extreme Event Risk Committee,
15 and on the advisory board for CCRMP designation. I am in good standing with
16 the requirements of all of these organizations.

17

18 I am part of a working group that authored the following monographs for the
19 American Academy of Actuaries:

- 20 • The National Flood Insurance Program: Challenges and Solutions (2017)
- 21 • Uses of Catastrophe Model Output (2018)
- 22 • Wildfire: An Issue Paper - Lessons Learned from the 2017–2018
23 California Events (2019)

1 I am one of the recipients of the Casualty Actuarial Society's Above and Beyond
2 Achievement Award in 2019 to recognize my leadership and contributions to
3 establish the CCRMP designation for the insurance industry.

4

5 **Q. Please describe your relevant experience and qualifications for this**
6 **proceeding.**

7

8 A. I started practicing in the catastrophe risk management field in 2005. During
9 my tenure at State Farm, I managed State Farm's catastrophe modeling function
10 from 2005 to 2018. I managed vendor relationships with AIR, EQECAT, ARA,
11 and RMS. I provided filing support and helped my employer through many
12 regulatory challenges related to the use of models in insurance operations. I
13 provided actuarial opinions on State Farm's use of catastrophe models. I
14 established the due diligence and model validation framework to ensure
15 catastrophe modeling practices at State Farm met the actuarial standards and
16 complied with laws and regulatory requirements. My team provided various
17 catastrophe risk measures and analytics for State Farm Fire and affiliates for rate
18 making, exposure management, claims, ERM, rating agency reporting,
19 reinsurance and securitization purposes.

20

21 From 2010 to 2013, I was a member of an advisory group to the Insurance
22 Bureau of Canada (IBC) and Office of the Superintendent of Financial Institutions
23 (OSFI) to provide expert opinions on insurance and economic impact of major

1 earthquakes in Canada. From 2011 to 2013, I was a member of an advisory
2 group for IBC and OSFI to revise OSFI Guideline B-9 (Earthquake Exposure
3 Management Sound Practice Guideline for insurance companies). I led a State
4 Farm team to establish the compliance framework to meet OSFI B-9 regulation
5 requirements.

6

7 In January 2015, I was appointed by Florida CFO Jeff Atwater to serve on the
8 Florida Commission on Hurricane Loss Projection Methodology (FCHLPM) as
9 the industry actuary. From January 2015 to September 2018, I represented the
10 property insurance industry on the FCHLPM to review and accept hurricane
11 models for use in ratemaking in the State of Florida. My term on the FCHLPM
12 ended in September 2018 due to my job change.

13

14 The hurricane models used for this rate filing, AIR Touchstone V7.3 and RMS
15 RiskLink V18.1, are both certified by FCHLPM.

16

17 **Q. Describe the role of Aon Reinsurance Solutions Analytics and**

18 **Catastrophe Risk Analytics.**

19

20 A. Aon Reinsurance Solutions Analytics (a.k.a Reinsurance Analytics) provides
21 consultative services to Aon's clients who place catastrophe reinsurance through
22 Aon. These clients are primary insurers selling property insurance products in
23 catastrophe prone areas. Aon Reinsurance Analytics provides value-added

1 service which is above and beyond reinsurance brokering transactions. Our
2 client services include but are not limited to support for multi-model analytics,
3 customized view of risks, catastrophe pricing, catastrophe risk selections, data
4 augmentation, model evaluation, real-time event response, portfolio optimization,
5 reinsurance cost allocations, actuarial support and rating agency questionnaire
6 support.

7

8 Within the Reinsurance Analytics division, there is a team specialized in
9 catastrophe risk analytics. I am part of the catastrophe risk analytics team that
10 provides clients with catastrophe risk management information and assists
11 clients with their reinsurance purchasing decisions.

12

13 **Q. Describe your experience with catastrophe models.**

14

15 A. From 2005 to 2006, I performed the catastrophe modeling analyst's role,
16 which includes hands-on experience with multiple models - from data preparation
17 to running the models, to post model aggregation. My daily work involved data
18 preparation and converting exposure data into model input files. I gained
19 knowledge about how different models handle building characteristics and
20 insurance terms. I used RMS RiskLink, AIR Clasic/2, and EQECAT models on a
21 daily basis. I developed understanding about models' back end database and
22 output. I performed post model analysis and wrote computer programs to
23 develop risk metrics such as PMLs, AALs, and TVaR to help State Farm assess
24 and manage catastrophe risks. Later in my career, I built a team and delegated

1 many modeling tasks to my colleagues. I stayed involved by providing guidance
2 and managing the day to day work of the catastrophe modeling unit.

3

4 **Q. Describe your experience with catastrophe reinsurance.**

5

6 A. My experience with reinsurance started in 2005 at State Farm. State Farm is
7 a reinsurance buyer and I was a part of the company's reinsurance buying team.
8 I supported the reinsurance function in multiple dimensions. My work included
9 using catastrophe model output and financial information to help my employer in
10 structuring reinsurance, conducting technical pricing, drafting and reviewing
11 reinsurance contracts, and participating in reinsurance buying trips. I evaluated
12 catastrophe risks and cost of capital from both ceding and assuming parties. I
13 worked closely with our reinsurance broker to validate our view of risks using
14 external benchmarks. At Aon, I am directly involved with our clients who are
15 seeking to purchase catastrophe reinsurance. Output from models is used by
16 our brokers, clients, and capital markets to determine the reinsurance structure
17 and pricing. We customize reinsurance solutions based on clients' risk appetite
18 and risk profile.

19

20 **Q. Do you speak on topics pertaining to catastrophe modeling?**

21

22 A. Yes. I have presented at CAS Ratemaking, Product and Modeling
23 Conferences. I am a frequent speaker at Reinsurance Association of America's
24 annual catastrophe modeling conference. My topics have included model

1 blending, model regulation, wildfire modeling, etc. From 2012 to 2018, I was a
2 visiting instructor for the Illinois State University Math Department Actuarial
3 Science program. I presented catastrophe modeling and regulatory topics to
4 actuarial students. From 2016 to 2018, I was a member of the planning
5 committee for the Reinsurance Association of America's annual catastrophe
6 modeling conference. I organized and moderated panels and engaged speakers
7 to cover a variety of catastrophe topics.

8

9 **Q. You already have other prefiled testimony in this filing, do you not?**

10

11 A. Yes. My other testimony is contained in Exhibits RB-6, RB-6A, RB-6B, and
12 RB-6C and pertains generally to the development of the modeled hurricane
13 losses used in this filing.

14

15 **Q. Would you please explain the circumstances leading to your providing
16 this testimony?**

17

18 A. Yes. My colleague Stephen Fiete led the Aon team that developed the
19 provisions for the net cost of reinsurance used in this filing, and he provided the
20 original testimony in this filing regarding that work. Mr. Fiete resigned from Aon
21 effective March 15, 2021, and I was chosen to step into his place in terms of
22 providing testimony regarding the development of the provisions for the net cost
23 of reinsurance. I am very familiar with the methodologies and results of that
24 work. I have reviewed Mr. Fiete's testimony on behalf of Aon regarding those
25 methodologies and the results of that work, and I approve and adopt that

1 testimony. Therefore, the remainder of my testimony here is substantively the
2 same as the corresponding portions of Mr. Fiete's testimony.

3

4 **Q. What was your role in this filing with respect to expected catastrophe**
5 **losses?**

6

7 A. I worked with an Aon Reinsurance Analytics team to determine a suitable
8 provision for the net cost of reinsurance for the state overall and an allocation of
9 that cost by territory. The provision used exposure data from all the Homeowner
10 risks in the state so that a cost provision would be appropriate to use in a uniform
11 rate schedule applicable to all insurers in the state.

12

13 **Q. What is catastrophe reinsurance, who buys it, and why do they buy it?**

14

15 A. Catastrophe reinsurance is a contract purchased by a primary insurance
16 company and sold by a reinsurer, or a group of reinsurers, to transfer risk from
17 loss due to large catastrophic events. The most common type of contract used
18 for catastrophe risk is called "Portfolio Excess of Loss", a.k.a. "Portfolio XOL", or
19 just "XOL". A single XOL contract has an "attachment" and a "limit". An XOL
20 covers the amount of portfolio loss caused by a single event in the amount which
21 exceeds the XOL attachment with a maximum equal to the XOL limit. In some
22 instances, there is co-participation, which means that only a percentage of the
23 amount of loss in the XOL layer is covered. Portfolio XOL contracts (a.k.a.
24 "treaties" since there are typically multiple reinsurers involved) cover the first

1 event within a year of coverage. It is standard practice to write into the treaty a
2 provision for the primary carrier to automatically purchase a “reinstatement” if
3 they have a loss which triggers a reinsurance payment. The reinstatement
4 premium allows for the full limit to be reinstated after the first event uses up the
5 limit provided. There are cases where a limit is provided and if an event exhausts
6 that limit, then there is no coverage available for the remainder of the contract
7 period. It is typical of primary carriers to buy multiple treaties that stack on top of
8 each other. In other words, a treaty will have an attachment equal to the
9 attachment plus limit of another treaty. Primary carriers buy reinsurance to
10 ensure the company is financially viable after very large and uncommon to rare
11 events.

12

13 **Q. Are catastrophe simulation models commonly used by insurers for**
14 **ratemaking in catastrophe-exposed lines and jurisdictions?**

15

16 A. Yes, catastrophe models have become the standard method of estimating
17 catastrophe risk in rate filings and reinsurance. We have provided data and
18 analysis for Aon clients to use in their rate filings in multiple states.

19

20 **Q. What is demand surge?**

21

22 A. Demand surge is a social economic phenomenon defined by the Actuarial
23 Standards Board as ‘a sudden and usually temporary increase in the cost of

1 materials, services and labor due to the increased demand for them following a
2 catastrophe.’ Demand surge usually occurs after large-scale disasters such as
3 earthquakes, tsunamis, cyclones or flooding. The models incorporate demand
4 surge into their loss estimates.

5

6 **Q. Should model output include demand surge?**

7

8 A. All applications of catastrophe model output should reflect demand surge.

9 Demand surge is a real social economic phenomenon. Insurance companies’
10 claims experience includes the effect of demand surge. Excluding demand surge
11 would underestimate catastrophe losses.

12

13 **Q. Does any state prohibit the inclusion of demand surge in modeled**
14 **losses for rate filings?**

15

16 A. I am not aware of any prohibitions against the use of demand surge in rate
17 filings in any jurisdiction. The South Carolina Department of Insurance Bulletin
18 2014-03 states “Demand surge may be included in the modeled results as long
19 as the company provides the impact it has on the modeled losses.” The Florida
20 Commission on Hurricane Loss Projection Methodologies’ actuarial standards
21 require hurricane models to incorporate demand surge based on relevant data
22 and actuarially sound methods and assumptions.

23

1 **Q. North Carolina has laws prohibiting “price gouging” following a**
2 **hurricane. Does that eliminate demand surge?**

3

4 A. No. Florida has a similar law (Title XXXIII 501.160). Demand surge can and
5 does occur due to supply and demand economics in situations that would not be
6 considered price gouging and/or that would not be prevented by statutes
7 prohibiting price gouging.

8

9 **Q. Does it make sense for North Carolina hurricane losses to include**
10 **demand surge for very large events impacting other states even if those**
11 **events were less significant in North Carolina?**

12

13 A. Yes, the intent of the model is to reflect economic conditions that will influence
14 construction prices and other aspects of insured loss (such as, for example, the
15 increased period of time a carrier has to pay for hotel rooms for insureds while
16 their damaged homes are repaired) in the time period shortly after a catastrophe
17 event occurs. Since labor and materials resources are exchanged by people
18 across state lines, we believe the demand surge effect on prices in other states
19 will have an effect in North Carolina.

20

21 **Q. Are you aware of how the reinsurance program was designed and priced**
22 **for purposes of this rate filing? Do you think it is reasonable?**

23

1 A. Yes, the Aon Reinsurance Analytics team designed the reinsurance program
2 for this rate filing. The basis of the reinsurance program structure and pricing is
3 determined by an analysis of reinsurance programs placed by Aon for its
4 reinsurance clients. Three components of the analysis are described here.

5

6 **Program attachment and total limit** describes the total amount of reinsurance
7 coverage. Since companies vary substantially in size, so does their limit
8 purchase and attachment for their bottom layers. To normalize for company size,
9 we looked at the frequency with which a single event would trigger a recovery
10 and the frequency with which a single event would exhaust the limit of the entire
11 program for each company. This was calculated separately for the AIR and the
12 RMS models. We then calculated the median attachment and exhaustion
13 (exhaustion = bottom layer attachment + total program limit) frequencies by
14 model and by region (Southeast and Nationwide). The frequencies for
15 attachment and exhaustion were averaged across the regions, which resulted in
16 attachment and exhaustion frequency by model. Using portfolio loss distributions
17 by model for the portfolio in the filing, we calculated the dollar amount of
18 attachment and exhaustion (and therefore limit) by model. The attachment of the
19 reinsurance program in the filing is the average of the AIR indicated attachment
20 and RMS indicated attachment. The exhaustion of the reinsurance program in
21 the filing is the average of the AIR indicated exhaustion and the RMS indicated
22 exhaustion.

1 **Reinsurance Market Pricing Model** For AIR and RMS, a log-linear regression
2 model was built to calculate fitted reinsurance price based on modeled expected
3 ceded loss. Using these regression models, an indicated price for any layer can
4 be calculated based on each catastrophe model (AIR and RMS). The selected
5 prices by layer used in this rate filing are the averages of the AIR indicated prices
6 and the RMS indicated prices.

7

8 Note: Because insight into reinsurance market pricing is an important proprietary
9 asset for Aon, the log-linear models are considered a trade secret and therefore
10 not disclosed in this public filing.

11

12 **Program Structure** After the program attachment and limit are determined and
13 the market pricing model is determined, we break up the program limit into
14 layers. We run an optimization analysis which finds the five-layer cat program
15 that has the lowest possible total program reinsurance premium. In the prior
16 Homeowners filing, we looked at the ratio of standard deviation of ceded loss to
17 limit by layer and selected breakpoints. The method this year removes
18 subjectivity and is designed to calculate an indicated reinsurance premium that is
19 as low as possible, subject to the market pricing model and program attachment
20 and limit specifications.

21

22 The reinsurance structure determined by the method described above is shown
23 in Exhibit RB-8A. The pricing with loss analysis is shown in Exhibit RB-8B.

1

2 Q. How was the reinsurance premium allocated?

3

4 A. Reinsurance premium by layer is allocated to a territory based on that
5 territory's share of expected ceded loss and loss adjustment expense (LAE) by
6 layer. Exhibit RB-8B shows the total expected ceded loss and LAE by layer and
7 Exhibit RB-8D shows the proportion of hurricane peril reinsurance premium,
8 ceded average annual loss, and reinsurance margin (a.k.a. "net cost of
9 reinsurance") allocated to each territory segment for each layer. Other perils
10 were used in the calculation, but because they contributed such a small amount
11 of expected ceded loss they were not shown on the exhibits. Exhibit RB-8E
12 shows the dollar amount of reinsurance margin allocated by territory.

13

14 Q. How was the net cost of reinsurance calculated?

15

16 A. Net cost of reinsurance is Deposit Premium + Expected Reinstatement
17 Premium - Expected Ceded Loss & LAE. The reinsurance program, the loss
18 distribution from the portfolio as determined by a cat model and the LAE
19 assumptions are input into ReMetrica, Aon's DFA (Dynamic Financial Analysis)
20 software program, to calculate the average ceded loss and LAE and average
21 reinstatement premium over a number of simulated years. The loss distribution
22 which is produced by the AIR models is already in the form of simulated loss
23 experience for 100,000 years. ReMetrica calculates for each year the total
24 reinsurance recoveries and reinstatement premium paid. ReMetrica then

1 calculates the average annual ceded loss & LAE, and the average reinstatement
2 premium. The loss distribution from RMS models is a list of possible catastrophic
3 events. Instead of providing specific year, day and amount of loss from each
4 event, each event has a parametric distribution for frequency and severity.
5 ReMetrica creates a simulation of 1,000,500 years of loss experience to make a
6 table containing year, day, and specific amount of loss. From that point the
7 calculation works the same as the AIR model. One million five hundred simulated
8 years were used instead of a round one million because the hardware
9 configuration works most efficiently if the number of years is a multiple of 23.

10

11 For the NCRB Homeowners filing, our analysis shows that expected premium is
12 \$620,025,031, expected ceded loss & LAE is \$185,385,021, and the net cost of
13 reinsurance is \$434,640,010, as shown on Exhibit RB-8E and the summary on
14 Exhibit RB-8B. Allocation by territory is done using the method described above.

15

16 **Given your experience in catastrophe reinsurance, do you find this**
17 **approach to be reasonable?**

18 A. Yes. Aon's approach is based on detailed information on current reinsurance
19 market rates and underlying model output.

20

21 **Q. Do you know whether the Rate Bureau has used in its 2020 Homeowners**
22 **filing the Aon net cost of reinsurance results you provided?**

23

1 A. Yes, I am advised that the Rate Bureau has used in the filing both our
2 statewide net cost of reinsurance results and those results allocated to the
3 territory level.

4

5 **Q. Are you aware of the provisions in the North Carolina statutes, in**
6 **N.C.G.S. 58-36-10(7), that state:**

7 *Property insurance rates established under this Article may include a*
8 *provision to reflect the cost of reinsurance to protect against catastrophic*
9 *exposure within this State. Amounts to be paid to reinsurers, ceding*
10 *commissions paid or to be paid to insurers by reinsurers, expected*
11 *reinsurance recoveries, North Carolina exposure to catastrophic events*
12 *relative to other states' exposure, and any other relevant information may*
13 *be considered when determining the provision to reflect the cost of*
14 *reinsurance.*

15

16 A. Yes. I am. This NC statute provision is consistent with ASOP 53, Estimating
17 Future Costs of Prospective Property/Casualty Risk Transfer and Risk Retention,
18 which “applies to actuaries when performing actuarial services with respect to
19 developing or reviewing future cost estimates (commonly known as actuarial
20 indications) for prospective property/casualty risk transfer and risk retention. For
21 example, this standard applies when actuaries are developing future cost
22 estimates underlying product prices, estimating funding requirements for self-
23 insured programs and captives, and developing reinsurance prices.”

24

1 **Q. Do you have an opinion whether the analysis you and Aon have**
2 **performed on behalf of the Rate Bureau on the net cost of reinsurance for**
3 **this filing has taken into consideration the provisions of that statute?**

4
5 A. Yes. Based on my experience with hurricane models and using modeled
6 hurricane losses and my experience with catastrophe reinsurance and
7 determining catastrophe reinsurance costs for rate filings, it is my opinion that the
8 analysis we have performed on the net cost of reinsurance for this filing properly
9 considers all of the items set forth by the statute. Further, it is my opinion based
10 on my experience in the actual marketplace that a reasonable and appropriate
11 provision for the net cost of reinsurance must be incorporated into Homeowners
12 insurance rates in North Carolina in order for those rates to properly reflect and
13 protect against the catastrophe exposure in this state.

14
15 **Q. Do you have an opinion regarding the appropriateness of the net cost of**
16 **reinsurance provision incorporated into this Homeowners filing?**

17
18 A. Yes. Based on my experience with hurricane models and using modeled
19 hurricane losses and my experience with catastrophe reinsurance and
20 determining catastrophe reinsurance costs for rate filings, it is my opinion that the
21 provision for the net cost of reinsurance in the filing, at the statewide and territory
22 levels, is reasonable and appropriate.

23
24 **Q. Does that conclude your testimony?**

25

1 A. Yes.

North Carolina Rate Bureau
Homeowners Insurance Rate Filing
Support for Selected Reinsurance Structure

| Over the Top | CY18 Homeowners | |
|---------------------------|-----------------------------|-----------------------------|
| | Attachment Return Period | Exhaustion Return Period |
| \$3.16B xs \$7.56B | 134 | 255 |
| \$2.50B xs \$5.06B | 71 | 134 |
| \$2.00B xs \$3.06B | 36 | 71 |
| \$1.00B xs \$2.06B | 22 | 36 |
| \$1.00B xs \$1.06B | 11 | 22 |
| Retention | | |

The table above shows the All Peril 50/50 AIRv7.3/RMSv18.1 blend attachment and exhaustion points with Catastrophe LAE for the North Carolina Rate Bureau portfolio, along with the selected reinsurance program.

**North Carolina Rate Bureau
Homeowners Insurance Rate Filing
Reinsurance Program Summary**

| Reinsurance Layer | Rate-On-Line | Deposit Premium | Reinstatement Premium | Expected Total Premium | Expected Ceded Loss | Net Cost of Reinsurance |
|-------------------|--------------|-----------------|-----------------------|------------------------|---------------------|-------------------------|
| 3.163B xs 7.566B | 2.94% | 93,055 | 520 | 93,575 | 17,777 | 75,798 |
| 2.5B xs 5.06B | 4.50% | 112,575 | 1,161 | 113,736 | 26,047 | 87,689 |
| 2B xs 3.06B | 7.02% | 140,380 | 2,774 | 143,154 | 40,108 | 103,046 |
| 1B xs 2.06B | 10.36% | 103,560 | 3,654 | 107,214 | 36,158 | 71,056 |
| 1B xs 1.06B | 15.28% | 152,760 | 9,585 | 162,345 | 65,295 | 97,050 |
| Total | | 602,330 | 17,695 | 620,025 | 185,385 | 434,640 |

Dollar amounts are in thousands

The table above shows indicated rates-on-line for the filing's reinsurance structure along with analysis of modeled catastrophe losses. Rate-on-Line values have been selected using the current Loss-On-Line approach, which is a benchmarking analysis done using reinsurance treaties placed by Aon.

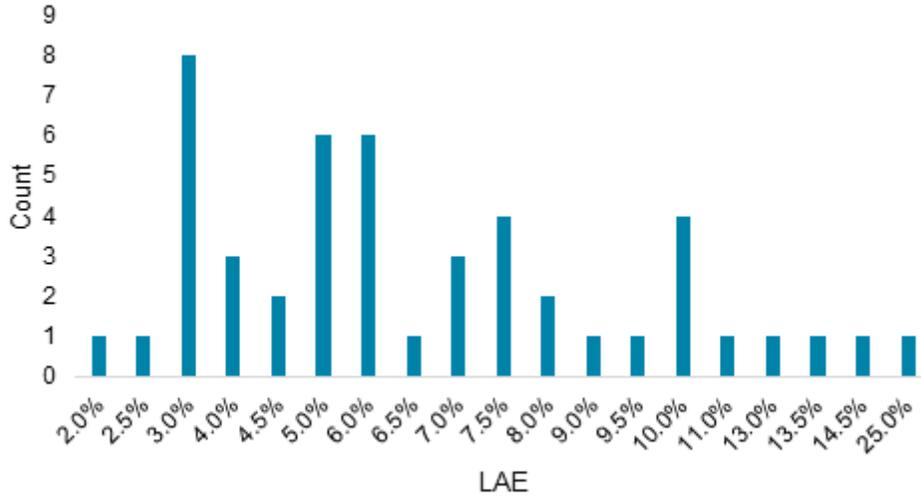
Deposit Premium is Rate-On-Line * Layer Limit

Expected Ceded Loss and Expected Reinstatement premium are the average annual amounts of each based on a simulation of catastrophe losses subject to the reinsurance program.

Expected Total Premium = Deposit Premium + Expected Reinstatement Premium

Net Cost of Reinsurance = Expected Total Premium - Expected Ceded Loss

North Carolina Rate Bureau Homeowners Insurance Rate Filing Support for Selected Catastrophe LAE Factor



This chart shows Catastrophe LAE factors applied to modeled catastrophe event losses in AM Best SRQ Submissions by Aon clients in 2019.

- Factors were rounded to the nearest 0.5
- A weighted average was used where factors varied by peril
- Multiple factors were counted where factors varied by company within a group
- Reflects all clients that included a provision for LAE

The mean factor is 6.8, the median is 6.0, and the mode is 3.0.

North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2018
AIRv7.3 / RMS v18.1

Layer 1: 1B xs 1.06B

| Peril/Territory | Premium | Ceded AAL | Reins Margin |
|--------------------|----------------|----------------|----------------|
| HU | 79.90% | 75.87% | 82.60% |
| 110 | 5.53% | 5.21% | 5.74% |
| 120 | 8.04% | 7.82% | 8.19% |
| 130 | 2.11% | 1.95% | 2.21% |
| 140 | 20.04% | 19.57% | 20.36% |
| 150 | 4.46% | 4.18% | 4.65% |
| 160 | 3.85% | 3.62% | 4.00% |
| 170 | 0.14% | 0.13% | 0.15% |
| 180 | 3.43% | 3.18% | 3.59% |
| 190 | 1.11% | 1.03% | 1.17% |
| 200 | 0.58% | 0.54% | 0.61% |
| 210 | 0.92% | 0.86% | 0.97% |
| 220 | 2.41% | 2.24% | 2.53% |
| 230 | 0.82% | 0.76% | 0.86% |
| 240 | 2.64% | 2.47% | 2.76% |
| 250 | 1.10% | 1.02% | 1.16% |
| 260 | 0.51% | 0.48% | 0.53% |
| 270 | 8.46% | 7.97% | 8.79% |
| 280 | 1.08% | 1.02% | 1.12% |
| 290 | 1.03% | 0.95% | 1.08% |
| 300 | 0.26% | 0.24% | 0.28% |
| 310 | 3.07% | 2.86% | 3.20% |
| 320 | 1.58% | 1.47% | 1.65% |
| 330 | 0.05% | 0.05% | 0.06% |
| 340 | 4.67% | 4.38% | 4.87% |
| 350 | 0.81% | 0.77% | 0.85% |
| 360 | 0.97% | 0.92% | 1.01% |
| 370 | 0.04% | 0.04% | 0.05% |
| 380 | 0.09% | 0.09% | 0.10% |
| 390 | 0.08% | 0.08% | 0.08% |
| OW | 15.02% | 18.52% | 12.67% |
| WT | 5.08% | 5.60% | 4.72% |
| Grand Total | 100.00% | 100.00% | 100.00% |

North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2018
AIRv7.3 / RMS v18.1

Layer 2: 1B xs 2.06B

| Peril/Territory | Premium | Ceded AAL | Reins Margin |
|--------------------|----------------|----------------|----------------|
| HU | 86.26% | 82.06% | 88.39% |
| 110 | 4.63% | 4.23% | 4.83% |
| 120 | 8.65% | 8.53% | 8.71% |
| 130 | 1.91% | 1.72% | 2.00% |
| 140 | 21.66% | 21.49% | 21.75% |
| 150 | 4.35% | 4.04% | 4.51% |
| 160 | 4.18% | 3.94% | 4.31% |
| 170 | 0.13% | 0.12% | 0.14% |
| 180 | 3.62% | 3.36% | 3.76% |
| 190 | 1.21% | 1.12% | 1.25% |
| 200 | 0.64% | 0.60% | 0.66% |
| 210 | 1.01% | 0.94% | 1.04% |
| 220 | 2.78% | 2.56% | 2.89% |
| 230 | 0.93% | 0.86% | 0.96% |
| 240 | 2.96% | 2.76% | 3.06% |
| 250 | 1.28% | 1.18% | 1.33% |
| 260 | 0.58% | 0.54% | 0.60% |
| 270 | 9.89% | 9.34% | 10.17% |
| 280 | 1.29% | 1.22% | 1.33% |
| 290 | 1.21% | 1.10% | 1.26% |
| 300 | 0.30% | 0.27% | 0.32% |
| 310 | 3.72% | 3.45% | 3.85% |
| 320 | 1.87% | 1.73% | 1.94% |
| 330 | 0.07% | 0.06% | 0.07% |
| 340 | 5.29% | 4.93% | 5.47% |
| 350 | 0.89% | 0.83% | 0.92% |
| 360 | 1.01% | 0.94% | 1.05% |
| 370 | 0.05% | 0.04% | 0.05% |
| 380 | 0.08% | 0.08% | 0.08% |
| 390 | 0.07% | 0.06% | 0.07% |
| OW | 11.29% | 16.06% | 8.86% |
| WT | 2.46% | 1.88% | 2.75% |
| Grand Total | 100.00% | 100.00% | 100.00% |

North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2018
AIRv7.3 / RMS v18.1

Layer 3: 2B xs 3.06B

| Peril/Territory | Premium | Ceded AAL | Reins Margin |
|--------------------|----------------|----------------|----------------|
| HU | 90.57% | 86.40% | 92.19% |
| 110 | 3.98% | 3.39% | 4.20% |
| 120 | 9.07% | 8.99% | 9.11% |
| 130 | 1.75% | 1.52% | 1.84% |
| 140 | 22.87% | 22.88% | 22.87% |
| 150 | 4.16% | 3.80% | 4.29% |
| 160 | 4.41% | 4.15% | 4.51% |
| 170 | 0.13% | 0.11% | 0.13% |
| 180 | 3.69% | 3.43% | 3.79% |
| 190 | 1.26% | 1.18% | 1.30% |
| 200 | 0.68% | 0.64% | 0.70% |
| 210 | 1.05% | 0.98% | 1.07% |
| 220 | 3.05% | 2.82% | 3.13% |
| 230 | 1.01% | 0.94% | 1.04% |
| 240 | 3.16% | 2.97% | 3.24% |
| 250 | 1.41% | 1.31% | 1.45% |
| 260 | 0.63% | 0.59% | 0.65% |
| 270 | 10.96% | 10.46% | 11.16% |
| 280 | 1.46% | 1.40% | 1.48% |
| 290 | 1.35% | 1.24% | 1.39% |
| 300 | 0.33% | 0.30% | 0.35% |
| 310 | 4.21% | 3.95% | 4.31% |
| 320 | 2.07% | 1.94% | 2.13% |
| 330 | 0.07% | 0.07% | 0.07% |
| 340 | 5.65% | 5.30% | 5.78% |
| 350 | 0.92% | 0.87% | 0.94% |
| 360 | 1.04% | 0.98% | 1.07% |
| 370 | 0.05% | 0.05% | 0.05% |
| 380 | 0.08% | 0.07% | 0.08% |
| 390 | 0.06% | 0.05% | 0.06% |
| OW | 7.76% | 12.44% | 5.94% |
| WT | 1.67% | 1.16% | 1.87% |
| Grand Total | 100.00% | 100.00% | 100.00% |

North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2018
AIRv7.3 / RMS v18.1

Layer 4: 2.5B xs 5.06B

| Peril/Territory | Premium | Ceded AAL | Reins Margin |
|--------------------|----------------|----------------|----------------|
| HU | 94.27% | 91.15% | 95.20% |
| 110 | 3.39% | 2.81% | 3.57% |
| 120 | 9.42% | 9.47% | 9.41% |
| 130 | 1.58% | 1.36% | 1.64% |
| 140 | 24.13% | 24.68% | 23.97% |
| 150 | 3.87% | 3.55% | 3.96% |
| 160 | 4.60% | 4.39% | 4.67% |
| 170 | 0.11% | 0.10% | 0.12% |
| 180 | 3.70% | 3.46% | 3.77% |
| 190 | 1.31% | 1.24% | 1.34% |
| 200 | 0.71% | 0.68% | 0.72% |
| 210 | 1.07% | 1.01% | 1.09% |
| 220 | 3.31% | 3.11% | 3.37% |
| 230 | 1.08% | 1.02% | 1.10% |
| 240 | 3.33% | 3.15% | 3.38% |
| 250 | 1.54% | 1.44% | 1.57% |
| 260 | 0.67% | 0.63% | 0.68% |
| 270 | 11.91% | 11.45% | 12.05% |
| 280 | 1.61% | 1.56% | 1.63% |
| 290 | 1.49% | 1.38% | 1.52% |
| 300 | 0.36% | 0.33% | 0.37% |
| 310 | 4.70% | 4.43% | 4.78% |
| 320 | 2.27% | 2.14% | 2.31% |
| 330 | 0.08% | 0.07% | 0.08% |
| 340 | 5.88% | 5.59% | 5.97% |
| 350 | 0.94% | 0.91% | 0.94% |
| 360 | 1.04% | 1.01% | 1.04% |
| 370 | 0.05% | 0.05% | 0.05% |
| 380 | 0.07% | 0.07% | 0.07% |
| 390 | 0.05% | 0.05% | 0.06% |
| OW | 4.67% | 8.13% | 3.65% |
| WT | 1.05% | 0.71% | 1.15% |
| Grand Total | 100.00% | 100.00% | 100.00% |

North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2018
AIRv7.3 / RMS v18.1

Layer 5: 3.163B xs 7.566B

| Peril/Territory | Premium | Ceded AAL | Reins Margin |
|--------------------|----------------|----------------|----------------|
| HU | 96.43% | 94.55% | 96.87% |
| 110 | 2.87% | 2.28% | 3.01% |
| 120 | 9.54% | 9.84% | 9.47% |
| 130 | 1.40% | 1.19% | 1.45% |
| 140 | 25.08% | 26.51% | 24.74% |
| 150 | 3.61% | 3.33% | 3.68% |
| 160 | 4.71% | 4.59% | 4.74% |
| 170 | 0.11% | 0.10% | 0.11% |
| 180 | 3.67% | 3.44% | 3.72% |
| 190 | 1.34% | 1.28% | 1.36% |
| 200 | 0.73% | 0.71% | 0.73% |
| 210 | 1.08% | 1.02% | 1.09% |
| 220 | 3.48% | 3.32% | 3.52% |
| 230 | 1.13% | 1.07% | 1.14% |
| 240 | 3.40% | 3.24% | 3.44% |
| 250 | 1.62% | 1.53% | 1.64% |
| 260 | 0.68% | 0.65% | 0.69% |
| 270 | 12.50% | 12.18% | 12.57% |
| 280 | 1.71% | 1.69% | 1.72% |
| 290 | 1.58% | 1.48% | 1.60% |
| 300 | 0.38% | 0.34% | 0.39% |
| 310 | 5.07% | 4.82% | 5.12% |
| 320 | 2.43% | 2.26% | 2.47% |
| 330 | 0.08% | 0.08% | 0.09% |
| 340 | 6.06% | 5.57% | 6.17% |
| 350 | 0.94% | 0.89% | 0.96% |
| 360 | 1.07% | 1.01% | 1.08% |
| 370 | 0.05% | 0.05% | 0.05% |
| 380 | 0.07% | 0.06% | 0.07% |
| 390 | 0.05% | 0.04% | 0.05% |
| OW | 2.72% | 4.89% | 2.22% |
| WT | 0.85% | 0.56% | 0.92% |
| Grand Total | 100.00% | 100.00% | 100.00% |

**North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2018
AIRv7.3 / RMS v18.1**

| Territory | Owners | Tenants | Condo Unit Owners | Total |
|------------------|--------------------|------------------|--------------------------|--------------------|
| 110 | 18,748,598 | 27,471 | 31,024 | 18,807,093 |
| 120 | 38,213,536 | 277,156 | 532,884 | 39,023,577 |
| 130 | 7,990,382 | 26,065 | 24,323 | 8,040,770 |
| 140 | 96,914,150 | 1,128,623 | 1,010,217 | 99,052,990 |
| 150 | 18,524,529 | 145,142 | 36,986 | 18,706,657 |
| 160 | 19,103,802 | 262,974 | 131,966 | 19,498,742 |
| 170 | 571,012 | 3,282 | 0 | 574,293 |
| 180 | 16,360,189 | 207,957 | 24,786 | 16,592,932 |
| 190 | 5,577,692 | 39,884 | 1,020 | 5,618,596 |
| 200 | 2,981,935 | 15,205 | 59 | 2,997,199 |
| 210 | 4,690,197 | 43,622 | 1,507 | 4,735,327 |
| 220 | 13,802,964 | 125,937 | 23,120 | 13,952,021 |
| 230 | 4,454,422 | 33,913 | 1,821 | 4,490,156 |
| 240 | 14,462,367 | 90,369 | 6,345 | 14,559,082 |
| 250 | 6,468,904 | 44,183 | 1,468 | 6,514,555 |
| 260 | 2,970,243 | 15,772 | 139 | 2,986,154 |
| 270 | 53,485,528 | 751,387 | 172,407 | 54,409,322 |
| 280 | 7,490,903 | 81,904 | 36,310 | 7,609,116 |
| 290 | 6,463,408 | 36,765 | 16,529 | 6,516,701 |
| 300 | 1,615,200 | 7,637 | 278 | 1,623,116 |
| 310 | 23,103,547 | 265,458 | 86,376 | 23,455,381 |
| 320 | 11,721,882 | 85,870 | 18,999 | 11,826,750 |
| 330 | 401,786 | 1,845 | 208 | 403,839 |
| 340 | 35,314,387 | 458,372 | 284,848 | 36,057,607 |
| 350 | 5,928,689 | 42,061 | 11,866 | 5,982,616 |
| 360 | 8,279,450 | 71,434 | 35,055 | 8,385,938 |
| 370 | 387,113 | 1,083 | 4,917 | 393,113 |
| 380 | 893,738 | 4,681 | 2,483 | 900,902 |
| 390 | 919,789 | 3,059 | 2,615 | 925,463 |
| Total | 427,840,344 | 4,299,111 | 2,500,555 | 434,640,010 |

**PREFILED TESTIMONY
OF
PAUL D. ANDERSON**

**2020 HOMEOWNERS INSURANCE RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q. Please state your name and business address.

A. My name is Paul D. Anderson. My business address is 15800 West Bluemound Road, Brookfield, WI 53005.

Q. By whom are you employed?

A. I am employed by Milliman, Inc. (Milliman) and have been employed by Milliman since February 1, 2007.

Q. What is your educational background?

A. I received a Bachelor of Science in Actuarial Science from Drake University in Des Moines, Iowa in 1993.

Q. Do you have any additional certifications or qualifications?

A. Yes. I have been a Fellow of the Casualty Actuarial Society since 2002. Since then, I have served on several committees of the Casualty Actuarial Society, including the following:

- Syllabus & Examination Committee: April 2004 to July 2006;
- Volunteer Support Task Force: February 2012 to April 2013;
- Volunteer Resources Committee: April 2013 to March 2020;
- Vehicle Technology & Impact on Loss Trends Planning Committee: October 2017 to August 2018;
- Participation Survey Task Force: January 2018 to Present;
- Crash Course in Vehicle Technology & Driverless Cars Committee (chairperson): February 2020 to Present; and
- Volunteer Resources Advisory Committee: June 2020 to Present.

I have also been a member of the American Academy of Actuaries since 2002 and meet all of the continuing education requirements of that organization as well as those of the Casualty Actuarial Society.

Q. What is your employment background?

A. I was employed by Allstate Insurance Company from June 1993 until January 2007. While at Allstate, I held various actuarial roles. I began my career as an

Auto Pricing Analyst and, over time, I assumed increasing responsibility in various departments that included Property Pricing, Auto Pricing, Property Research, and Auto Research. On the pricing teams, I assisted in developing rates for property and auto insurance products in most states across the country. On the research teams, I assisted in developing new property and auto risk classification plans to be implemented by Allstate's pricing teams. From 2006 until January 2007, I served as a Senior Manager for Allstate's Eastern region, which included assisting in the oversight of the pricing strategies for approximately half the country, including North Carolina.

In February 2007 I began my career at Milliman. Since 2007, I have completed, managed, or overseen numerous property and auto pricing analyses for a variety of clients. My clients have included small single-state insurance companies, industry-leading national insurance companies, government entities, the North Carolina Rate Bureau, and other entities with similar coastal property exposure in states such as Florida and Texas. These client assignments have included such projects as pricing analyses to evaluate overall rate adequacy, predictive modeling assignments to develop new risk classification plans, and analyses of catastrophe losses to evaluate the adequacy and allocation of property premiums corresponding to catastrophe risk.

Q. What is Milliman?

A. Milliman is among the world's largest independent actuarial and consulting firms. Milliman was founded in Seattle in 1947 as Milliman & Robertson and today has offices in principal cities worldwide, covering markets in North America, Latin America, Europe, Asia and the Pacific, the Middle East, and Africa. Milliman employs more than 4,000 people, including actuaries and specialists ranging from clinicians to economists. The firm has consulting practices in employee benefits, financial services, healthcare, life insurance, and property and casualty insurance. Milliman serves the full spectrum of business, education, financial, governmental, union, and nonprofit organizations.

Q. What are your current responsibilities at Milliman?

A. I am responsible for managing and overseeing the personal lines and insurance-related predictive analytics portion of Milliman's Milwaukee Casualty practice. The personal lines and predictive analytics team conducts a variety of property and auto pricing, product development, and predictive modeling assignments, primarily for insurance companies. Over the last five years, we have completed property analyses for nearly every state in the country, including North Carolina.

Q. Were you engaged to provide actuarial services to the North Carolina Rate Bureau (the Rate Bureau) in relation to its 2020 homeowners rate filing?

A. Yes, I was.

Q. What was the scope of that engagement?

A. Milliman was engaged for several aspects of the 2020 homeowners rate filing. My role was to review the compensation for assessment risk provision and the contingency provision in this filing. I was also engaged to conduct an independent review and provide feedback on the actuarial analyses underlying the filing. In this role, I participated in many of the discussions in which ISO presented the preliminary data to the Rate Bureau. In addition, my role also included participating in the Rate Bureau's Property Rating Subcommittee meetings in which the 2020 homeowners filing was discussed. During these discussions, I offered feedback and insights to assist in the subcommittee's selections and decisions related to this filing.

Q. Is your firm being compensated for this engagement?

A. Yes, it is.

Q. Is that compensation in any way contingent on the provision of favorable testimony in support of the proposed filing?

A. No, it is not.

Q. Have you completed your review of the 2020 homeowners rate filing?

A. Yes, I have.

Q. Were there any constraints placed on your review, such as limited or delayed access to data or limited time that may have hindered your complete review?

A. No, I was provided all the data and information that were necessary and I had adequate time for a complete review. My review was not limited in any way.

Q. What is the overall indicated change in homeowners rates in this filing?

A. This filing shows the need for an overall 38.7% statewide average rate increase. This includes a 39.0% change to owners rates, a 23.6% change to tenants rates, and a 51.4% change to condominium unit owners rates.

Q. Please describe the overall ratemaking methodology that underlies the filing.

A. The approach in this filing is generally consistent with prior homeowners filings submitted by the Rate Bureau. Consistent with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* as published by the

Casualty Actuarial Society, the indicated rates reflect the expected costs associated with insuring homeowners policies. These expected costs include claims, claim settlement expenses, operational and administrative expenses, and the cost of capital.

The statewide rate-level indications for homeowners policies are developed based on a loss cost methodology (instead of a loss ratio methodology). The indicated rate-level change is calculated for each segment (i.e., owners, tenants, and condominium unit owners) by comparing the required base class rate per policy to the current average base class rate. The required base class rate per policy is calculated by first projecting the losses and loss adjustment expenses for the policy period for which the filed rates are expected to be in effect. For the owners, tenants, and condominium unit owners forms, losses are projected excluding historical hurricane losses. In addition to the exclusion of those hurricane losses, the projected losses for owners forms are adjusted to remove excess wind losses and an excess factor is applied based on an average of the excess wind losses over 30 years of historical experience. Base class loss costs are calculated by dividing the adjusted incurred losses and loss adjustment expenses for each historical accident year by the corresponding earned house years and average rating factors. The base class loss costs by year are weighted together to develop a weighted trended non-hurricane base class loss cost. For each homeowners segment (owners, tenants, and condominium unit owners), a trended modeled hurricane base class loss cost and a provision for fixed expense per policy are also developed and added to the weighted trended non-hurricane base class loss cost to determine the total base class loss cost with fixed expense.

Following the development of the base class loss cost with fixed expense, other expected underwriting expenses associated with issuing homeowners insurance policies are incorporated to determine the required base class rate per policy. These expected underwriting expenses include provisions for underwriting profit, contingencies, dividends, compensation for assessment risk, the net cost of reinsurance per policy, and deviations. As mentioned above, the required base class rate per policy is compared to the current average base class rate to develop the overall statewide indicated rate-level change. This comparison of the required and current base class rates is consistent with the *Statement of Principles* referenced above, is commonly used throughout the industry, and as such, is an actuarially sound method of developing an indicated rate-level change.

Q. Are there any changes in the ratemaking methodology compared to prior filings?

A. Yes. Although the 2020 homeowners filing is generally consistent with prior filings, there are a several components of this filing that rely on different approaches as compared to the 2018 homeowners filing.

The first revised approach is that the excess wind factor for the owners form is calculated using 30 years of historical experience. In the 2018 homeowners filing, the excess wind factor was calculated using more than 60 years of historical experience. This change impacts the non-hurricane losses in the statewide and by-territory rate-level indications for the owners form.

A second change in methodology in this homeowners filing is found in the calculation of the trended non-hurricane base class loss cost for the rate-level calculations by territory. With this filing, the non-hurricane losses and corresponding average rating factors used to calculate the non-hurricane base class loss cost have been trended to the prospective period to be consistent with the modeled loss experience. By comparison, in the rate-level calculations by territory in the 2018 homeowners filing, the non-hurricane losses and corresponding average rating factors used to calculate the non-hurricane base class loss cost were trended to the latest year since the modeled loss experience was based on the latest-year exposures. This change impacts the by-territory rate-level indications for all policy forms.

A third change in methodology is in the manner of determining the modeled hurricane losses for the period the rates will be in effect. With this filing, the exposures used as inputs to the hurricane models were trended to the prospective period using the selected exposure trends. This trending of exposures was applied prior to determining the modeled hurricane losses corresponding to those exposures. In the 2018 homeowners filing, the exposures from the latest year in the experience period were used as inputs to the hurricane models and the resulting modeled hurricane losses were trended to the prospective period using the selected loss trends.

A fourth change in methodology is in the calculation of the compensation for assessment risk provision. With this filing, simulated event-level losses based on the most recent exposure year were unavailable for analysis. As a result, event-level losses from the prior year were trended forward based on summary information provided by the hurricane model vendors. In the 2018 homeowners filing, event-level losses were available based on exposures evaluated at a time period consistent with the rest of the filing so no adjustments or trending were needed. This change has minimal impact on the rate-level indications.

Each of these updated approaches used to develop the statewide and by-territory rate-level indications is reasonable and actuarially sound.

Q. How are the expected losses determined?

- A. This filing uses five years of historical loss experience including accident years ending December 31, 2014 through December 31, 2018. Using five years of experience is consistent with North Carolina statutes and prior homeowners rate

filings. It is also consistent with generally accepted ratemaking practices because the use of five years of historical experience balances stability of the overall rate level with responsiveness to the most recent conditions. Because severe weather-related events can cause volatility in the loss experience, hurricane losses and excess wind losses (for owners forms only) have been removed from the base loss experience. Each of the five years of losses has been developed to ultimate amounts and has been adjusted to a common \$1,000 deductible level for owners forms and a \$500 deductible level for tenants and condominium unit owners forms. Losses are developed to ultimate because the final incurred losses for an accident year are often different than initial loss estimates due to late-reporting of claims or as yet unknown settlement amounts on known claims.

After these initial adjustments, a provision for excess wind losses is applied to each accident year for the owners forms, and a provision for loss adjustment expenses is applied to each accident year for all homeowners forms. The excess wind factor of 1.086 for the owners forms in the filing is determined using ISO's standard excess wind procedure, using a 30-year experience period as noted earlier. This procedure evaluates historical non-hurricane wind experience back to 1989 to develop a ratio of the long-term average excess loss ratio to the long-term average normal loss ratio.

Following these additional adjustments, in order to reflect the expected change in costs, the losses are trended from the midpoint of each experience period to the policy period for which the filed rates are expected to be in effect. Similar to prior homeowners filings, historical claim frequency, loss severity, and pure premium experience, Fast Track data, and external cost indices were considered in the evaluation of loss trends. In the prior filing, losses were trended using Current Cost Factors and Loss Projection Factors based on external indices and Loss Trend Adjustment Factors that reflected the difference between the external indices and actual historical experience. With this filing, this process was simplified and the historical experience is adjusted to the prospective period using selected loss trends that are based on the data described above.

In addition to reflecting a loss trend, a premium trend is also determined by combining current amount factors with premium projection factors for each accident year. The current amount factors are developed by comparing the average policy size relativity for each accident year to the comparable relativity for the most recent year in the experience period. The premium projection factors are calculated based on the fitted annual change in the average policy size relativity for each policy form.

In my opinion, the selections and methodologies referenced above, including the excess wind factor, the loss adjustment expense factors, the loss trend factors, and the premium trend factors, are reasonable and actuarially sound.

After adjusting the losses for each of the items mentioned above, each year's trended losses and loss adjustment expenses are divided by the earned house years to determine the average trended loss cost. The average trended loss costs are converted to Trended Base Class Loss Costs by dividing by the Average Rating Factor applicable to each accident year. Finally, these base class loss costs are weighted together to develop a Weighted Trended Non-Hurricane Base Class Loss Cost. The weights applied to each accident year are consistent among all of the policy forms and assign more weight to the more recent years in order to be more responsive to the most recent loss experience.

In my opinion, the methodology used to develop average loss costs and the weights assigned to each of the homeowners policy forms are reasonable and are consistent with widely-used actuarial ratemaking practices.

Q. In the previous response, you mentioned a loss adjustment expense provision. How are the homeowners provisions for loss adjustment expense determined?

A. The allocated and unallocated loss adjustment expenses are included with non-hurricane losses by applying a trended loss adjustment expense factor. Using information received from the Rate Bureau's data call for expense experience, loss adjustment expenses are summarized for calendar years 2015 through 2019. Consistent with prior homeowners filings, a three-year average is calculated after removing the highest and lowest ratio of expenses to losses. By excluding the highest and lowest ratios observed in the historical experience period, this methodology reduces the volatility in the average loss adjustment expense ratio that may result from variation in the underlying incurred losses from year to year. After the average loss adjustment expense ratio is calculated, it is adjusted to reflect the difference in the loss adjustment expense trend and the loss trend.

A separate provision for hurricane-related loss adjustment expenses is included in the modeled hurricane losses based on data and a recommendation provided by Aon.

Q. In your opinion, are the provisions for loss adjustment expenses reasonable?

A. Yes, the loss adjustment expense provisions are reasonable. It is common practice in the industry to use an average of historical experience to determine a loss adjustment expense provision, and it is reasonable to adjust that provision for expected differences in the loss adjustment expense trend and the loss trend.

Q. Did the Rate Bureau consider the potential impact of COVID-19 when selecting loss trend factors?

A. Yes, the Rate Bureau considered the potential impact of COVID-19 when selecting loss trend factors. As noted above, this filing uses five years of historical loss experience including accident years through December 31, 2018. As a result of the timing of this historical loss experience, the data supporting this filing was not impacted by COVID-19. With a proposed effective date of August 1, 2021, it is unknown what impact COVID-19 may have on homeowners claims occurring during the prospective time period. It is possible that the frequency of claims arising from some causes of loss (e.g., fire or water) may increase as people spend more time at home, and the frequency of claims resulting from other causes of loss (e.g., theft or vandalism) may decrease. This uncertain and potentially varying impact of COVID-19 on homeowners loss trends was taken into account during the discussion and selection of loss trends.

Q. Is credibility considered in the rate-level indication?

A. Yes, credibility is considered. At the statewide level, based on the volume of data supporting the statewide rate-level indications, all three homeowners segments (owners, tenants, and condominium unit owners) are considered fully credible. The full credibility standards are 240,000 house years for owners, 285,000 house years for tenants, and 190,000 house years for condominium unit owners. When the territorial rate-level indications are calculated, partial credibility is determined using the square root rule and full credibility standards of 60,000 house years for owners, 75,000 house years for tenants, and 50,000 house years for condominium unit owners. The application of the square root rule is a long-standing actuarial methodology used throughout the industry.

Q. How is hurricane exposure reflected in each policy form's rate-level indication?

A. Similar to the Rate Bureau's prior homeowners filing, this filing reflects hurricane exposure in each of the owners, tenants, and condominium unit owners sections of the rate-level indication by using modeled hurricane losses rather than actual hurricane loss experience. Although there are actual hurricane losses in the experience period, the hurricane and excess wind losses have been removed from the base loss experience, as noted in my testimony above. Actual hurricane losses have a significant amount of variability even when evaluating twenty or more years of historical loss experience in a state. As such, it is universally accepted by the property and casualty insurance industry that hurricane models provide the most reliable approach to determining anticipated average annual hurricane losses over an extended time period. Hurricane models can be used to simulate 100,000 or more years of events, which provides a broader perspective on potential insured losses as compared to only evaluating the last several decades of losses. This broader perspective provides a more reliable estimate of the average frequency and severity of insured hurricane losses. Similarly, it provides a more reliable estimate of the frequency and

severity of rare, but very severe events that may not have occurred within the last 100 years of recorded history, but have the potential to occur next year.

Q. How is the provision for expected hurricane losses determined?

- A. The provision for average annual hurricane losses in this filing is consistent with the prior homeowners filing in that expected hurricane losses are developed through the use of hurricane models of two independent catastrophe modelers. To facilitate the use of two hurricane models, the Rate Bureau retained Aon to run both models and to develop modeled hurricane losses using the blended results of these two models. I reviewed the exposure data provided as input to each model, and it is my opinion that the data was reasonable and consistent with other sections of this filing. I am also familiar with the assumptions selected as inputs to each model, and it is my opinion that the assumptions were applied consistently in both the AIR and RMS models such that the resulting output of both models is comparable. However, because Aon ran both models, I am relying on the work and opinions of Aon as it relates to specific details about the modeling process. The reliance on Aon to run both models and to develop modeled hurricane losses using the blended results of these two models is consistent with the prior homeowners filing.

The Rate Bureau requested that Aon combine the results of the two hurricane models by averaging the results from each model. This approach of giving equal weight to each model is intuitive, easy to understand, and the most reasonable method of blending two hurricane models. This blending approach (i.e., averaging) is also a common practice among insurance companies that consider multiple hurricane models. Based on my review of the blended model results, it is my opinion that the resulting hurricane losses reflected in this filing are reasonable and can be relied upon for the various purposes for which modeled hurricane losses are used in this filing. Additionally, since both models are equally credible, it is also my opinion that assigning equal weight to each model is the most reliable blending method and the most actuarially sound manner to consider two hurricane models.

Q. What model versions and modeling assumptions were used to develop estimated hurricane losses?

- A. The current AIR model is Touchstone v7.3 and the current RMS model is RiskLink v18.1. To develop the expected hurricane losses, Aon relied on AIR's Standard event set and on RMS' Historical event set. These event sets were used instead of AIR's Warm Sea-Surface Temperature (WSST) event set and RMS' Medium-Term Rate event set. Although many primary insurance companies consider the WSST and Medium-Term Rate events sets when developing expected hurricane losses for indicated rates in states other than North Carolina, the event sets selected for this filing are reasonable and actuarially sound.

Both the AIR and RMS models were run with aggregate demand surge included, which was identified as loss amplification in the RMS model. This standard procedure accounts for the expected additional cost for labor and materials after a very large hurricane occurs. Historical experience shows that, when major catastrophic events occur, the increased demand for building materials, labor, temporary housing, and other basic necessities can exceed the supply of these same items, which consequently increases their cost. Running models with demand surge is consistent with the Rate Bureau's prior homeowners filings, and is the common practice by insurance companies when developing rates based on modeled hurricane losses. Although the demand surge component of each model was used in this filing, the storm surge component of each model was not used to develop hurricane losses.

Q. Were any other calculations applied to the hurricane losses derived from the models?

A. Yes. Before providing the blended hurricane losses, Aon applied a hurricane-specific provision for loss adjustment expense. After Aon provided the modeled hurricane losses (including LAE), ISO calculated a Trended Modeled Hurricane Base Class Loss Cost for each segment. The Trended Modeled Hurricane Base Class Loss Costs have been adjusted for LAE and trended such that the resulting amounts are evaluated at a point in time consistent with the amounts developed for the Weighted Trended Non-Hurricane Base Class Loss Costs.

Q. How is the provision for commission and brokerage determined?

A. The provision for commission and brokerage is determined based on the latest three-year average of the ratio of homeowners commission and brokerage expense relative to homeowners written premium including deviations. Deviations are included in the premium amounts underlying this calculation in order to be consistent with the actual calculation of commission and brokerage amounts paid by individual companies within the industry.

Q. In your opinion, is the provision for commission and brokerage reasonable?

A. Yes, the commission and brokerage provision is reasonable. It is common practice in the industry to use a three-year average to determine a commission and brokerage provision.

Q. How is the provision for taxes, licenses, and fees determined?

A. The provision for taxes, licenses, and fees is determined based on the latest three-year average of the ratio of homeowners taxes, licenses, and fees expense relative to homeowners written premium including deviations. Deviations are

included in the premium amounts underlying this calculation in order to be consistent with the actual calculation of taxes, licenses, and fees paid by individual companies within the industry.

Q. In your opinion, is the provision for taxes, licenses, and fees reasonable?

A. Yes, the taxes, licenses, and fees provision is reasonable. It is common practice in the industry to use a three-year average to determine a taxes, licenses, and fees provision.

Q. How is the provision for other acquisition expense determined?

A. The provision for other acquisition expense is determined based on the latest three-year average of the ratio of homeowners other acquisition expense relative to homeowners earned premium excluding deviations.

The three-year average provision is added to the general expense provision to determine a total fixed expense provision. The fixed expense provision is then trended from the midpoint of the experience period to the midpoint of the trend period based on an expense trend derived from cost indices. Following this, the trended fixed expense provision is applied to the statewide average homeowners premium (adjusted for premium trend) to develop an average all-forms fixed expense load. This all-forms fixed expense load is allocated to each policy form based on a relativity of 1.00 for owners and a relativity of 0.50 for tenants and condominium unit owners. The average fixed expense load for each policy form is then adjusted to the base class level by dividing by each policy form's average rating factor and premium projection factor. The resulting amounts are the fixed expense amounts per policy for each policy form.

Q. In your opinion, is the provision for other acquisition expense reasonable?

A. Yes, the other acquisition expense provision is reasonable. It is common practice in the industry to use a three-year average to determine an other acquisition expense provision, and to trend fixed expense provisions to account for inflation.

Q. How is the provision for general expense determined?

A. The provision for general expense is determined based on the latest three-year average of the ratio of homeowners general expense relative to homeowners earned premium.

The three-year average provision is added to the other acquisition expense provision to determine a total fixed expense provision. The fixed expense provision is then trended from the midpoint of the experience period to the midpoint of the trend period based on an expense trend derived from cost

indices. As noted above, this trended fixed expense provision is applied to the statewide average trended homeowners premium, allocated to each policy form, and adjusted to the base class level to develop the fixed expense amounts per policy for each policy form.

Q. In your opinion, is the provision for general expense reasonable?

A. Yes, the general expense provision is reasonable. It is common practice in the industry to use a three-year average to determine a general expense provision, and to trend fixed expense provisions to account for inflation.

Q. Is a provision for policyholder dividends included in the filing?

A. Yes, the Rate Bureau reviewed historical data and developed a provision for expected policyholder dividends. The Rate Bureau evaluated five years of historical experience and selected a provision for policyholder dividends of 0.40%. This was based on a five-year average ratio of the total policyholders dividends issued by homeowners insurers in North Carolina to the total direct written premium of those same companies.

The Actuarial Standard of Practice (ASOP) No. 29 regarding *Expense Provisions in Property/Casualty Insurance Ratemaking* states:

The Statement of Principles Regarding Property and Casualty Insurance Ratemaking of the Casualty Actuarial Society (CAS) classifies policyholder dividends as an expense to operations. When the actuary determines that policyholder dividends are a reasonably expected expense and are associated with the risk transfer, the actuary may include a provision in the rate for the expected amount of policyholder dividends. In making this determination, the actuary should consider the following: the company's dividend payment history, its current dividend policy or practice, whether dividends are related to loss experience, the capitalization of the company, and other considerations affecting the payment of dividends.

As stated in ASOP NO. 29, policyholder dividends are classified as an operating expense. In addition to the above excerpt from the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*, the Statement also provides that indicated rates should reflect the expected costs associated with insuring homeowners policies, including all operating expenses. As such, since policyholder dividends are classified as an operating expense, it is consistent with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* and ASOP No. 29 to include a provision for policyholder dividends in the proposed rates reflected in this filing.

Q. In your opinion, is the provision for policyholder dividends reasonable?

- A. Yes, the policyholder dividends provision is reasonable. It is reasonable and actuarially sound to calculate a five-year average ratio to determine a provision for policyholder dividends, and to treat this provision in a similar manner as a variable underwriting expense.

By reviewing five years of historical experience to determine a provision for policyholder dividends, the Rate Bureau is complying with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* by considering the dividend payment history and ensuring that the selected provision is a reasonably expected expense.

Q. Is a contingency provision included in the filing?

- A. Yes, the Rate Bureau is including a 1% contingency provision in this filing. This is consistent with the prior homeowners rate filings submitted by the Rate Bureau.

In addition to being consistent with prior Rate Bureau filings, the use of a contingency provision is common within the property and casualty insurance industry. According to the *Actuarial Standard of Practice No. 30: Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, “the actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.” There are several reasons why expected cost estimates may not be equal to actual costs. Some of these reasons include adverse court decisions, extension of coverage for unforeseen or unintended exposures, regulatory delay or reduction in filed rate changes, and unexpected large losses not sufficiently recognized in the normal ratemaking process. For these reasons, among others, the Rate Bureau believes a contingency provision is appropriate and necessary.

Included with this filing as Exhibit RB-10 is an exhibit I prepared that summarizes the estimated impact of delays in the filing process within the State of North Carolina. The delay in obtaining rate changes, whether caused by the regulatory review process or other delays inherent in the filing process, is one of several items listed above that supports the use of a contingency provision in a rate-level indication. Exhibit RB-10 lists the fourteen property rate filings submitted by the Rate Bureau between 2008 and 2019. For each filing, I compared the effective date assumed in the rate filing to the actual effective date. This difference, which reflects the delay due to the filing process, ranges from 0 months in the 2019 dwelling filing, to 22 months in the 2011 dwelling filing. After determining the length of delay for each filing, I applied the net trend (i.e., the loss trend offset by the premium trend) in that filing for the number of months of delay to determine the estimated impact of the delay in the filing process on the overall rate level.

The estimated impact of delay varies across the fourteen filings, ranging from -1.2% in the 2018 dwelling filing to +5.9% in the 2008 MH(C) mobile homeowners filing, with an average impact of +1.1%.

Based on prior filings submitted by the North Carolina Rate Bureau, my experience with property filings submitted by insurance companies in other states, and the 1.1% estimated impact of delays in the North Carolina filing process, it is my opinion that a 1% contingency provision is reasonable, consistent with common actuarial practice, and appropriate based on fundamental actuarial principles.

Q. Are you providing expert testimony concerning the underwriting profit provision?

A. No, I am relying on the work and opinions of Dr. Vander Weide and Dr. Zanjani as to the underwriting profit provision. The scope of my analysis and testimony relates to other aspects of the proposed rate filing.

Q. Earlier you said that one of your roles related to this filing was to review the compensation for assessment risk provision. Can you please explain this issue?

A. Yes. There is considerable risk to primary insurers that is attributable to the exposures written in the North Carolina Insurance Underwriting Association (i.e., the Coastal Property Insurance Pool, or “Beach Plan”) and the North Carolina Joint Underwriting Association (i.e., the FAIR Plan). Together, the Beach Plan and FAIR Plan serve as the “residual market” for residential property insurance in North Carolina. These two entities provide property insurance when policyholders are unable to purchase insurance coverage from companies in the voluntary market. In states with significant exposure to catastrophic events, property insurance residual markets may grow to represent a sizable portion of the total insured risk in the exposed regions of the state. In North Carolina, the Beach Plan has become the predominant writer of homeowners insurance in the 18 coastal counties that it covers.

Similar to voluntary insurance companies, the Beach and FAIR Plans use the premiums collected from policies they issue to fund the losses and expenses attributable to the coverages they insure. When premiums are greater than losses and expenses during a fiscal year, the Beach and FAIR Plans accumulate surplus. That surplus is available to pay losses in the event that future losses and expenses exceed collected premiums plus investment income. However, if the surplus of either the Beach Plan or FAIR Plan is exhausted, then additional losses are passed through to property insurers in North Carolina in the form of an assessment. The potential overall industry assessment from the Beach Plan is capped at \$1 billion, but the potential assessment from the FAIR Plan is unlimited. If losses in the Beach Plan exceed the retained surplus, the \$1 billion

industry assessment, and any other resources of the Beach Plan (such as reinsurance), any additional losses are passed through directly to residential property insurance policyholders in North Carolina.

This risk of potential assessment by the Beach Plan or FAIR Plan on property insurers in North Carolina requires that insurance companies be compensated for the additional risk to their capital. To quantify this risk, I have applied a procedure developed by Milliman to incorporate a provision in the homeowners rates that compensates insurers for that risk.

Q. Can you please explain the procedure you applied?

- A. Yes. The methodology developed by Milliman to quantify the compensation for assessment risk involves two steps. The first step is to calculate the magnitude of the exposure itself, and the second step is to determine the fair compensation to be paid to insurers for being required to bear that risk.

To quantify the magnitude of the exposure, it was necessary to estimate the expected value of the assessments on insurers arising from catastrophic losses incurred by the Beach Plan or FAIR Plan. Because an assessment on insurers results only after either the Beach or FAIR Plan has exhausted other resources available to pay losses, I needed to determine the likelihood of that occurring as well as the amount by which the losses exceed those other resources. As such, I obtained information from the Beach and FAIR Plans regarding the reinsurance programs in place for the 2020 storm season, along with assumptions of each plan's accumulated surplus available for the season. The accumulated surplus and available reinsurance represent the "other resources" that are available to pay for hurricane losses during the 2020 storm season. I then relied on the AIR and RMS hurricane model runs used by the Beach and FAIR Plans for the 2019 storm season, adjusted the estimated losses to the 2020 storm season based on the impact of changes in the underlying exposures and the hurricane models, and evaluated the adjusted losses corresponding to each event simulated by the models. For each adjusted modeled loss, I determined the amount of loss that would be covered by reinsurance and the remaining losses that would be funded either from the plans' accumulated surplus, through assessments on property insurers in the state, or ultimately through assessments on North Carolina property insurance policyholders. I subtracted the accumulated surplus of the Beach and FAIR Plans from the losses remaining after reinsurance, limited the assessable losses due to the Beach Plan exposures to \$1 billion, and calculated the average assessment on property insurers across all events simulated by the models. This average assessment on property insurers is equal to the expected value of the losses that would be funded through assessments on North Carolina property insurers.

As noted above, this calculation produces a measure of the magnitude of the exposure. That is, it represents the risk to insurers' capital that is associated with

the exposure to Beach or FAIR Plans assessments. The second step in Milliman's analysis is to develop a method of measuring the fair compensation to insurers for bearing this risk.

Q. Can you please explain how you measured the compensation for bearing this risk?

A. Yes. To measure the fair compensation for bearing this risk, I relied on publicly-available data that quantifies the market price of catastrophe risk, taken from recently-issued insurance linked securities. Insurance linked securities (ILS) are securities such as bonds, which have conditional payoffs that are very similar to reinsurance. Investors purchase these securities at significant yield premiums compared to risk-free bonds because the investors are exposed to loss of principal and interest if certain "insured events" occur.

Q. What kind of data is available and how is this information used to determine the compensation for assessment risk?

A. Lane Financial, LLC is a firm that specializes in the analysis of insurance linked securities. In March of each year, Lane publishes a table of data that summarizes a variety of information that can be used to evaluate the fair compensation for bearing catastrophe risk. For each ILS in the table, Lane publishes the following data: the yield on the security; the excess return over the risk-free rate; the probability that the security will suffer a loss; and the expected value of loss anticipated on the security. These data elements provide the foundation for my analysis of the proper compensation for bearing the risk of Beach or FAIR Plan assessments.

Before describing the mechanics of the analysis, I will first define several terms that will prove useful in this discussion.

- The "*yield spread*" is simply the difference between the yield on a particular ILS and the risk-free rate. If a \$100 million bond is issued with a yield spread of 10%, this implies that the insurer issuing the bond would pay \$10 million in interest in excess of the risk-free rate to encourage investors to purchase such a security.
- Now assume that the distribution of hurricane losses is such that, based on the probability and amount of potential hurricane losses, an investor would anticipate having an average loss of \$2 million per year. This amount is identified as the "*expected loss*."
- Since the investor in this example receives compensation of \$10 million in excess of the risk-free rate for bearing the risk of loss, the "*expected profit*" to the investor is \$8 million (i.e., \$10 million in interest in excess of the risk-free rate minus \$2 million of expected losses).

- Finally, I define a term known as the “*profit multiple*,” which is the ratio of expected profit to expected loss. In the above example, the profit multiple would be \$8 million of expected profit divided by \$2 million of expected loss, or a profit multiple of 4.0.

The profit multiples derived from insurance linked securities provide an estimate of the compensation that investors require to bear catastrophe risk, in that they tell us what investment returns are required in order to take on the risk of loss from a catastrophic event. One particularly important feature of this metric is that it is a measure of compensation per dollar of expected loss. As a result, because the first step of my analysis determines the expected value of losses that would be funded through assessments, the profit multiple can be applied to those expected values to develop an estimate of the fair compensation for bearing such risk. This is the measure of risk I relied upon in evaluating the fair compensation for property insurers whose capital is exposed to Beach or FAIR Plan assessments.

Q. Generally speaking, which insurance linked securities have larger risk premiums and higher profit multiples?

- A. For exposures such as catastrophic events, securities that have a lower probability of incurring a loss have greater volatility and as a result, have larger risk premiums. Securities with larger risk premiums have a larger ratio of expected profit to expected loss and, as such, have higher profit multiples.

Q. Have you developed any exhibits that summarize the calculations used to develop the fair compensation to insurers for bearing the risk of Beach Plan or FAIR Plan assessments?

- A. Yes. Exhibit RB-11 contains ten pages of information required to develop the fair compensation for bearing Beach and FAIR Plan assessment risk.
- *Page 1* of Exhibit RB-11 shows the curve I fit to the ILS profit multiples based on all catastrophe-related securities issued in the last ten years. This exhibit also includes the equation of the fitted curve, which can be used to determine the average profit multiple for any layer to which insurer capital is exposed.
 - *Page 2* of Exhibit RB-11 shows a summary of the Beach Plan’s reinsurance program, and *Page 6* shows a similar summary of the FAIR Plan’s reinsurance program. These summaries include the various layers of reinsurance purchased and the coverage levels within those layers.
 - *Pages 3 and 7* display the profit multiples calculated for each layer of the Beach and FAIR Plan’s loss distributions, based on the equation shown on *Page 1*. In order to determine the fair compensation to voluntary insurers for bearing the risk of assessments, I need to determine which layers contain losses that will be funded by assessments, as well as the corresponding

expected losses within those layers. The profit multiples can then be applied to the expected losses to determine the appropriate compensation per dollar of expected loss in each layer.

- *Pages 4 and 8* illustrate how potential losses for the Beach Plan Residential Account and FAIR Plan are funded. (The Beach Plan determines losses and assesses voluntary insurers separately for each account, while the FAIR Plan has only one account.) Because of the \$1 billion cap on Beach Plan assessments, any amounts needed to pay claims in excess of the assessable amounts are to be collected through surcharges on property insurance policyholders statewide.

For each event simulated by the hurricane models, losses are separated by account (Beach Plan Residential, Beach Plan Commercial, FAIR Plan Residential, and FAIR Plan Commercial). Then, the losses for each account are divided into layers based on the source of funding for those losses – Beach or FAIR Plan surplus, assessments on voluntary insurers, private reinsurance, and ultimately any additional amounts in the Beach Plan to be covered by policyholder surcharges. Finally, the losses associated with each event are accumulated in each of the loss layers to determine expected values.

- Although *Pages 4 and 8* illustrate the funding of potential losses within each layer, the purpose of my analysis is to determine the fair compensation for the risk of assessments on private insurers. As such, the analysis must take into account the probability of losses occurring within each layer and the expected value of losses that will be borne by private insurers. *Pages 5 and 9* of Exhibit RB-11 provide that analysis. They show the expected value of the losses that would be covered by the Beach Plan Residential and FAIR Plan accounts, and the average annual amount of those losses that would be assessed to private insurers. *Pages 5 and 9* also display the average profit multiples associated with each layer of the loss distribution, and the product of the indicated profit multiples times the expected losses within each layer. The sum of those values is the indicated compensation for assessment risk for each account.
- The final step in my calculation is to determine the appropriate provision to be included in the homeowners rates to compensate insurers for the risk of Beach Plan or FAIR Plan assessments. This provision, expressed as a percent of premium, is developed on *Page 10* of Exhibit RB-11. Since assessments for Beach or FAIR Plan losses are applied to all property insurance lines in the state, the bottom table on Exhibit RB-11, *Page 10* shows the development of a charge that will produce an amount of revenue equal to the total required compensation of \$103.59 million. As shown on this exhibit, that charge amounts to 2.9% of total property insurance premium in the state.

Q. In your opinion, is it appropriate to include a 2.9% provision for the compensation for assessment risk in homeowners rates in North Carolina?

A. Yes. Insurance companies writing homeowners policies in North Carolina are exposed to the risk of Beach Plan or FAIR Plan assessments as a result of writing voluntary market property insurance in the state. As such, those insurance companies are entitled to receive fair compensation for bearing that risk and it is appropriate to include that compensation in the homeowners rates. The model Milliman has developed relies on a widely-accepted measure of compensation to determine a provision that will fairly compensate insurers for bearing this additional risk to their capital.

Q. Earlier, when describing the overall ratemaking methodology that underlies this filing, you said that the expected underwriting expenses include a provision for the net reinsurance cost per policy. Can you please explain this issue?

A. Yes. Homeowners insurance is one of several types of coverages that has exposure to potential catastrophic events. In such coverages (homeowners, mobile homeowners, and other property coverages), individual catastrophic events can result in significant losses that exceed the amount of liability the typical insurer can reasonably assume for solvency and financial stability considerations. As a result, in these lines of business, insurers routinely purchase reinsurance to mitigate their exposure to extreme events. In order to accurately reflect the expected costs associated with insuring property policies, as discussed in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*, it is appropriate to include the cost of this reinsurance in the ratemaking process for these lines of insurance.

Q. In your opinion, is it appropriate to include a provision for the net reinsurance cost per policy in homeowners rates in North Carolina?

A. Yes. Insurance companies writing homeowners policies in North Carolina incur a significant cost for bearing the risk of properties exposed to catastrophic events. Regardless of whether the risk of catastrophic losses is retained by the primary insurer or transferred to a reinsurer, the market cost of bearing that risk must be included in the rates. This is a foundational actuarial principle included in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* and is a legitimate cost of the risk transfer inherent in the purchase of property insurance. As such, the net reinsurance cost per policy should be included in the North Carolina homeowners rates.

Q. How does this filing reflect the net reinsurance cost per policy?

A. For many years, the Rate Bureau has included a provision for the net reinsurance cost per policy. To support this filing, the Rate Bureau has engaged Aon, one of the world's largest reinsurance brokers, to develop the provision for the net reinsurance cost per policy. It is my understanding that Aon was retained by the Rate Bureau based on their ability to access relevant data and experience from the reinsurance market, their expertise with catastrophe-related issues, and their prominence with respect to the reinsurance industry. This is consistent with the previous homeowners rate filing submitted by the Rate Bureau.

Q. In your opinion, is it appropriate to allocate reinsurance costs within North Carolina in a way that is proportional to risk?

A. Yes. The risk associated with insuring properties exposed to catastrophic events varies geographically within North Carolina. As such, the cost for bearing that risk should be allocated proportionally to the measurement of risk. In its analysis of reinsurance costs for this filing, Aon provides the statewide provision for the net reinsurance cost per policy and also allocates the reinsurance costs to each policy form and each territory. This allocation is appropriate and consistent with the objective of producing rates that are not inadequate, not excessive, and not unfairly discriminatory across policyholders.

Q. Are you providing expert testimony concerning the development of the net cost of reinsurance provision?

A. No, I am relying on the work and opinion of Aon as to the development of the net cost of reinsurance provision.

Q. Is a provision for deviations included in the filing?

A. No, the Rate Bureau reviewed historical data and considered whether to apply a provision for deviations, but elected not to include one in this filing.

Q. Does the filing review the rate-level adequacy by territory?

A. Yes. With this filing, the Rate Bureau developed indicated rate-level changes by territory using a similar methodology as the statewide indication. A base loss cost is calculated for each territory using the historical loss experience. In addition, a credibility value is assigned to each territory for each policy form based on the number of house years underlying each loss cost. As mentioned earlier, for territorial ratemaking, the full credibility standards are 60,000 house years for the owners forms, 75,000 house years for the tenants form, and 50,000 house years for the condominium unit owners form. Using the credibility for each territory, a Credibility-Weighted Base Class Loss Cost is determined by territory. Additional calculations are applied to each territory to reflect modeled hurricane losses, expenses, dividends, and reinsurance in a similar manner as applied at a

statewide level. The result of these calculations is an Indicated Rate-Level Change by territory.

In my opinion, the methodology used to develop the indicated rate-level change by territory and by policy form is reasonable and is consistent with widely-used actuarial ratemaking practices.

Q. Does the filing review the wind exclusion credits and wind mitigation credits?

- A. Yes. Based on the indicated rates by territory (for Territories 110 to 160) and by policy form that are being proposed with this filing, the wind exclusion credits and wind mitigation credits are being updated in a corresponding manner. Using the underlying formula for the statewide rate-level indication, an adjustment is made to the appropriate components of the indication formula to reflect the non-wind losses as a percent of the total losses. The indicated non-wind rate is subtracted from the indicated overall rate to determine the indicated wind exclusion credit for each territory. For those territories where the proposed rate is less than the indicated rate, the wind exclusion credit is similarly reduced such that the resulting non-wind rate remains consistent with the indicated non-wind rate. The wind mitigation credits for Territories 110 to 160 are being revised in a manner proportional to the wind exclusion credits.

In my opinion, the methodology used to develop the revised wind exclusion credits and wind mitigation credits is reasonable and is consistent with widely-used actuarial ratemaking practices.

Q. Does the filing review the wind-only rates?

- A. Yes. Based on the indicated wind exclusion credits by territory (for Territories 110 to 160) and by policy form that are being proposed with this filing, the wind-only rates are also being updated in a corresponding manner. Using the proposed wind exclusion credits by territory, a fixed expense component is added to each credit to develop the proposed wind-only rates.

In my opinion, the methodology used to develop the revised wind-only rates is reasonable and is consistent with widely-used actuarial ratemaking practices.

Q. Does the filing review any other rating factors used in the premium calculation process?

- A. Yes. This filing proposes revised age of construction rating factors for the owners form. Using five years of historical loss experience including accident years ending December 31, 2014 through December 31, 2018, average pure premiums are calculated by age. Using a cutoff age of 15 years, indicated relativities are determined by fitting a straight line to the pure premiums from

ages 0 to 15. Proposed factors are calculated by applying a constant discount factor of 1.5% for each incrementally newer year compared to the base age of 15 years. This methodology results in a proposed factor of 0.797 for new homes (i.e., age = 0, which receives the largest discount) compared to the current factor of 0.820.

In my opinion, the methodology used to develop the revised age of construction rating factors is reasonable and is consistent with widely-used actuarial ratemaking practices. In addition, in my opinion, the proposed age of construction rating factors are reasonable and reflect an effective strategy to increase the number of policyholders receiving this discount while also mitigating the impact of this change on policyholders who do not receive the discount.

Q. What is the difference between the indicated rate level and the filed rate level?

- A. The indicated rate level is the actuarially sound and correct rate level for each territory and each policy form. It is the indicated rate change by territory that is needed to cover the expected losses and expenses while still providing a fair and reasonable profit. The indicated rate level is also the rate level that complies with the statutory requirements that rates not be excessive, inadequate, or unfairly discriminatory.

For owners forms, the statewide indicated rate-level change is 39.0%. Due to differences by territory in historical loss experience, modeled hurricane losses, and other expenses, the indicated change by territory varies throughout the state. For many of the western territories, the indicated change is less than 39.0%, but for several of the territories closer to the coast, the indicated change is greater than 39.0%. By contrast, the statewide indicated rate-level changes for tenants and condominium unit owners are 23.6% and 51.4%, respectively, and similar to the owners forms, the indicated changes by territory vary across the state.

In order to mitigate the impact of these indicated rate changes on policyholders, the Rate Bureau has filed rates that reflect a cap on the changes by territory for each policy form. The filing proposes to cap the rate changes by territory at 25% for each policy form. This capping results in an overall statewide rate-level change of 24.5% instead of the indicated rate-level change of 38.7%.

In my opinion, the Rate Bureau's selected by-territory cap of 25% is reasonable and is an effective strategy to mitigate the impact of this filing on policyholders in those territories with the highest indicated rate changes. However, for those territories that are impacted by the cap (i.e., their indicated rate changes are greater than 25%), it should be noted that the proposed rates in those territories will continue to be inadequate.

- Q. I understand that you are not providing an opinion concerning the underwriting profit (profit) provision or the development of the net cost of reinsurance (NCOR) provision. If I ask you to assume that the provisions for profit and NCOR are reasonable and actuarially sound, then in your opinion, is the overall rate-level indication shown in the homeowners filing by the North Carolina Rate Bureau reasonable?**
- A. Yes, if I assume that the provisions for profit and NCOR are reasonable, then in my opinion, the overall homeowners rate-level indication shown by the Rate Bureau, and the rate-level indications for each policy form, are reasonable and actuarially sound.
- Q. Again, assuming that the provisions for profit and NCOR are reasonable, do you have an opinion whether the proposed rates, as capped in the filing, reasonably provide for the expected costs for homeowners insurance in North Carolina?**
- A. If I assume that the provisions for profit and NCOR are reasonable, then in my opinion, the proposed rates in this filing reasonably reflect the expected costs for homeowners insurance. However, in those territories where the Rate Bureau has capped the rates in this filing to mitigate the impact on affected policyholders, the proposed rates do not reflect all expected costs. The expected costs that can be quantified by the difference between a territory's indicated rate change and its capped rate change are not being reflected in the proposed rates.
- Q. Assuming that the provisions for profit and NCOR are reasonable, what is your opinion on whether the proposed homeowners rates are not excessive, not inadequate, and not unfairly discriminatory?**
- A. If I assume that the provisions for profit and NCOR are reasonable, then in my opinion, the proposed homeowners rates in this filing are not excessive or unfairly discriminatory. Similarly, the rates in those territories unaffected by the proposed cap are not inadequate; however, in those territories where the Rate Bureau is proposing to cap the effect of this filing, the proposed rates continue to be inadequate by the difference between the indicated rate change and the capped rate change.
- Q. Does this conclude your testimony?**
- A. Yes, it does.

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

Development of the Estimated Impact of Delay in Rate Filing Process

| NCRB Rate Filing | Policy Type / Coverage | Premium Weight | (1) | (2) | (3) | (4) | (5) |
|---------------------|---------------------------|-------------------|---------------------------|--------------------------|------------------------|---------------------------|---|
| | | | Assumed Effective Date | Actual Effective Date | Selected Loss Trend | Selected Premium Trend | Estimated Impact of Delay in Filing Process |
| 2019 Dwelling | Fire | \$83,923,771 | 7/1/20 | 7/1/20 | 2.0% | 1.1% | 0.0% |
| | EC | 241,506,295 | 7/1/20 | 7/1/20 | 3.2% | 0.8% | 0.0% |
| | Total | \$325,430,066 | | | | | 0.0% |
| 2019 MH(C) | Mobile Home Structures | \$52,069,226 | 2/1/20 | 6/1/20 | 3.5% | 1.6% | 0.6% |
| | Adjacent Structures | 4,212,665 | 2/1/20 | 6/1/20 | 4.0% | 2.8% | 0.4% |
| | Personal Effects | 10,255,303 | 2/1/20 | 6/1/20 | 2.0% | 4.1% | -0.7% |
| | Liability | 2,410,058 | 2/1/20 | 6/1/20 | 5.0% | n/a | 1.6% |
| | Total | \$68,947,252 | | | | | 0.5% |
| 2019 MH(F) | Owners | \$51,661,941 | 2/1/20 | 6/1/20 | 0.7% | -0.5% | 0.4% |
| | Tenants | 66,881 | 2/1/20 | 6/1/20 | 2.0% | 2.1% | 0.0% |
| | Total | \$51,728,822 | | | | | 0.4% |
| 2018 HO | Owners | \$2,017,285,314 | 10/1/19 | 5/1/20 | 4.6% | 1.0% | 2.0% |
| | Tenants | 72,370,871 | 10/1/19 | 5/1/20 | -3.1% | -1.4% | -1.0% |
| | Condos | 29,047,171 | 10/1/19 | 5/1/20 | 1.9% | 0.2% | 1.0% |
| | Total | \$2,118,703,356 | | | | | 1.9% |
| 2018 Dwelling | Fire | \$102,088,428 | 6/1/18 | 2/1/19 | 0.2% | 2.3% | -1.3% |
| | EC | 187,663,877 | 6/1/18 | 2/1/19 | 0.4% | 2.1% | -1.1% |
| | Total | \$289,752,305 | | | | | -1.2% |
| 2017 HO | Owners | \$2,010,516,565 | 6/1/18 | 10/1/18 | 3.1% | 1.1% | 0.7% |
| | Tenants | 62,551,401 | 6/1/18 | 10/1/18 | -3.1% | -1.0% | -0.7% |
| | Condos | 24,591,783 | 6/1/18 | 10/1/18 | 1.9% | 0.5% | 0.5% |
| | Total | \$2,097,659,749 | | | | | 0.6% |
| 2014 HO | Owners | \$2,257,970,589 | 7/1/14 | 6/1/15 | 5.3% | 2.3% | 2.7% |
| | Tenants | 45,065,871 | 7/1/14 | 6/1/15 | 2.9% | -1.0% | 3.6% |
| | Condos | 22,629,842 | 7/1/14 | 6/1/15 | 5.4% | 0.0% | 5.0% |
| | Total | \$2,325,666,302 | | | | | 2.7% |
| 2014 MH(C) | Property | \$77,349,418 | 6/1/15 | 10/1/15 | 3.0% | 2.8% | 0.1% |
| | Liability | 1,546,804 | 6/1/15 | 10/1/15 | 2.8% | n/a | 0.9% |
| | Total | \$78,896,222 | | | | | 0.1% |
| 2014 MH(F) | Owners | \$44,750,216 | 6/1/15 | 10/1/15 | 4.6% | 2.2% | 0.8% |
| | Tenants | 100,658 | 6/1/15 | 10/1/15 | 2.5% | -0.2% | 0.9% |
| | Total | \$44,850,874 | | | | | 0.8% |
| 2012 HO | Owners | \$2,168,814,729 | 6/1/13 | 7/1/13 | 5.4% | 3.0% | 0.2% |
| | Tenants | 32,405,190 | 6/1/13 | 7/1/13 | 4.0% | 0.0% | 0.3% |
| | Condos | 18,252,996 | 6/1/13 | 7/1/13 | 4.0% | 2.0% | 0.2% |
| | Total | \$2,219,472,915 | | | | | 0.2% |
| 2011 Dwelling | Fire | \$84,664,174 | 6/1/11 | 4/1/13 | 3.6% | 2.9% | 1.3% |
| | EC | 150,823,062 | 6/1/11 | 4/1/13 | 4.1% | 2.8% | 2.3% |
| | Total | \$235,487,236 | | | | | 2.0% |
| 2008 HO | Owners | \$1,498,766,325 | 1/1/09 | 5/1/09 | 4.4% | 3.9% | 0.2% |
| | Tenants | 24,074,875 | 1/1/09 | 5/1/09 | 0.2% | 2.7% | -0.8% |
| | Condos | 13,213,524 | 1/1/09 | 5/1/09 | 0.2% | 2.9% | -0.9% |
| | Total | \$1,536,054,724 | | | | | 0.1% |
| 2008 MH(C) | Property | \$76,284,985 | 10/1/07 | 12/1/08 | 7.5% | 2.4% | 5.9% |
| | Liability | 1,161,840 | 10/1/07 | 12/1/08 | 4.0% | n/a | 4.7% |
| | Total | \$77,446,825 | | | | | 5.9% |
| 2008 MH(F) | Owners | \$43,659,180 | 10/1/07 | 12/1/08 | 6.6% | 5.8% | 0.9% |
| | Tenants | 158,638 | 10/1/07 | 12/1/08 | 0.4% | -4.1% | 5.5% |
| | Total | \$43,817,818 | | | | | 0.9% |

Average Estimated Impact of Delay in Filing Process: 1.1%

(1), (3), (4) From historical NCRB rate filings

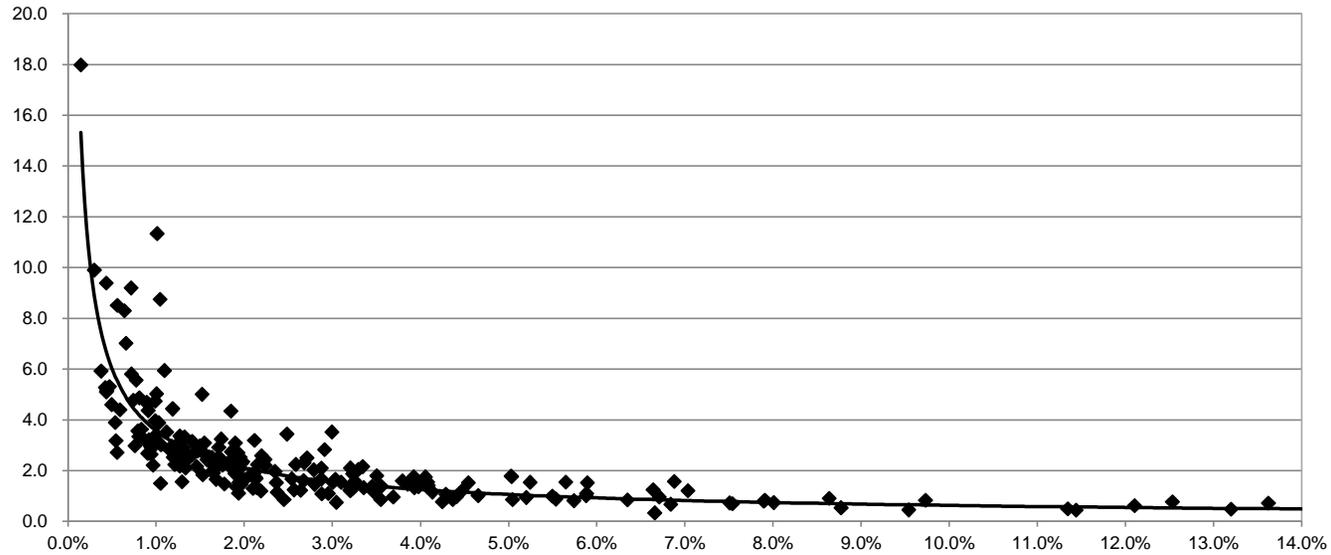
(2) From historical NCRB settlement agreements or circulars

(5) = $\left(\frac{1 + (3)}{1 + (4)} \right)^{\frac{(2) - (1)}{365}} - 1$

North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

Catastrophe Bond Profit Multiples

Adjusted Profit Multiples by Average Probability of Loss



Source: Lane Financial LLC, Annual Securitization Reviews (<http://lanefinancialllc.com>).

Notes: Based on near-term cat bonds issued from January 2011 to March 2020.

Includes all U.S. bonds with a probability of first loss between 0.05% and 20.0%; excludes bonds with no stated profit multiples.

Profit multiples were adjusted based on the year each bond was issued in order to normalize for different market conditions by year.

Equation of the fitted curve:

$$y = 0.10982 x^{-0.75557}$$

Equation to determine average Profit Multiple over specific interval:

$$\text{Avg PM} = \int_a^b 0.10982 x^{-0.75557} dx / (b-a)$$

North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan

Summary of 2020 Reinsurance Structure

| <u>Risk Finance Structure ⁽¹⁾</u> | <u>Attachment Point (\$ Millions)</u> | <u>Exhaustion Point (\$ Millions)</u> | <u>Coverage</u> |
|--|---|---|-----------------|
| Reinsurance Layer 1 | \$1,400.0 | \$1,700.0 | 100.0% |
| Reinsurance Layer 2 | 1,700.0 | 1,750.0 | 100.0% |
| Reinsurance Layer 3 | 1,750.0 | 2,250.0 | 100.0% |
| Reinsurance Layer 4 | 2,250.0 | 2,300.0 | 100.0% |
| Reinsurance Layer 5 | 2,300.0 | 3,015.0 | 100.0% |

Source: https://www.ncjua-nciua.org/html/mbr_co.htm

Note: The above reinsurance covers aggregate losses for all Beach Plan accounts combined (Residential & Commercial).

(1) Each layer of reinsurance provides Annual Aggregate coverage, which implies that a reinstatement provision is not applicable.

North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan

Determination of Average Profit Multiple by Layer of Loss
(\$ in Millions)

| <u>Annual Aggregate Layer</u> | <u>Source of Funding</u> | <u>Total Beach Plan</u> | | <u>Attachment Probability</u> | <u>Exhaustion Probability</u> | <u>Indicated Profit Multiple</u> |
|-------------------------------|--------------------------|-------------------------|--|-------------------------------|-------------------------------|----------------------------------|
| | | <u>Layer Attachment</u> | <u>Layer Exhaustion ⁽¹⁾</u> | | | |
| \$0 to 400 | Surplus | \$0.0 | \$400.0 | 46.35% | 11.10% | 0.31 |
| \$400 to 1,400 | Company Assessments | 400.0 | 1,400.0 | 11.10% | 3.74% | 0.83 |
| \$1,400 to 1,700 | Reinsurance Layer 1 | 1,400.0 | 1,700.0 | 3.74% | 3.01% | 1.43 |
| \$1,700 to 1,750 | Reinsurance Layer 2 | 1,700.0 | 1,750.0 | 3.01% | 2.93% | 1.57 |
| \$1,750 to 2,250 | Reinsurance Layer 3 | 1,750.0 | 2,250.0 | 2.93% | 2.14% | 1.78 |
| \$2,250 to 2,300 | Reinsurance Layer 4 | 2,250.0 | 2,300.0 | 2.14% | 2.07% | 2.03 |
| \$2,300 to 3,015 | Reinsurance Layer 5 | 2,300.0 | 3,015.0 | 2.07% | 1.46% | 2.34 |
| \$3,015 & Higher | Policyholder Surcharges | 3,015.0 | 45,847.5 | 1.46% | 0.0010% | 9.13 |

(1) The Layer Exhaustion for the highest layer was selected to be equal to the largest amount of modeled annual hurricane losses after blending 100,000 years of AIR and RMS modeled losses.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
Residential Accounts Only**

Illustration of How Hurricane Losses are Funded
Voluntary Market Assessments Limited to \$1 Billion on All Beach Plan Accounts Combined
(\$ in Millions)

| <u>Annual Aggregate Layer</u> | <u>Total Beach Plan</u> | | | <u>Beach Plan: Residential Share of Layer</u> | <u>Hurricane Losses Funded by:</u> | | | |
|-------------------------------|-----------------------------|-----------------------------|----------------------------------|---|------------------------------------|--------------------------------|---|------------------------------------|
| | <u>Layer Attachment</u> | <u>Layer Exhaustion</u> | <u>Total Losses in Layer</u> | | <u>Beach Plan Surplus</u> | <u>Private Reinsurance</u> | <u>Assessments on Member Companies ⁽¹⁾</u> | <u>Policyholder Surcharges</u> |
| \$0 to 400 | \$0.0 | \$400.0 | \$400.0 | \$348.2 | \$348.2 | - | - | - |
| \$400 to 1,400 | 400.0 | 1,400.0 | 1,000.0 | 855.2 | - | - | \$855.2 | - |
| \$1,400 to 1,700 | 1,400.0 | 1,700.0 | 300.0 | 254.9 | - | \$254.9 | - | - |
| \$1,700 to 1,750 | 1,700.0 | 1,750.0 | 50.0 | 42.5 | - | 42.5 | - | - |
| \$1,750 to 2,250 | 1,750.0 | 2,250.0 | 500.0 | 425.2 | - | 425.2 | - | - |
| \$2,250 to 2,300 | 2,250.0 | 2,300.0 | 50.0 | 42.6 | - | 42.6 | - | - |
| \$2,300 to 3,015 | 2,300.0 | 3,015.0 | 715.0 | 609.6 | - | 609.6 | - | - |
| \$3,015 & Higher | 3,015.0 | 45,847.5 | 42,832.5 | 37,116.3 | - | - | - | \$37,116.3 |
| Total | | | | | \$348.2 | \$1,374.7 | \$855.2 | \$37,116.3 |

(1) Total losses paid by Member Companies (\$855.2 M) reflects the Residential portion of the \$1 Billion Beach Plan assessment on the total Voluntary Market.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
Residential Accounts Only**

Determination of the Cost of Reinsurance Provided to the NCIUA by the Voluntary Market
Voluntary Market Assessments Limited to \$1 Billion on All Beach Plan Accounts Combined
(\$ in Millions)

| <u>Annual Aggregate Layer</u> | Beach Plan: Residential Share of Layer | Potential Assessments Paid by Member Companies ⁽¹⁾ | <u>Expected Losses</u> ⁽²⁾ | | Indicated Profit Multiple ⁽⁴⁾ | Cost of Funding Assessments ⁽⁵⁾ |
|-------------------------------|--|--|---------------------------------------|-------------------------------|--|--|
| | | | <u>Total</u> | <u>Exposed</u> ⁽³⁾ | | |
| \$0 to 400 | \$348.2 | - | \$61.70 | - | 0.31 | - |
| \$400 to 1,400 | 855.2 | \$855.2 | 55.11 | \$55.11 | 0.83 | \$45.74 |
| \$1,400 to 1,700 | 254.9 | - | 8.72 | - | 1.43 | - |
| \$1,700 to 1,750 | 42.5 | - | 1.29 | - | 1.57 | - |
| \$1,750 to 2,250 | 425.2 | - | 10.87 | - | 1.78 | - |
| \$2,250 to 2,300 | 42.6 | - | 0.92 | - | 2.03 | - |
| \$2,300 to 3,015 | 609.6 | - | 10.84 | - | 2.34 | - |
| \$3,015 & Higher | 37,116.3 | - | 36.20 | - | 9.13 | - |
| Total | | \$855.2 | \$185.64 | \$55.11 | | \$45.74 |

(1) See Exhibit RB-11, Page 4.

(2) From AIR & RMS hurricane models.

(3) Expected loss subject to Beach Plan assessments of Voluntary Market.

(4) See Exhibit RB-11, Page 3.

(5) = Exposed Expected Losses x Profit Multiple (based on Cat Bond data).

North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

Summary of 2020 Reinsurance Structure

| <u>Risk Finance Structure ⁽¹⁾</u> | <u>Attachment Point (\$ Millions)</u> | <u>Exhaustion Point (\$ Millions)</u> | <u>Coverage</u> |
|--|---|---|-----------------|
| Reinsurance Layer 1 | \$115.0 | \$260.0 | 100.0% |

Source: https://www.ncjua-nciua.org/html/mbr_co.htm

Notes: The above reinsurance covers aggregate losses for all FAIR Plan accounts combined (Residential & Commercial).

(1) Each layer of reinsurance provides Annual Aggregate coverage, which implies that a reinstatement provision is not applicable.

North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

Determination of Average Profit Multiple by Layer of Loss
(\$ in Millions)

| <u>Annual Aggregate Layer</u> | <u>Source of Funding</u> | <u>Total FAIR Plan</u> | | <u>Attachment Probability</u> | <u>Exhaustion Probability</u> | <u>Indicated Profit Multiple</u> |
|-------------------------------|--------------------------|-------------------------|--|-------------------------------|-------------------------------|----------------------------------|
| | | <u>Layer Attachment</u> | <u>Layer Exhaustion ⁽¹⁾</u> | | | |
| \$0 to 15 | Surplus | \$0.0 | \$15.0 | 45.80% | 19.94% | 0.26 |
| \$15 to 115 | Company Assessments | 15.0 | 115.0 | 19.94% | 6.98% | 0.53 |
| \$115 to 260 | Reinsurance | 115.0 | 260.0 | 6.98% | 3.11% | 1.09 |
| \$260 & Higher | Company Assessments | 260.0 | 6,293.3 | 3.11% | 0.0005% | 5.46 |

(1) The Layer Exhaustion for the highest layer was selected to be equal to the largest amount of modeled annual hurricane losses after blending 100,000 years of AIR and RMS modeled losses.

**North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan
Residential Accounts Only**

Illustration of How Hurricane Losses are Funded
Reflecting Unlimited Industry Exposure to FAIR Plan Assessments
(\$ in Millions)

| <u>Annual Aggregate Layer</u> | <u>Total FAIR Plan</u> | | | <u>FAIR Plan: Residential Share of Layer</u> | <u>Hurricane Losses Funded by:</u> | | |
|-------------------------------|-----------------------------|-----------------------------|----------------------------------|--|------------------------------------|--------------------------------|--|
| | <u>Layer Attachment</u> | <u>Layer Exhaustion</u> | <u>Total Losses in Layer</u> | | <u>FAIR Plan Surplus</u> | <u>Private Reinsurance</u> | <u>Assessments on Member Companies</u> |
| \$0 to 15 | \$0.0 | \$15.0 | \$15.0 | \$14.5 | \$14.5 | - | - |
| \$15 to 115 | 15.0 | 115.0 | 100.0 | 96.5 | - | - | \$96.5 |
| \$115 to 260 | 115.0 | 260.0 | 145.0 | 139.8 | - | \$139.8 | - |
| \$260 & Higher | 260.0 | 6,293.3 | 6,033.3 | 5,775.1 | - | - | 5,775.1 |
| Total | | | | | \$14.5 | \$139.8 | \$5,871.6 |

**North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan
Residential Accounts Only**

Determination of the Cost of Reinsurance Provided to the NCJUA by the Voluntary Market
Reflecting Unlimited Industry Exposure to FAIR Plan Assessments
(\$ in Millions)

| <u>Annual Aggregate Layer</u> | FAIR Plan: Residential Share of Layer | Potential Assessments Paid by Member Companies ⁽¹⁾ | <u>Expected Losses</u> ⁽²⁾ | | Indicated Profit Multiple ⁽⁴⁾ | Cost of Providing Reinsurance ⁽⁵⁾ |
|-------------------------------|---|--|---------------------------------------|-------------------------------|--|--|
| | | | <u>Total</u> | <u>Exposed</u> ⁽³⁾ | | |
| \$0 to 15 | \$14.5 | - | \$3.63 | - | 0.26 | - |
| \$15 to 115 | 96.5 | \$96.5 | 10.88 | \$10.88 | 0.53 | \$5.76 |
| \$115 to 260 | 139.8 | - | 6.50 | - | 1.09 | - |
| \$260 & Higher | 5,775.1 | 5,775.1 | 9.54 | 9.54 | 5.46 | 52.09 |
| Total | | \$5,871.6 | \$30.55 | \$20.42 | | \$57.86 |

(1) See Exhibit RB-11, Page 8.

(2) From AIR & RMS hurricane models.

(3) Expected loss subject to FAIR Plan assessments of Voluntary Market.

(4) See Exhibit RB-11, Page 7.

(5) = Exposed Expected Losses x Profit Multiple (based on Cat Bond data).

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan
Residential Accounts Only**

Determination of the Compensation for Bearing the Risk of Beach Plan & FAIR Plan Assessments
(\$ in Millions)

| | |
|--|-----------------|
| (1) Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCIUA (Beach Plan): | \$45.74 |
| (2) Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCJUA (FAIR Plan): | \$57.86 |
| (3) Total Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCIUA & NCJUA: | <u>\$103.59</u> |

| <u>Policy Form</u> | (4) Estimated 2020 Industry Written Premium @ Manual Rates | (5) = (4) / Total (4) % of Total Industry Premium | (6) = (3) x (5) Allocated Compensation for Risk of Assessment | (7) = (6) / (4) Compensation for Assessment Risk as % of 2020 Manual Premium |
|--------------------|--|--|---|--|
| Homeowners | \$3,034.8 | 86.3% | \$89.45 | 2.9% |
| Dwelling Fire & EC | 335.4 | 9.5% | 9.89 | 2.9% |
| MobileHome | 144.5 | 4.1% | 4.26 | 2.9% |
| Total | \$3,514.6 | 100.0% | \$103.59 | 2.9% |

(1) From Exhibit RB-11, Page 5.

(2) From Exhibit RB-11, Page 9.

(3) = (1) + (2)

(4) 2020 Industry Written Premium includes NCIUA and NCJUA.

PREFILED TESTIMONY
OF
JAMES H. VANDER WEIDE

2020 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU

Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?

A. My name is James H. Vander Weide. I am President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to corporate clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina 27705.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.

A. I graduated from Cornell University with a bachelor's degree in economics and then attended Northwestern University where I earned a Ph.D. in Finance. I joined the faculty of the School of Business at Duke University where I was subsequently named Assistant Professor, Associate Professor, Professor, and Research Professor. I have published research in the areas of finance and economics and taught courses in these fields at Duke for more than thirty-five years. I am now retired from my teaching duties at Duke.

I have taught courses in corporate finance, investment management, and management of financial institutions. I also taught a graduate seminar on the theory of public utility pricing and lectured in executive development seminars on

the cost of capital, financial analysis, capital budgeting, mergers and acquisitions, cash management, short-run financial planning, and competitive strategy.

I have served as Program Director and taught in numerous executive education programs at Duke, including the Duke Advanced Management Program, the Duke Management Challenge, the Duke Executive Program in Telecommunications, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. I have also taught in tailored programs developed for corporations such as ABB, Accenture, Allstate, AT&T, Progress Energy, GlaxoSmithKline, Lafarge, MidAmerican Energy, Norfolk Southern, The Rank Group, Siemens, TRW, and Wolseley PLC.

In addition to my teaching and executive education activities, I have written research papers on such topics as portfolio management, the cost of capital, capital budgeting, the effect of regulation on the performance of public utilities, and cash management. My articles have been published in *American Economic Review*, *Financial Management*, *International Journal of Industrial Organization*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Bank Research*, *Journal of Accounting Research*, *Journal of Cash Management*, *Management Science*, *The Journal of Portfolio Management*, *Atlantic Economic Journal*, *Journal of Economics and Business*, and *Computers and Operations Research*. I have written a book titled *Managing Corporate Liquidity: an Introduction to Working Capital Management*, a chapter for *The Handbook of*

Modern Finance, “Financial Management in the Short Run,” and a chapter for the book, *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*, “Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory.”

Q. HAVE YOU PREVIOUSLY PRESENTED EVIDENCE ON THE COST OF CAPITAL AND OTHER REGULATORY ISSUES?

A. Yes. As an expert on financial and economic theory and practice, I have participated in more than five hundred regulatory and legal proceedings before the public service commissions of forty-five states and four Canadian provinces, the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, the United States Congress, the National Telecommunications and Information Administration, the insurance commissions of five states, the Iowa State Board of Tax Review, the National Association of Securities Dealers, and the North Carolina Property Tax Commission. In addition, I have prepared expert testimony in proceedings before the United States District Court for the District of Nebraska; the United States District Court for the District of New Hampshire; the United States District Court for the District of Northern Illinois; the United States District Court for the Eastern District of North Carolina; the Montana Second Judicial District Court, Silver Bow County; the United States District Court for the Northern District of California; the Superior Court, North Carolina; the United States Bankruptcy Court for the Southern District of West Virginia; the United States District Court

for the Eastern District of Michigan; and the Supreme Court of the State of New York.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the North Carolina Rate Bureau to make an independent appraisal of the aggregate cost of equity capital for the companies writing homeowners insurance in North Carolina and to recommend a rate of return on equity that is fair, that allows those companies in the aggregate to attract and retain capital on reasonable terms, that is commensurate with returns on investments of comparable risk, and that maintains the financial integrity of those companies in the aggregate.

Q. WHAT DO YOU MEAN BY THE PHRASE "COST OF EQUITY CAPITAL?"

A. A firm's cost of equity capital is the rate of return expectation that is required in the marketplace on equity investments of comparable risk. If an investor does not expect to earn a return on an equity investment in a firm that is at least as large as the return the investor could expect to earn on other investments of comparable risk, then the investor will not invest in that firm's shares. Thus, a firm's cost of equity capital is also the rate of return expectation that is required in the marketplace in order to induce equity investors to purchase shares in that firm.

Q. IS THE COST OF EQUITY CAPITAL THE SAME AS THE RETURN ON EQUITY?

A. No. The cost of equity capital is a market-based concept that reflects investors' future expectations, while the return on equity is an accounting concept that measures results of past performance. The return on equity is equal to income available for common equity divided by the book value of common equity.

Q. HAVE YOU FORMED AN OPINION REGARDING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Yes.

Q. WHAT IS YOUR OPINION IN THAT REGARD?

A. The cost of equity capital for such a company is in the range 8.0 percent to 10.7 percent.

Q. WHAT ECONOMIC PRINCIPLES DID YOU CONSIDER IN ARRIVING AT THAT OPINION?

A. There are two primary economic principles relevant to my appraisal of the cost of equity capital. The first, relating to the demand for capital, states that a firm should continue to invest in its business only so long as the return on its investment is greater than or equal to its cost of capital. In the context of a regulated firm, this principle suggests that the regulatory agency should establish revenue levels which will offer the firm an opportunity to earn a return on its investment that is at least equal to its cost of capital.

The second principle, relating to the supply of capital, states that rational investors are maximizing their total return on capital only if the returns they expect to receive on investments of comparable risk are equal. If these returns are not equal, rational investors will reduce or completely eliminate investments in those activities yielding lower expected returns for a given level of risk and will increase investments in those activities yielding higher expected returns. The second principle implies that regulated firms will be unable to obtain the capital required to expand service on reasonable terms unless they are able to provide investors returns equal to those expected on investments of comparable risk.

Q. DO THESE ECONOMIC PRINCIPLES APPLY TO THE SETTING OF INSURANCE RATES?

A. Yes. These are general economic principles that apply to investing in any business activity, including insurance.

Q. HOW DID YOU GO ABOUT DETERMINING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I used two generally accepted methods to estimate the cost of equity: (1) the Discounted Cash Flow (DCF) Model, and (2) the Risk Premium Approach.

Q. PLEASE DESCRIBE THE DCF MODEL.

A. The DCF Model suggests that investors value an asset on the basis of the future cash flows they expect to receive from owning the asset. Thus, investors value

an investment in a bond because they expect to receive a sequence of semi-annual coupon payments over the life of the bond and a terminal payment equal to the bond's face value at the time the bond matures. Likewise, investors value an investment in a firm's stock because they expect to receive a sequence of dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future.

A second fundamental principle of the DCF approach is that investors value a dollar received in the future less than a dollar received today. A future dollar is valued less than a current dollar because investors could invest a current dollar in an interest earning account and increase their wealth. This principle is called the time value of money.

Applying the two fundamental DCF principles noted above to an investment in a bond suggests that investors should value their investment in the bond on the basis of the present value of the bond's future cash flows. Thus, the price of the bond should be equal to:

Equation 1

$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

where:

- P_B = Bond price;
- C = Cash value of the coupon payment (assumed for notational convenience to occur annually rather than semi-annually);
- F = Face value of the bond;

- i = The rate of interest the investor could earn by investing his money in an alternative bond of equal risk; and
n = The number of periods before the bond matures.

Applying these same principles to an investment in a firm's stock suggests that the price of the stock should be equal to:

Equation 2

$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

where:

- P_s = Current price of the firm's stock;
 $D_1, D_2 \dots D_n$ = Expected annual dividends per share on the firm's stock;
 P_n = Price per share of stock at the time the investor expects to sell the stock; and
k = Return the investor expects to earn on alternative investments of the same risk, i.e., the investor's required rate of return.

Equation (2) is frequently called the Annual Discounted Cash Flow (DCF) Model of stock valuation.

Q. HOW DO YOU USE THE DCF MODEL TO DETERMINE THE COST OF EQUITY CAPITAL?

A. The "k" in the equation is the cost of equity capital. We make certain simplifying assumptions regarding the other factors in the equation and then mathematically solve for "k."

Q. WHAT ARE THE ASSUMPTIONS YOU MAKE?

A. Most analysts make three simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate (“g”) into the indefinite future. Second, they assume that the stock price at time “n” is simply the present value of all dividends expected in periods subsequent to “n.” Third, they assume that the investors’ required rate of return, “k,” exceeds the expected dividend growth rate, “g.”

Q. DOES THE ANNUAL DCF MODEL OF STOCK VALUATION PRODUCE APPROPRIATE ESTIMATES OF A FIRM’S COST OF EQUITY CAPITAL?

A. No. The Annual DCF Model of stock valuation produces appropriate estimates of a firm’s cost of equity capital only if the firm pays dividends just once a year. Because most firms pay dividends quarterly, the Annual DCF Model produces downwardly biased estimates of the cost of equity. Investors can expect to earn a higher annual effective return on an investment in a firm that pays quarterly dividends than in one which pays the same amount of dollar dividends once at the end of each year. A complete analysis of the implications of the quarterly payment of dividends on the DCF Model is provided in Exhibit RB-15. For the reasons cited there, I employed the Quarterly DCF Model throughout my calculations.

Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USED.

A. The Quarterly DCF Model I use is described by Equation 10 on page 10 in Exhibit RB-15. This equation shows that the cost of equity is equal to the sum of the dividend yield and the growth rate, where the dividend in the dividend yield is

the equivalent dividend at the end of the year, and the growth rate is the expected growth in dividends or earnings per share.

Q. HOW DO YOU APPLY THE DCF APPROACH TO OBTAIN THE COST OF EQUITY CAPITAL FOR THE COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I apply the DCF approach to two groups of companies: Value Line's group of property/casualty insurance companies and the S&P 500.

Q. WHY DO YOU APPLY THE DCF APPROACH TO THE S&P 500 AS WELL AS TO VALUE LINE'S PROPERTY/CASUALTY INSURANCE COMPANIES?

A. As I noted previously, the cost of equity is defined as the rate of return investors expect to earn on investments in other companies of comparable risk. I apply the DCF approach to the S&P 500 because they are a large group of companies that, on average, are typically viewed as being comparable in risk to the property/casualty insurance industry. The use of a larger set of comparable risk companies should provide an accurate estimate of the cost of equity for the companies writing homeowners insurance in North Carolina.

Q. DO YOU INCLUDE ALL THE VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANIES?

A. No. Among the Value Line property/casualty insurance companies, I only include companies which pay a quarterly dividend, have not lowered their dividends, and have a positive five-year earnings growth forecast available from I/B/E/S

(formerly known as the Institutional Brokers Estimate System, now published by Refinitiv) and Value Line. I use analysts' long-term growth forecasts both from I/B/E/S and Value Line because of the current highly uncertain economic environment associated with the effects of the COVID-19 pandemic. The Value Line property/casualty companies I use are shown in Exhibit RB-13.

Q. ARE INVESTORS AWARE OF THE UNCERTAIN IMPACT OF THE COVID-19 PANDEMIC ON PROPERTY/CASUALTY INSURANCE COMPANY RESULTS?

A. Yes. For example, in its report on Selective Insurance Group, Value Line states:

Like many of its peers, the recent COVID-19 pandemic has greatly impacted the company's operating fundamentals. In that vein, reserves have been increased to offset the spike in claims from small business liability and workers compensation coverages. Meanwhile, the expense ratio has recorded a considerable uptick, with uncollectible premiums and higher policy cancelations hurting underwriting results. [Value Line Investment Survey, Issue 4, Selective Insurance Group, June 5, 2020]

Q. WHY DO YOU ELIMINATE ANY VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANY WHICH HAS RECENTLY LOWERED ITS DIVIDEND OR WHICH FAILS TO PAY DIVIDENDS?

A. I eliminate those companies because it is difficult to make a reliable estimate of the future dividend growth rate for companies that have recently lowered their dividends or do not pay dividends. If a company has recently lowered its dividend, investors do not know whether the company will again lower its dividend in the future, or whether the company will attempt to increase its dividend back toward its previous level. If a company does not pay a dividend, one cannot mathematically apply the DCF approach.

Q. WHAT CRITERIA DO YOU USE TO SELECT COMPANIES IN THE S&P 500?

A. I include those firms which pay dividends and which have a long-term earnings growth forecast from I/B/E/S. Because I have already calculated DCF results for the Value Line property/casualty insurance companies, I exclude companies in the S&P 500 that are categorized as insurance companies by I/B/E/S Refinitiv. The S&P 500 companies I use are shown in Exhibit RB-14.

Q. HOW DO YOU ESTIMATE THE GROWTH COMPONENT OF THE QUARTERLY DCF MODEL?

A. I use the average of analysts' estimates of future earnings per share (EPS) growth reported by I/B/E/S. (As noted above, in my DCF analysis of the Value Line property/casualty insurance companies, I also use Value Line long-term earnings growth forecasts due to the current highly uncertain economic environment associated with the effects of the COVID-19 pandemic.) As part of their research, financial analysts working at Wall Street firms periodically estimate EPS growth for each firm they follow. The EPS forecasts for each firm are then published. The forecasts are used by investors who are contemplating purchasing or selling shares in individual companies.

Q. WHAT IS I/B/E/S?

A. I/B/E/S is a collection of analysts' forecasts for a broad group of companies expressed in terms of a mean forecast and a standard deviation of forecast for each firm. The mean forecast is used by investors as an estimate of future firm performance.

Q. WHY DO YOU USE THE I/B/E/S GROWTH ESTIMATES?

A. The I/B/E/S growth rates (1) are widely circulated in the financial community, (2) include the projections of reputable financial analysts who develop estimates of future growth, (3) are reported on a timely basis to investors, and (4) are widely used by institutional and other investors. For these reasons, I believe these estimates represent unbiased estimates of investors' expectations of each firm's long-term growth prospects and, accordingly, are incorporated by investors into their return requirements. Consequently, in my opinion, they provide the best available estimate of investors' long-term growth expectations.

Q. WHY DO YOU RELY EXCLUSIVELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS GROWTH IN ESTIMATING THE INVESTORS' EXPECTED GROWTH RATE RATHER THAN LOOKING AT PAST HISTORICAL GROWTH RATES?

A. There is considerable empirical evidence that analysts' forecasts are more highly correlated with stock prices than are firms' historical growth rates, and, thus, that investors actually use these forecasts.

Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF ANALYSTS' FORECASTS AS THE BEST ESTIMATE OF INVESTORS' EXPECTED GROWTH RATE, G?

A. Yes, I prepared a study with Willard T. Carleton, Professor of Finance Emeritus at the University of Arizona, on why analysts' forecasts provide the best estimate

of investors' expectations of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations: Analysts vs. History," published in *The Journal of Portfolio Management*.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.

A. First, we performed a correlation analysis to identify the historically-oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the consensus analysts' forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the early major research in this area. These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than historically-oriented growth calculations, in making buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price.

Q. WHAT PRICE DO YOU USE IN YOUR DCF MODEL?

A. I use a simple average of the monthly high and low stock prices for each firm for the three-month period, March, April, and May 2020. These high and low stock prices are obtained from Refinitiv.

Q. WHY DO YOU USE THE THREE-MONTH AVERAGE STOCK PRICE, P_0 , IN APPLYING THE DCF METHOD?

A. I use a three-month average stock price in applying the DCF method because stock prices fluctuate daily, while financial analysts' forecasts for a given company are generally changed less frequently, often on a quarterly basis. Thus, to match the stock price with an earnings forecast, it is appropriate to average stock prices over a three-month period.

Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.

A. All firms that have sold securities in the capital markets have incurred some level of flotation costs, including underwriters' commissions, legal fees, printing expense, etc. These costs are paid from the proceeds of the stock sale and must be recovered over the life of the equity issue. Costs vary depending upon the size of the issue, the type of registration method used and other factors, but in general these costs range between four percent and five percent of the proceeds from the issue. In addition to these costs, the underwriter's offer price is set below the most recent closing price before the public offering in order to reduce the risk that the underwriters will be unable to sell the entire offering at the offer price. The difference between the offer price and the recent closing price is generally in the range two percent to three percent. Thus, the total flotation cost, including both issuance expense and underwriter discount, could range anywhere from five percent to eight percent of the proceeds of an equity issue. These cost ranges have been developed and confirmed in a number of generally accepted studies. I believe a combined five percent allowance for

flotation costs is a conservative estimate that should be used in applying the DCF model in this proceeding.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF THE DCF METHOD TO THE PROPERTY/CASUALTY INSURANCE COMPANIES AND THE S&P 500.

A. As shown in Exhibits RB-13 and RB-14, the average DCF cost of equity capital for my group of Value Line property/casualty companies is 10.7 percent; and for the S&P 500 companies, the average DCF cost of equity is also 10.7 percent.

Q. WHAT CONCLUSION DO YOU REACH FROM YOUR DCF ANALYSIS ABOUT THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. On the basis of my DCF analysis, I would conclude that for companies writing homeowners insurance in North Carolina the cost of equity is approximately 10.7 percent.

Q. YOU NOTE THAT THE SECOND METHOD YOU USE TO ESTIMATE THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA IS A RISK PREMIUM APPROACH. PLEASE DESCRIBE THAT APPROACH.

A. I perform a study of the comparable returns received by bond and stock investors over the last 94 years. I estimate the returns on stock and bond portfolios, using stock price and dividend yield data on the S&P 500 stock portfolio and bond yield data on Moody's A-rated utility bonds.

My study consists of analyzing the historically achieved returns on broadly based stock and bond portfolios going back to 1926. For stocks, I use the S&P 500 stock portfolio; and for bonds, I use Moody's A-rated utility bonds. The resulting annual returns on the stock and bond portfolios purchased in each year from 1926 through 2019 are shown on Exhibit RB-16. The difference between the stock return and the bond return over that period of time on an arithmetic average basis is 4.7 percentage points.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR RISK PREMIUM ANALYSES?

A. My own studies, combined with my analysis of other studies, provide strong evidence for the belief that investors today require an equity return of at least 4.7 percentage points above the expected yield on A-rated long-term debt issues.

The average yield on Moody's seasoned A-rated utility bonds for the three months March through May was 3.3 percent. On the basis of this information and my knowledge of bond market conditions, I conclude that the long-term yield on A-rated utility bonds is approximately 3.3 percent. Adding a 4.7 percentage point risk premium to the 3.3 percent average yield on A-rated utility bonds, I obtain a return on equity of 8.0 percent from my ex post risk premium analysis.

Q. ARE THERE REASONS TO BELIEVE THAT THE RESULT OF YOUR EX POST RISK PREMIUM ANALYSIS MAY UNDERESTIMATE THE COST OF EQUITY AT THIS TIME?

A. Yes. The ex post risk premium model may produce an unrealistically low result because the model result is highly sensitive to the estimate of the bond yield. At this time, bond yields are unusually low, reflecting policy decisions of the United States government and the Federal Reserve Bank to keep interest rates low in order to stimulate the economy. The ex post risk premium cost of equity result is the sum of the risk premium and the bond yield; and, as a result, the use of an unusually low bond yield in the model may cause the ex post risk premium model result to underestimate the cost of equity.

Q. BASED ON YOUR ANALYSES, WHAT IS YOUR OPINION AS TO THE COST OF EQUITY CAPITAL FOR THE AVERAGE INSURANCE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Based on my review and studies, I believe that a conservative estimate of the cost of common equity capital for the average insurance company writing homeowners insurance in North Carolina is in the range 8.0 percent to 10.7 percent.

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
PROPERTY/CASUALTY INSURANCE COMPANIES

| | COMPANY | MOST RECENT QUARTERLY DIVIDEND (d ₀) | STOCK PRICE (P ₀) | FORECAST OF FUTURE EARNINGS GROWTH | DCF MODEL RESULT |
|----|-------------------------------|--|-------------------------------|------------------------------------|------------------|
| 1 | Allstate Corp. | 0.540 | 93.886 | 4.2% | 6.7% |
| 2 | Amer. Financial Group | 0.450 | 67.138 | 6.3% | 9.2% |
| 3 | Berkley (W.R.) | 0.110 | 54.675 | 9.5% | 10.5% |
| 4 | Chubb Ltd. | 0.750 | 114.072 | 6.6% | 9.6% |
| 5 | CNA Fin'l | 0.370 | 31.739 | 7.5% | 12.8% |
| 6 | Erie Indemnity | 0.965 | 167.285 | 10.0% | 12.7% |
| 7 | First American Financial Corp | 0.440 | 46.677 | 5.9% | 10.1% |
| 8 | Old Republic | 0.200 | 15.636 | 11.5% | 17.7% |
| 9 | RLI Corp. | 0.240 | 77.024 | 11.4% | 12.9% |
| 10 | Selective Ins. Group | 0.230 | 49.063 | 3.7% | 5.7% |
| 11 | Travelers Cos. | 0.820 | 101.173 | 5.7% | 9.4% |
| 12 | Average | | | | 10.7% |

Note:

- d₀ = Latest quarterly dividend.
d₁, d₂, d₃, d₄, = Expected next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line, by the factor (1 + g).
P₀ = Average of the monthly high and low stock prices during the three months ending May 2020 per Refinitiv.
FC = Flotation costs.
g = Forecast of future earnings growth May 2020, average of I/B/E/S and Value Line EPS growth.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs as shown by the formula below:

$$k = \frac{d_1(1+k)^{.75} + d_2(1+k)^{.50} + d_3(1+k)^{.25} + d_4}{P_0(1-FC)} + g$$

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

| | COMPANY | STOCK PRICE (P ₀) | D ₀ | FORECAST OF FUTURE EARNINGS GROWTH | MODEL RESULT |
|----|-------------------------|-------------------------------|----------------|------------------------------------|--------------|
| 1 | 3M | 142.31 | 5.88 | 1.41% | 5.9% |
| 2 | ABBOTT LABORATORIES | 84.35 | 1.44 | 10.28% | 12.3% |
| 3 | ABBVIE | 81.00 | 4.72 | 11.50% | 18.5% |
| 4 | ACCENTURE CLASS A | 174.10 | 3.20 | 7.37% | 9.5% |
| 5 | ACTIVISION BLIZZARD | 62.88 | 0.41 | 22.96% | 23.8% |
| 6 | ADV.AUTO PARTS | 112.48 | 1.00 | 7.00% | 8.0% |
| 7 | AES | 12.97 | 0.57 | 7.10% | 12.1% |
| 8 | AFLAC | 34.65 | 1.12 | 1.88% | 5.4% |
| 9 | AGILENT TECHS. | 76.09 | 0.72 | 7.70% | 8.8% |
| 10 | AIR PRDS.& CHEMS. | 213.97 | 5.36 | 9.62% | 12.5% |
| 11 | ALBEMARLE | 65.10 | 1.54 | 15.00% | 17.9% |
| 12 | ALLEGION | 97.09 | 1.28 | 3.56% | 5.0% |
| 13 | ALLIANCE DATA SYSTEMS | 46.29 | 0.84 | 5.60% | 7.6% |
| 14 | ALLIANT ENERGY (XSC) | 47.99 | 1.52 | 5.30% | 8.9% |
| 15 | ALTRIA GROUP | 38.00 | 3.36 | 3.18% | 13.1% |
| 16 | AMCOR | 8.57 | 0.46 | 2.57% | 8.5% |
| 17 | AMER.ELEC.PWR. | 81.23 | 2.80 | 5.85% | 9.7% |
| 18 | AMEREN | 72.52 | 1.98 | 5.90% | 9.0% |
| 19 | AMERICAN EXPRESS | 88.72 | 1.72 | 5.99% | 8.2% |
| 20 | AMERICAN INTL.GP. | 27.26 | 1.28 | 4.97% | 10.3% |
| 21 | AMERICAN TOWER | 228.67 | 4.32 | 16.89% | 19.2% |
| 22 | AMERIPRISE FINL. | 116.57 | 4.16 | 11.56% | 15.8% |
| 23 | AMERISOURCEBERGEN | 85.48 | 1.68 | 8.23% | 10.5% |
| 24 | AMGEN | 215.76 | 6.40 | 5.95% | 9.3% |
| 25 | ANALOG DEVICES | 100.81 | 2.48 | 6.95% | 9.7% |
| 26 | ANTHEM | 252.10 | 3.80 | 14.33% | 16.2% |
| 27 | AON CLASS A | 180.95 | 1.76 | 8.97% | 10.1% |
| 28 | APPLE | 276.36 | 3.28 | 11.47% | 12.9% |
| 29 | APPLIED MATS. | 49.77 | 0.88 | 19.10% | 21.3% |
| 30 | ARTHUR J GALLAGHER | 84.11 | 1.80 | 7.16% | 9.6% |
| 31 | AT&T | 30.52 | 2.08 | 2.42% | 10.0% |
| 32 | ATMOS ENERGY | 98.33 | 2.30 | 7.15% | 9.8% |
| 33 | AUTOMATIC DATA PROC. | 137.03 | 3.64 | 12.20% | 15.4% |
| 34 | AVERY DENNISON | 104.30 | 2.32 | 8.55% | 11.1% |
| 35 | BALL | 65.55 | 0.60 | 10.32% | 11.4% |
| 36 | BANK OF AMERICA | 23.13 | 0.72 | 5.12% | 8.6% |
| 37 | BANK OF NEW YORK MELLON | 34.60 | 1.24 | 2.48% | 6.4% |
| 38 | BAXTER INTL. | 84.50 | 0.98 | 9.67% | 11.0% |
| 39 | BECTON DICKINSON | 239.58 | 3.16 | 7.25% | 8.7% |
| 40 | BEST BUY | 70.09 | 2.20 | 7.90% | 11.5% |
| 41 | BLACKROCK | 457.87 | 14.52 | 2.39% | 5.9% |
| 42 | BRISTOL MYERS SQUIBB | 58.13 | 1.80 | 17.90% | 21.8% |
| 43 | BROADCOM | 247.93 | 13.00 | 12.35% | 18.7% |
| 44 | CAMPBELL SOUP | 49.38 | 1.40 | 2.75% | 5.9% |
| 45 | CAPITAL ONE FINL. | 60.98 | 1.60 | 8.00% | 11.0% |
| 46 | CARDINAL HEALTH | 48.97 | 1.94 | 4.73% | 9.2% |
| 47 | CDW | 99.61 | 1.52 | 9.10% | 10.9% |
| 48 | CELANESE | 78.35 | 2.48 | 4.60% | 8.1% |
| 49 | CENTURYLINK | 10.04 | 1.00 | 6.00% | 17.6% |
| 50 | CERNER | 66.27 | 0.72 | 14.90% | 16.2% |
| 51 | CH ROBINSON WWD. | 70.00 | 2.04 | 10.00% | 13.4% |

| | COMPANY | STOCK PRICE (P ₀) | D ₀ | FORECAST OF FUTURE EARNINGS GROWTH | MODEL RESULT |
|-----|--------------------------|-------------------------------|----------------|------------------------------------|--------------|
| 52 | CHEVRON | 82.59 | 5.16 | 5.50% | 12.6% |
| 53 | CHURCH & DWIGHT CO. | 67.60 | 0.96 | 7.90% | 9.5% |
| 54 | CIGNA | 179.02 | 0.04 | 12.59% | 12.6% |
| 55 | CINTAS | 214.34 | 2.55 | 9.70% | 11.1% |
| 56 | CISCO SYSTEMS | 40.62 | 1.44 | 6.18% | 10.2% |
| 57 | CITIZENS FINANCIAL GROUP | 22.10 | 1.56 | 5.72% | 13.8% |
| 58 | CITRIX SYS. | 138.19 | 1.40 | 6.40% | 7.5% |
| 59 | CLOROX | 190.03 | 4.24 | 5.26% | 7.8% |
| 60 | CME GROUP | 178.18 | 3.40 | 5.13% | 7.3% |
| 61 | CMS ENERGY | 57.40 | 1.63 | 7.29% | 10.5% |
| 62 | COCA COLA | 46.24 | 1.64 | 1.86% | 5.7% |
| 63 | COLGATE-PALM. | 68.34 | 1.76 | 4.25% | 7.1% |
| 64 | COMCAST A | 36.83 | 0.92 | 6.15% | 9.0% |
| 65 | CONAGRA BRANDS | 30.84 | 0.85 | 8.68% | 11.9% |
| 66 | CONCHO RESOURCES | 53.10 | 0.80 | 5.54% | 7.2% |
| 67 | CONSOLIDATED EDISON | 78.27 | 3.06 | 2.65% | 6.9% |
| 68 | CONSTELLATION BRANDS 'A' | 152.18 | 3.00 | 7.04% | 9.3% |
| 69 | CORNING | 21.01 | 0.88 | 4.80% | 9.5% |
| 70 | CORTEVA | 24.90 | 0.52 | 9.81% | 12.2% |
| 71 | COSTCO WHOLESALE | 301.79 | 2.80 | 6.48% | 7.5% |
| 72 | COTY CL.A | 5.37 | 0.50 | 7.60% | 18.6% |
| 73 | CSX | 62.73 | 1.04 | 5.35% | 7.2% |
| 74 | CVS HEALTH | 60.79 | 2.00 | 6.05% | 9.8% |
| 75 | D R HORTON | 44.68 | 0.70 | 9.90% | 11.7% |
| 76 | DANAHER | 149.46 | 0.72 | 10.69% | 11.3% |
| 77 | DEERE | 137.90 | 3.04 | 3.07% | 5.5% |
| 78 | DENTSPLY SIRONA | 41.00 | 0.40 | 9.82% | 11.0% |
| 79 | DIAMONDBACK ENERGY | 38.19 | 1.50 | 12.97% | 17.7% |
| 80 | DOLLAR GENERAL | 165.00 | 1.44 | 10.89% | 11.9% |
| 81 | DOMINION ENERGY | 76.17 | 3.76 | 4.89% | 10.4% |
| 82 | DOMINO'S PIZZA | 344.91 | 3.12 | 11.93% | 13.0% |
| 83 | DOVER | 87.77 | 1.96 | 7.20% | 9.7% |
| 84 | DTE ENERGY | 98.44 | 4.05 | 5.96% | 10.6% |
| 85 | DUKE ENERGY | 83.08 | 3.78 | 4.12% | 9.2% |
| 86 | DUPONT DE NEMOURS | 41.47 | 1.20 | 3.96% | 7.2% |
| 87 | EASTMAN CHEMICAL | 55.76 | 2.64 | 2.61% | 7.8% |
| 88 | EATON | 78.40 | 2.92 | 4.70% | 8.9% |
| 89 | EBAY | 36.20 | 0.64 | 9.78% | 11.8% |
| 90 | ECOLAB | 179.53 | 1.88 | 7.38% | 8.6% |
| 91 | EDISON INTL. | 56.52 | 2.55 | 3.00% | 8.0% |
| 92 | ELI LILLY | 144.16 | 2.96 | 12.53% | 15.0% |
| 93 | EMERSON ELECTRIC | 53.55 | 2.00 | 1.47% | 5.5% |
| 94 | ENTERGY | 98.06 | 3.72 | 5.70% | 10.0% |
| 95 | EVERGY | 57.87 | 2.02 | 3.90% | 7.8% |
| 96 | EVERSOURCE ENERGY | 80.89 | 2.27 | 5.73% | 8.9% |
| 97 | EXPEDITOR INTL.OF WASH. | 68.21 | 1.04 | 4.43% | 6.1% |
| 98 | EXXON MOBIL | 42.61 | 3.48 | 10.95% | 20.8% |
| 99 | FIDELITY NAT.INFO.SVS. | 126.28 | 1.40 | 12.66% | 14.0% |
| 100 | FLOWSERVE | 27.22 | 0.80 | 6.36% | 9.7% |
| 101 | FMC | 84.45 | 1.76 | 9.71% | 12.1% |
| 102 | FORTIVE | 57.68 | 0.28 | 5.76% | 6.3% |
| 103 | GARMIN | 80.19 | 2.44 | 4.87% | 8.3% |
| 104 | GENERAL DYNAMICS | 135.34 | 4.40 | 4.80% | 8.4% |
| 105 | GENERAL MILLS | 57.14 | 1.96 | 5.92% | 9.8% |
| 106 | GILEAD SCIENCES | 76.94 | 2.72 | 1.84% | 5.7% |
| 107 | GLOBAL PAYMENTS | 157.00 | 0.78 | 16.32% | 16.9% |

| | COMPANY | STOCK PRICE (P ₀) | D ₀ | FORECAST OF FUTURE EARNINGS GROWTH | MODEL RESULT |
|-----|-----------------------------|-------------------------------|----------------|------------------------------------|--------------|
| 108 | GLOBE LIFE | 74.47 | 0.75 | 6.60% | 7.7% |
| 109 | GOLDMAN SACHS GP. | 175.78 | 5.00 | 5.37% | 8.6% |
| 110 | H&R BLOCK | 15.71 | 1.04 | 10.00% | 17.9% |
| 111 | HASBRO | 67.26 | 2.72 | 10.55% | 15.3% |
| 112 | HERSHEY | 135.07 | 3.09 | 6.85% | 9.4% |
| 113 | HEWLETT PACKARD ENTER. | 9.93 | 0.48 | 4.91% | 10.4% |
| 114 | HNTGTN.INGALLS INDS. | 185.92 | 4.12 | 3.81% | 6.3% |
| 115 | HOME DEPOT | 207.94 | 6.00 | 7.25% | 10.5% |
| 116 | HONEYWELL INTL. | 135.78 | 3.60 | 3.15% | 6.1% |
| 117 | HORMEL FOODS | 46.83 | 0.93 | 4.20% | 6.4% |
| 118 | HP | 16.04 | 0.70 | 7.56% | 12.6% |
| 119 | HUMANA | 340.53 | 2.50 | 12.28% | 13.2% |
| 120 | HUNT JB TRANSPORT SVS. | 97.61 | 1.08 | 5.55% | 6.8% |
| 121 | HUNTINGTON BCSH. | 8.92 | 0.60 | 4.90% | 12.5% |
| 122 | IDEX | 142.74 | 2.00 | 11.50% | 13.2% |
| 123 | IHS MARKIT | 63.25 | 0.68 | 11.35% | 12.6% |
| 124 | ILLINOIS TOOL WORKS | 154.17 | 4.28 | 3.01% | 6.1% |
| 125 | INTEL | 56.04 | 1.32 | 9.07% | 11.8% |
| 126 | INTERCONTINENTAL EX. | 86.70 | 1.20 | 8.99% | 10.6% |
| 127 | INTERNATIONAL BUS.MCHS. | 116.54 | 6.52 | 3.92% | 10.2% |
| 128 | INTUIT | 254.02 | 2.12 | 6.82% | 7.8% |
| 129 | IRON MOUNTAIN | 25.12 | 2.47 | 8.00% | 19.6% |
| 130 | JACOBS ENGR. | 79.57 | 0.76 | 10.40% | 11.5% |
| 131 | JOHNSON & JOHNSON | 138.66 | 4.04 | 4.80% | 8.1% |
| 132 | JOHNSON CONTROLS INTL. | 29.52 | 1.04 | 16.29% | 20.7% |
| 133 | JP MORGAN CHASE & CO. | 95.39 | 3.60 | 4.99% | 9.2% |
| 134 | KANSAS CITY SOUTHERN | 132.39 | 1.60 | 10.24% | 11.6% |
| 135 | KELLOGG | 62.64 | 2.28 | 1.78% | 5.7% |
| 136 | KIMBERLY-CLARK | 133.86 | 4.28 | 5.48% | 9.1% |
| 137 | KLA | 150.25 | 3.40 | 12.07% | 14.8% |
| 138 | KROGER | 32.21 | 0.64 | 6.23% | 8.5% |
| 139 | L3HARRIS TECHNOLOGIES | 183.35 | 3.40 | 13.23% | 15.5% |
| 140 | LAM RESEARCH | 249.29 | 4.60 | 13.76% | 16.0% |
| 141 | LAMB WESTON HOLDINGS | 59.27 | 0.92 | 3.40% | 5.1% |
| 142 | LEIDOS HOLDINGS | 94.89 | 1.36 | 10.34% | 12.0% |
| 143 | LINCOLN NATIONAL | 32.62 | 1.60 | 9.88% | 15.7% |
| 144 | LINDE | 179.78 | 3.85 | 10.83% | 13.3% |
| 145 | LOCKHEED MARTIN | 358.34 | 9.60 | 8.78% | 11.9% |
| 146 | LOWE'S COMPANIES | 99.02 | 2.20 | 16.30% | 19.0% |
| 147 | MARATHON PETROLEUM | 30.36 | 2.32 | 1.89% | 10.3% |
| 148 | MARKETAXESS HOLDINGS | 401.77 | 2.40 | 16.25% | 17.0% |
| 149 | MARSH & MCLENNAN | 94.52 | 1.82 | 5.21% | 7.4% |
| 150 | MASCO | 39.18 | 0.54 | 9.00% | 10.6% |
| 151 | MASTERCARD | 266.62 | 1.60 | 14.21% | 14.9% |
| 152 | MAXIM INTEGRATED PRDS. | 52.23 | 1.92 | 5.22% | 9.4% |
| 153 | MCDONALDS | 172.55 | 5.00 | 3.36% | 6.5% |
| 154 | MCKESSON | 136.49 | 1.64 | 8.16% | 9.5% |
| 155 | MEDTRONIC | 92.00 | 2.16 | 7.46% | 10.1% |
| 156 | MERCK & COMPANY | 77.07 | 2.44 | 6.00% | 9.6% |
| 157 | MICROCHIP TECH. | 80.64 | 1.47 | 8.90% | 11.0% |
| 158 | MICROSOFT | 166.60 | 2.04 | 15.22% | 16.7% |
| 159 | MONDELEZ INTERNATIONAL CL.A | 50.50 | 1.14 | 5.89% | 8.4% |
| 160 | MOODY'S | 232.48 | 2.24 | 7.70% | 8.8% |
| 161 | MOSAIC | 11.69 | 0.20 | 7.00% | 8.9% |
| 162 | MOTOROLA SOLUTIONS | 142.29 | 2.56 | 10.32% | 12.4% |
| 163 | MSCI | 302.87 | 2.72 | 10.60% | 11.6% |

| | COMPANY | STOCK PRICE (P ₀) | D ₀ | FORECAST OF FUTURE EARNINGS GROWTH | MODEL RESULT |
|-----|------------------------|-------------------------------|----------------|------------------------------------|--------------|
| 164 | NASDAQ | 102.71 | 1.96 | 7.47% | 9.6% |
| 165 | NETAPP | 41.89 | 1.92 | 5.96% | 11.2% |
| 166 | NEWS 'A' | 10.12 | 0.20 | 7.17% | 9.4% |
| 167 | NEWS 'B' | 10.12 | 0.20 | 7.17% | 9.4% |
| 168 | NEXTERA ENERGY | 233.40 | 5.60 | 8.01% | 10.8% |
| 169 | NIKE 'B' | 84.72 | 0.98 | 11.73% | 13.1% |
| 170 | NISOURCE | 24.26 | 0.84 | 5.25% | 9.1% |
| 171 | NORFOLK SOUTHERN | 160.94 | 3.76 | 6.29% | 8.9% |
| 172 | NORTHERN TRUST | 76.52 | 2.80 | 2.42% | 6.4% |
| 173 | NORTHROP GRUMMAN | 319.19 | 5.28 | 10.51% | 12.4% |
| 174 | NUCOR | 38.05 | 1.61 | 3.94% | 8.6% |
| 175 | NVIDIA | 276.05 | 0.64 | 13.70% | 14.0% |
| 176 | OLD DOMINION FGT.LINES | 138.41 | 0.61 | 7.33% | 7.8% |
| 177 | OMNICOM GROUP | 55.81 | 2.60 | 1.40% | 6.5% |
| 178 | ONEOK | 33.55 | 3.74 | 0.24% | 12.5% |
| 179 | ORACLE | 49.55 | 0.96 | 9.61% | 11.9% |
| 180 | OTIS WORLDWIDE | 47.15 | 0.80 | 4.30% | 6.2% |
| 181 | PACKAGING CORP.OF AM. | 90.13 | 3.16 | 5.00% | 8.9% |
| 182 | PARKER-HANNIFIN | 148.66 | 3.52 | 3.43% | 6.0% |
| 183 | PAYCHEX | 65.56 | 2.48 | 3.87% | 8.1% |
| 184 | PENTAIR | 33.30 | 0.76 | 5.10% | 7.6% |
| 185 | PEPSICO | 127.50 | 4.09 | 4.64% | 8.2% |
| 186 | PERKINELMER | 83.56 | 0.28 | 10.80% | 11.2% |
| 187 | PERRIGO | 49.75 | 0.90 | 10.00% | 12.1% |
| 188 | PHILIP MORRIS INTL. | 72.53 | 4.68 | 4.03% | 11.3% |
| 189 | PINNACLE WEST CAP. | 76.83 | 3.13 | 4.86% | 9.4% |
| 190 | PIONEER NTRL.RES. | 83.49 | 2.20 | 16.40% | 19.7% |
| 191 | PNC FINL.SVS.GP. | 103.54 | 4.60 | 1.84% | 6.7% |
| 192 | PPG INDUSTRIES | 90.09 | 2.04 | 5.83% | 8.4% |
| 193 | PRINCIPAL FINL.GP. | 34.35 | 2.24 | 6.03% | 13.5% |
| 194 | PROCTER & GAMBLE | 113.44 | 3.16 | 7.53% | 10.7% |
| 195 | PRUDENTIAL FINL. | 57.03 | 4.40 | 9.00% | 18.1% |
| 196 | PUB.SER.ENTER.GP. | 47.01 | 1.96 | 3.70% | 8.3% |
| 197 | QUANTA SERVICES | 33.07 | 0.20 | 8.75% | 9.4% |
| 198 | QUEST DIAGNOSTICS | 102.41 | 2.24 | 4.32% | 6.7% |
| 199 | RALPH LAUREN CL.A | 77.78 | 2.75 | 1.70% | 5.5% |
| 200 | REGIONS FINL.NEW | 10.28 | 0.62 | 8.16% | 15.2% |
| 201 | REPUBLIC SVS.'A' | 79.76 | 1.62 | 5.68% | 8.0% |
| 202 | RESMED | 151.57 | 1.56 | 21.10% | 22.4% |
| 203 | ROCKWELL AUTOMATION | 175.54 | 4.08 | 3.10% | 5.6% |
| 204 | ROPER TECHNOLOGIES | 330.70 | 2.05 | 5.50% | 6.2% |
| 205 | ROSS STORES | 87.72 | 1.14 | 7.38% | 8.9% |
| 206 | S&P GLOBAL | 271.55 | 2.68 | 8.30% | 9.4% |
| 207 | SEAGATE TECH. | 48.13 | 2.60 | 9.13% | 15.5% |
| 208 | SEALED AIR | 27.45 | 0.64 | 3.95% | 6.5% |
| 209 | SEMPRA EN. | 118.86 | 4.18 | 4.20% | 8.1% |
| 210 | SHERWIN-WILLIAMS | 497.53 | 5.36 | 7.85% | 9.1% |
| 211 | SKYWORKS SOLUTIONS | 96.52 | 1.76 | 11.25% | 13.4% |
| 212 | SMITH (AO) | 40.38 | 0.96 | 8.00% | 10.7% |
| 213 | SNAP-ON | 121.65 | 4.32 | 10.00% | 14.2% |
| 214 | SOUTHERN | 55.22 | 2.56 | 4.35% | 9.5% |
| 215 | STANLEY BLACK & DECKER | 110.26 | 2.76 | 8.24% | 11.1% |
| 216 | STARBUCKS | 70.64 | 1.64 | 4.24% | 6.8% |
| 217 | STRYKER | 173.08 | 2.30 | 5.57% | 7.1% |
| 218 | SYSCO | 49.56 | 1.80 | 7.40% | 11.6% |
| 219 | TARGET | 106.51 | 2.64 | 6.77% | 9.6% |

| | COMPANY | STOCK PRICE (P ₀) | D ₀ | FORECAST OF FUTURE EARNINGS GROWTH | MODEL RESULT |
|-----|--------------------------|-------------------------------|----------------|------------------------------------|--------------|
| 220 | TE CONNECTIVITY | 70.76 | 1.92 | 9.90% | 13.1% |
| 221 | TECHNIPFMC | 8.42 | 0.52 | 7.25% | 14.4% |
| 222 | TELEFLEX | 318.33 | 1.36 | 11.45% | 12.0% |
| 223 | TEXAS INSTRUMENTS | 108.97 | 3.60 | 6.73% | 10.5% |
| 224 | THERMO FISHER SCIENTIFIC | 311.93 | 0.88 | 9.99% | 10.3% |
| 225 | TIFFANY & CO | 124.34 | 2.32 | 8.12% | 10.3% |
| 226 | TRACTOR SUPPLY | 94.43 | 1.40 | 10.23% | 12.0% |
| 227 | TYSON FOODS 'A' | 58.21 | 1.68 | 9.40% | 12.8% |
| 228 | UNION PACIFIC | 148.76 | 3.88 | 10.20% | 13.3% |
| 229 | UNITED PARCEL SER.'B' | 94.64 | 4.04 | 5.60% | 10.4% |
| 230 | UNITEDHEALTH GROUP | 266.47 | 4.32 | 12.80% | 14.7% |
| 231 | UNUM GROUP | 16.01 | 1.14 | 5.37% | 13.5% |
| 232 | US BANCORP | 35.73 | 1.68 | 1.99% | 7.1% |
| 233 | V F | 57.71 | 1.92 | 6.00% | 9.8% |
| 234 | VALERO ENERGY | 55.63 | 3.92 | 6.00% | 14.1% |
| 235 | VERISK ANALYTICS CL.A | 150.52 | 1.08 | 8.79% | 9.6% |
| 236 | VERIZON COMMUNICATIONS | 54.94 | 2.46 | 1.90% | 6.8% |
| 237 | VISA 'A' | 171.88 | 1.20 | 11.52% | 12.3% |
| 238 | VULCAN MATERIALS | 103.63 | 1.36 | 10.41% | 11.9% |
| 239 | WABTEC | 53.22 | 0.48 | 6.35% | 7.4% |
| 240 | WALGREENS BOOTS ALLIANCE | 43.49 | 1.83 | 2.01% | 6.6% |
| 241 | WALMART | 121.34 | 2.16 | 5.50% | 7.5% |
| 242 | WEC ENERGY GROUP | 88.76 | 2.53 | 5.90% | 9.1% |
| 243 | WELLS FARGO & CO | 29.73 | 2.04 | 5.71% | 13.6% |
| 244 | WESTERN UNION | 19.71 | 0.90 | 7.79% | 13.1% |
| 245 | WILLIAMS | 16.68 | 1.60 | 1.98% | 12.7% |
| 246 | WILLIS TOWERS WATSON | 180.88 | 2.72 | 6.50% | 8.2% |
| 247 | WW GRAINGER | 267.24 | 5.76 | 9.50% | 12.0% |
| 248 | XCEL ENERGY | 60.51 | 1.72 | 6.00% | 9.2% |
| 249 | XILINX | 82.25 | 1.52 | 7.45% | 9.6% |
| 250 | XYLEM | 66.88 | 1.04 | 11.31% | 13.1% |
| 251 | YUM! BRANDS | 78.57 | 1.88 | 4.59% | 7.2% |
| 252 | ZIMMER BIOMET HDG. | 111.18 | 0.96 | 5.55% | 6.5% |
| 253 | ZOETIS A | 122.98 | 0.80 | 6.46% | 7.2% |
| 254 | Average | | | | 10.7% |

Note: In applying the DCF Model to the S&P 500, I include in the DCF analysis all non-insurance companies in the S&P 500 group which pay a dividend and have an available positive analyst long-term growth estimate.

- D₀ = Latest dividend per Refinitiv.
d₀ = Latest quarterly dividend.
P₀ = Average of monthly high and low stock prices March, April, and May 2020 per Refinitiv.
FC = Selling and flotation costs.
g = I/B/E/S forecast of future earnings growth May 2020.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs as shown by the formula below:

$$k = \left[\frac{d_0(I+g)^{\frac{1}{4}}}{P_0(I-FC)} + (I+g)^{\frac{1}{4}} \right]^4 - I$$

THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In this appendix, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

- P_0 = current price per share of the firm's stock,
- D_1, D_2, \dots, D_n = expected annual dividends per share on the firm's stock,
- P_n = price per share of stock at the time investors expect to sell the stock, and
- k = return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating k . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate g into the indefinite future. Second, they assume that the stock price at time n is simply the present value of all dividends expected in periods subsequent to n . Third, they assume that the investors' required rate of return, k , exceeds the expected dividend growth rate g . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24, ..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence $3, 3 \times 2, 3 \times 2^2, 3 \times 2^3, \dots$. This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a , the first term, r , the common ratio, and n , the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum S_n . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n,$$

or

$$(1 - r) S_n = a (1 - r^n).$$

Solving for S_n , we obtain:

$$S_n = \frac{a(1 - r^n)}{(1 - r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if $|r| < 1$, then S_n is finite, and as n approaches infinity, S_n approaches $a \div (1 - r)$. Thus, for a geometric progression with an infinite number of terms and $|r| < 1$, equation (4) becomes:

$$S = \frac{a}{1 - r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1-\frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of $g\%$ per year (see Figure 1).

Figure 1

Annual DCF Model

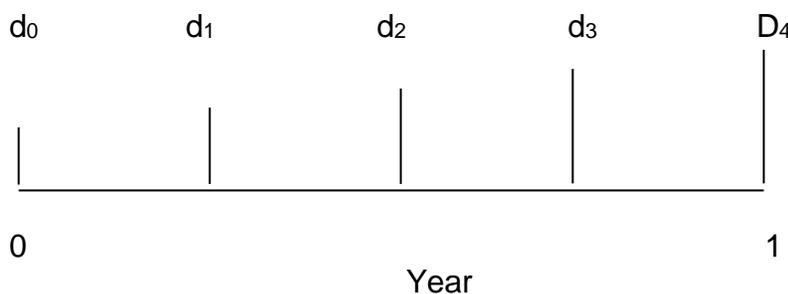


$D_0 = 4d_0$

$D_1 = D_0(1 + g)$

Figure 2

Quarterly DCF Model (Constant Growth Version)



$d_1 = d_0(1+g)^{.25}$

$d_2 = d_0(1+g)^{.50}$

$d_3 = d_0(1+g)^{.75}$

$d_4 = d_0(1+g)$

In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor $(1 + g)^{.25}$, where g is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and $k > g$, we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where d_0 is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lowercase d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for k , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[\frac{d_0(I+g)^{\frac{1}{4}}}{P_0} + (I+g)^{\frac{1}{4}} \right]^4 - I \quad (8)$$

An Alternative Quarterly DCF Model

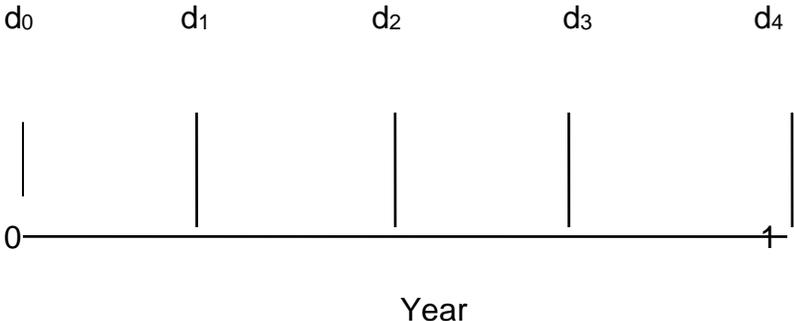
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

Figure 3

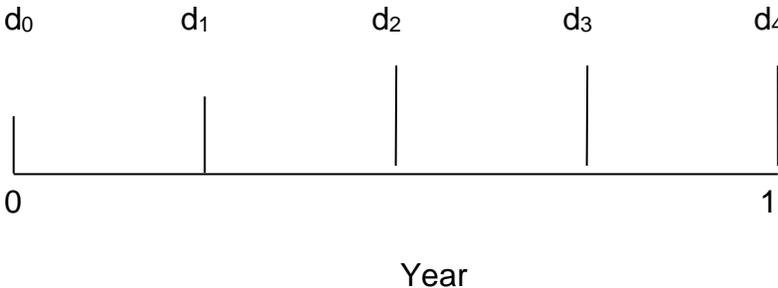
Quarterly DCF Model (Constant Dividend Version)

Case 1



$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2

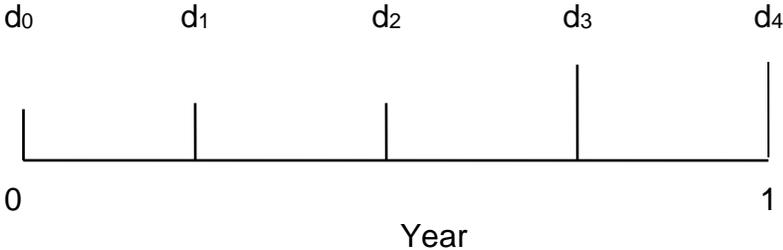


$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

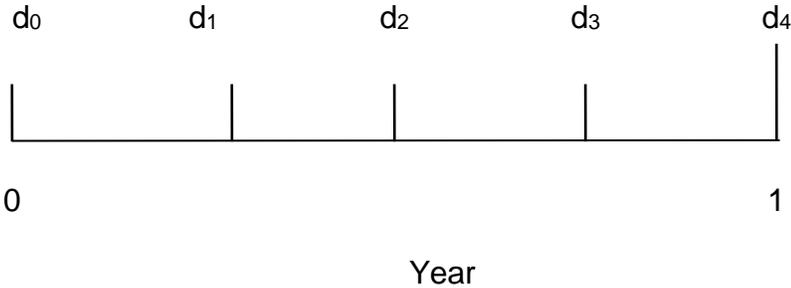
Figure 3 (continued)

Case 3



$$d_1 = d_2 = d_0$$
$$d_3 = d_4 = d_0(1+g)$$

Case 4



$$d_1 = d_2 = d_3 = d_0$$
$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where d_1 , d_2 , d_3 and d_4 are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that

$$D_1^* = d_1 (1 + k)^{3/4} + d_2 (1 + k)^{1/2} + d_3 (1 + k)^{1/4} + d_4 \quad (9)$$

is used in place of $D_0(1+g)$. But we already know that the Annual DCF Model may be reduced to

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with D_1^* given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very

important practical differences. First, since D_1^* is always greater than $D_0(1+g)$, the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since D_1^* depends on k through equation (9), the unknown “ k ” appears on both sides of (10), and an iterative procedure is required to solve for k .

**COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2019**

| YEAR | S&P 500 STOCK PRICE | STOCK DIVIDEND YIELD | STOCK RETURN | A-RATED BOND PRICE | BOND RATE OF RETURN | RISK PREMIUM |
|------|---------------------------|----------------------------|-----------------|--------------------------|------------------------|-----------------|
| 2019 | 2,607.39 | 0.0208 | 27.81% | \$94.20 | 24.64% | 3.17% |
| 2018 | 2,789.80 | 0.0198 | -4.56% | \$102.46 | -4.16% | -0.40% |
| 2017 | 2,275.12 | 0.0209 | 24.71% | \$96.13 | 10.75% | 13.97% |
| 2016 | 1,918.60 | 0.0222 | 20.80% | \$95.48 | 4.87% | 15.93% |
| 2015 | 2,028.18 | 0.0208 | -3.32% | \$107.65 | -7.59% | 4.26% |
| 2014 | 1,822.36 | 0.0210 | 13.39% | \$89.89 | 24.20% | -10.81% |
| 2013 | 1,481.11 | 0.0220 | 25.24% | \$97.45 | -3.65% | 28.89% |
| 2012 | 1,300.58 | 0.0214 | 16.02% | \$94.36 | 7.52% | 8.50% |
| 2011 | 1,282.62 | 0.0185 | 3.25% | \$77.36 | 27.14% | -23.89% |
| 2010 | 1,123.58 | 0.0203 | 16.18% | \$75.02 | 8.44% | 7.74% |
| 2009 | 865.58 | 0.0310 | 32.91% | \$68.43 | 15.48% | 17.43% |
| 2008 | 1,378.76 | 0.0206 | -35.16% | \$72.25 | 0.24% | -35.40% |
| 2007 | 1,424.16 | 0.0181 | -1.38% | \$72.91 | 4.59% | -5.97% |
| 2006 | 1,278.72 | 0.0183 | 13.20% | \$75.25 | 2.20% | 11.01% |
| 2005 | 1,181.41 | 0.0177 | 10.01% | \$74.91 | 5.80% | 4.21% |
| 2004 | 1,132.52 | 0.0162 | 5.94% | \$70.87 | 11.34% | -5.40% |
| 2003 | 895.84 | 0.0180 | 28.22% | \$62.26 | 20.27% | 7.95% |
| 2002 | 1,140.21 | 0.0138 | -20.05% | \$57.44 | 15.35% | -35.40% |
| 2001 | 1,335.63 | 0.0116 | -13.47% | \$56.40 | 8.93% | -22.40% |
| 2000 | 1,425.59 | 0.0118 | -5.13% | \$52.60 | 14.82% | -19.95% |
| 1999 | 1,248.77 | 0.0130 | 15.46% | \$63.03 | -10.20% | 25.66% |
| 1998 | 963.36 | 0.0162 | 31.25% | \$62.43 | 7.38% | 23.87% |
| 1997 | 766.22 | 0.0195 | 27.68% | \$56.62 | 17.32% | 10.36% |
| 1996 | 614.42 | 0.0231 | 27.02% | \$60.91 | -0.48% | 27.49% |
| 1995 | 465.25 | 0.0287 | 34.93% | \$50.22 | 29.26% | 5.68% |
| 1994 | 472.99 | 0.0269 | 1.05% | \$60.01 | -9.65% | 10.71% |
| 1993 | 435.23 | 0.0288 | 11.56% | \$53.13 | 20.48% | -8.93% |
| 1992 | 416.08 | 0.0290 | 7.50% | \$49.56 | 15.27% | -7.77% |
| 1991 | 325.49 | 0.0382 | 31.65% | \$44.84 | 19.44% | 12.21% |
| 1990 | 339.97 | 0.0341 | -0.85% | \$45.60 | 7.11% | -7.96% |
| 1989 | 285.41 | 0.0364 | 22.76% | \$43.06 | 15.18% | 7.58% |
| 1988 | 250.48 | 0.0366 | 17.61% | \$40.10 | 17.36% | 0.25% |
| 1987 | 264.51 | 0.0317 | -2.13% | \$48.92 | -9.84% | 7.71% |
| 1986 | 208.19 | 0.0390 | 30.95% | \$39.98 | 32.36% | -1.41% |
| 1985 | 171.61 | 0.0451 | 25.83% | \$32.57 | 35.05% | -9.22% |
| 1984 | 166.39 | 0.0427 | 7.41% | \$31.49 | 16.12% | -8.72% |
| 1983 | 144.27 | 0.0479 | 20.12% | \$29.41 | 20.65% | -0.53% |
| 1982 | 117.28 | 0.0595 | 28.96% | \$24.48 | 36.48% | -7.51% |
| 1981 | 132.97 | 0.0480 | -7.00% | \$29.37 | -3.01% | -3.99% |
| 1980 | 110.87 | 0.0541 | 25.34% | \$34.69 | -3.81% | 29.16% |
| 1979 | 99.71 | 0.0533 | 16.52% | \$43.91 | -11.89% | 28.41% |
| 1978 | 90.25 | 0.0532 | 15.80% | \$49.09 | -2.40% | 18.20% |
| 1977 | 103.80 | 0.0399 | -9.06% | \$50.95 | 4.20% | -13.27% |

**COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2019**

| YEAR | S&P 500 STOCK PRICE | STOCK DIVIDEND YIELD | STOCK RETURN | A-RATED BOND PRICE | BOND RATE OF RETURN | RISK PREMIUM |
|------|---------------------------|----------------------------|-----------------|--------------------------|------------------------|-----------------|
| 1976 | 96.86 | 0.0380 | 10.96% | \$43.91 | 25.13% | -14.17% |
| 1975 | 72.56 | 0.0507 | 38.56% | \$41.76 | 14.75% | 23.81% |
| 1974 | 96.11 | 0.0364 | -20.86% | \$52.54 | -12.91% | -7.96% |
| 1973 | 118.40 | 0.0269 | -16.14% | \$58.51 | -3.37% | -12.77% |
| 1972 | 103.30 | 0.0296 | 17.58% | \$56.47 | 10.69% | 6.89% |
| 1971 | 93.49 | 0.0332 | 13.81% | \$53.93 | 12.13% | 1.69% |
| 1970 | 90.31 | 0.0356 | 7.08% | \$50.46 | 14.81% | -7.73% |
| 1969 | 102.00 | 0.0306 | -8.40% | \$62.43 | -12.76% | 4.36% |
| 1968 | 95.04 | 0.0313 | 10.45% | \$66.97 | -0.81% | 11.26% |
| 1967 | 84.45 | 0.0351 | 16.05% | \$78.69 | -9.81% | 25.86% |
| 1966 | 93.32 | 0.0302 | -6.48% | \$86.57 | -4.48% | -2.00% |
| 1965 | 86.12 | 0.0299 | 11.35% | \$91.40 | -0.91% | 12.26% |
| 1964 | 76.45 | 0.0305 | 15.70% | \$92.01 | 3.68% | 12.02% |
| 1963 | 65.06 | 0.0331 | 20.82% | \$93.56 | 2.61% | 18.20% |
| 1962 | 69.07 | 0.0297 | -2.84% | \$89.60 | 8.89% | -11.73% |
| 1961 | 59.72 | 0.0328 | 18.94% | \$89.74 | 4.29% | 14.64% |
| 1960 | 58.03 | 0.0327 | 6.18% | \$84.36 | 11.13% | -4.95% |
| 1959 | 55.62 | 0.0324 | 7.57% | \$91.55 | -3.49% | 11.06% |
| 1958 | 41.12 | 0.0448 | 39.74% | \$101.22 | -5.60% | 45.35% |
| 1957 | 45.43 | 0.0431 | -5.18% | \$100.70 | 4.49% | -9.67% |
| 1956 | 44.15 | 0.0424 | 7.14% | \$113.00 | -7.35% | 14.49% |
| 1955 | 35.60 | 0.0438 | 28.40% | \$116.77 | 0.20% | 28.20% |
| 1954 | 25.46 | 0.0569 | 45.52% | \$112.79 | 7.07% | 38.45% |
| 1953 | 26.18 | 0.0545 | 2.70% | \$114.24 | 2.24% | 0.46% |
| 1952 | 24.19 | 0.0582 | 14.05% | \$113.41 | 4.26% | 9.79% |
| 1951 | 21.21 | 0.0634 | 20.39% | \$123.44 | -4.89% | 25.28% |
| 1950 | 16.88 | 0.0665 | 32.30% | \$125.08 | 1.89% | 30.41% |
| 1949 | 15.36 | 0.0620 | 16.10% | \$119.82 | 7.72% | 8.37% |
| 1948 | 14.83 | 0.0571 | 9.28% | \$118.50 | 4.49% | 4.79% |
| 1947 | 15.21 | 0.0449 | 1.99% | \$126.02 | -2.79% | 4.79% |
| 1946 | 18.02 | 0.0356 | -12.03% | \$126.74 | 2.59% | -14.63% |
| 1945 | 13.49 | 0.0460 | 38.18% | \$119.82 | 9.11% | 29.07% |
| 1944 | 11.85 | 0.0495 | 18.79% | \$119.82 | 3.34% | 15.45% |
| 1943 | 10.09 | 0.0554 | 22.98% | \$118.50 | 4.49% | 18.49% |
| 1942 | 8.93 | 0.0788 | 20.87% | \$117.63 | 4.14% | 16.73% |
| 1941 | 10.55 | 0.0638 | -8.98% | \$116.34 | 4.55% | -13.52% |
| 1940 | 12.30 | 0.0458 | -9.65% | \$112.39 | 7.08% | -16.73% |
| 1939 | 12.50 | 0.0349 | 1.89% | \$105.75 | 10.05% | -8.16% |
| 1938 | 11.31 | 0.0784 | 18.36% | \$99.83 | 9.94% | 8.42% |
| 1937 | 17.59 | 0.0434 | -31.36% | \$103.18 | 0.63% | -31.99% |
| 1936 | 13.76 | 0.0327 | 31.10% | \$96.46 | 11.12% | 19.99% |
| 1935 | 9.26 | 0.0424 | 52.84% | \$82.23 | 22.17% | 30.66% |
| 1934 | 10.54 | 0.0336 | -8.78% | \$66.78 | 29.13% | -37.91% |
| 1933 | 7.09 | 0.0542 | 54.08% | \$79.55 | -11.03% | 65.11% |

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2019

| YEAR | S&P 500 STOCK PRICE | STOCK DIVIDEND YIELD | STOCK RETURN | A-RATED BOND PRICE | BOND RATE OF RETURN | RISK PREMIUM |
|---------------------|---------------------|----------------------|--------------|--------------------|---------------------|--------------|
| 1932 | 8.30 | 0.0822 | -6.36% | \$70.67 | 18.23% | -24.59% |
| 1931 | 15.98 | 0.0550 | -42.56% | \$84.49 | -11.63% | -30.93% |
| 1930 | 21.71 | 0.0438 | -22.01% | \$81.19 | 8.99% | -31.00% |
| 1929 | 24.86 | 0.0336 | -9.31% | \$83.95 | 1.48% | -10.79% |
| 1928 | 17.53 | 0.0431 | 46.12% | \$86.71 | 1.43% | 44.69% |
| 1927 | 13.40 | 0.0502 | 35.84% | \$83.28 | 8.92% | 26.92% |
| 1926 | 12.65 | 0.0446 | 10.39% | \$80.81 | 8.01% | 2.38% |
| Average 1926 - 2019 | | | 11.6% | | 6.9% | 4.7% |

Note: See Page 4 for an explanation concerning the derivation of stock and bond returns and the source of the data presented.

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2019

RISK PREMIUM APPROACH

SOURCE OF DATA

Stock price and yield information is obtained from Standard & Poor's Security Price publication. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in thirty years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated Utility bond yield. The values shown on the ex post risk premium schedule are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{StockReturn}(2019) = \left[\frac{\text{StockPrice}(2020) - \text{StockPrice}(2019) + \text{Dividend}(2019)}{\text{StockPrice}(2019)} \right]$$

99where Dividend (2018) = Stock Price (2018) x Stock Div. Yield (2019)

Sample calculation of "Bond Return" column:

$$\text{Bond Return}(2019) = \left[\frac{\text{Bond Price}(2020) - \text{Bond Price}(2019) + \text{Interest (2019)}}{\text{Bond Price}(2019)} \right]$$

where Interest = \$4.00.

**PREFILED TESTIMONY
OF
GEORGE ZANJANI**

**HOMEOWNERS INSURANCE RATE FILING
NORTH CAROLINA RATE BUREAU
NOVEMBER, 2020**

I. Qualifications and Summary

Q: What is your name, occupation, and business address?

A: My name is George Zanjani. I am Professor of Finance and the holder of the Frank Park Samford Chair of Insurance at the University of Alabama. My business address is 1074 Alderwood Lane NE, Marietta, Georgia 30068.

Q: Please describe your educational and employment background.

A: A complete curriculum vitae is attached as Exhibit RB-18 with this testimony. To summarize, my undergraduate studies were at Stanford University from 1987-1990, where I earned an A.B./B.S in Economics and Biology. I joined the commercial lines actuarial department of Fireman's Fund Insurance Companies in 1990 as an Assistant Actuarial Analyst. Upon leaving in 1994, I was a Senior Actuarial Analyst, an Associate of the Casualty Actuarial Society, and the head of the company's Workers Compensation actuarial unit. I did my graduate studies in Economics at the University of Chicago, earning a Ph.D. in 2000. I joined the Research Department of the Federal Reserve Bank of New York in the Capital Markets Function as a Research Economist in 2000, leaving as a Senior Economist in 2008. I joined the Robinson College of Business of Georgia State University in 2008 as an Associate Professor of Risk Management and Insurance and was honored as the inaugural holder of the AAMGA Distinguished Chair in Risk Management and Insurance in 2011. I started my current position in 2017.

Q: Please elaborate on some of your professional activities.

A: My professional career has been focused on insurance. After four years of actuarial work in commercial lines insurance, my dissertation addressed the economics of insurance pricing. I specialized on insurance issues while at the Federal Reserve Bank of New York. In particular, I served for the Bank on the Presidential Working Group on Financial Markets during its review of the renewal of the Terrorism Risk Insurance Act in 2006 and on the Committee on the Global Financial System Task Force on Institutional Investors, Global Savings, and Asset Allocation.

My academic service activities include 1) service as referee for various academic journals, 2) service as an associate editor of the *Journal of Insurance Issues*, and 3) (current) service as a senior editor for the *Journal of Risk and Insurance*. In addition, I have served on the Board of the American Risk and Insurance Association and served as President of that association. I have also served as President of the Risk Theory Society. I currently serve on the International Research Advisory Board of National Chengchi University.

As an academic, I continue to write on insurance pricing, participate in academic conferences on insurance, and engage in various sponsored research and consulting activities related to insurance. The latter activities include two research projects on capital allocation sponsored by the Casualty Actuarial Society during the last decade and a project on the financial crisis and the insurance industry sponsored by the Society of Actuaries in 2009. In addition, I have taught various courses at the undergraduate and graduate levels over the past decade, including classes on financial risk management, risk modeling, and property-casualty insurance.

Q: Have you published any papers or books?

A: Yes. I have published various articles, book chapters, reviews, and white papers on insurance pricing and other aspects of insurance markets. Published or forthcoming work includes articles on insurance topics in the *American Economic Review*, *Insurance: Mathematics and Economics*, the *Journal of Financial Economics*, the *Journal of Public Economics*, the *Journal of Risk and Insurance*, *Management Science*, *North American Actuarial Journal*, and *Variance*. My co-authors and I have two chapters in the 2013 edition of the Handbook of Insurance, one on capital allocation for insurance companies, and the other on the financial pricing of insurance. Two papers have won awards for their contributions to the field of actuarial science: I received the 2010 ARIA award from the Casualty Actuarial Society and shared the 2015 Charles A. Hachemeister Prize (also from the Casualty Actuarial Society) with a co-author.

Q: Are you a member of any professional organizations?

A: I am a member of the American Economic Association, the American Finance Association, the American Risk and Insurance Association, and the Risk Theory Society. I am also an Associate of the Casualty Actuarial Society. I served on the Board of Directors of the American Risk and Insurance Association from 2007 to 2014 and served as President in 2012-2013. I served as President of the Risk Theory Society in 2012.

Q: Have you ever testified in insurance rate regulatory proceedings?

A: Yes. I have offered testimony for workers compensation insurance rate hearings in Florida (2015 and 2017), Virginia (2016), and Massachusetts (2020). I have also supplied testimony for the North Carolina Rate Bureau's rate filings in various lines since 2019.

Q: What was the nature of your testimony in those previous cases?

A: In these cases, I offered testimony on the underwriting profit factors used in the rates. Specifically, I evaluated the suitability of the methods and assumptions used to develop those factors, as well as whether the rate of return on capital implied by those factors was reasonable.

Q: What is the purpose of your testimony in this proceeding?

A: I was asked by the North Carolina Rate Bureau 1) to assist the Bureau committee with the underwriting profit factor selection, 2) to determine the expected return on insurance net worth implicit in the filing, and 3) to assess whether the expected return on net worth constitutes a reasonable rate of return and thus whether the selected underwriting profit factor selection satisfies North Carolina's statutory requirements.

Q: Please summarize the main findings of your testimony.

A: Using a pro forma return model, I analyzed how the selected underwriting profit provisions used in the filing translate into expected returns on net worth. Consistent with previous filings, and with North Carolina law stipulating that the investment income earned on capital and surplus is not to be considered in determining the appropriate rate of return for the insurance industry, I refer to the expected return on net worth without including investment income on capital and surplus as the *statutory return*. When calculating the expected return on net worth including investment income earned on capital and surplus, I refer to the figure as the *total return*. My calculations for Homeowners are detailed in Exhibit RB-19 and are summarized below:

| Return Definition | Return on Net Worth |
|-------------------|---------------------|
| Statutory Return | 7.35% |
| Total Return | 9.90% |

I then reviewed Dr. Vander Weide's testimony on the cost of insurance capital and considered other third-party estimates of the cost of insurance capital. I also considered adjustments to those cost of capital estimates that I deemed necessary for the North Carolina Homeowners insurance market. In particular, since non-public companies underwrite a significant portion of the market, I considered the effects of non-public ownership on the cost of equity. Ultimately, I found the expected returns implied by the underwriting profit provisions used in the filing to be reasonable and not excessive. Specifically, the expected returns fall toward the middle of the range of cost of equity estimates produced by Dr. Vander Weide and others.

Moreover, my conclusion is unchanged after adjusting the cost of capital to reflect both 1) the presence of debt financing at insurance holding companies and 2) a market value-to-book value premium at insurance holding companies. It is also unchanged after considering the impact of an alternative investment portfolio more closely matched to the portfolios of companies underwriting Homeowners insurance and to the yields currently available in the investment market.

II. Expected Return on Net Worth

Q: In general terms, how did you determine the expected return on net worth implied by the underwriting profit provision used in the filing?

A: I used a *pro forma* return model similar to that used in previous filings in North Carolina. The model accounts for underwriting income, installment payment income, investment income on unearned premium and loss/loss adjustment expense (LAE) reserves, and taxes as a percentage of premium. Total after-tax income from these sources (as a percentage of premium) is then related to net worth (as a percentage of premium) to obtain an expected return on net worth.

Q: What do you mean by *pro forma*?

A: The model is *pro forma* in the sense that it assumes 1) that the indicated rate change will be implemented and 2) that all loss, expense, and investment return realizations will coincide with their projected expected values.

The results of the model and supporting information are presented in Exhibit RB-19.

Q: Could you state what you mean by “net worth”?

A: Net worth is the book value of equity of a company under Generally Accepted Accounting Principles (GAAP) rather than Statutory Accounting Principles (SAP).

Q: Did you account for investment income on capital and surplus in calculating the expected return?

A: It is my understanding that North Carolina law provides that insurance rates are to be set such that those rates are expected to provide a return to insurers that is equal to the returns of industries of comparable risk and that, in calculating that expected return, the investment income on capital and surplus is to be excluded from consideration. Therefore, I present the expected return projected to result from the selected underwriting profit provision excluding investment income on capital and surplus. However, for informational purposes, I also present the expected return projected to result from the selected underwriting profit provision including investment income on capital and surplus.

Q: Would you please elaborate on the elements of the return and how they are calculated?

A: The return is composed of underwriting profit (Line 2 of Exhibit RB-19, Pages 1 and 1A), installment fee income (Line 3 of Exhibit RB-19, Pages 1 and 1A) and investment gain on insurance transaction (Line 7 of Exhibit RB-19, Pages 1 and 1A). In the calculation that includes investment income on surplus for informational purposes, I additionally include investment gain on surplus (Line 8 of Exhibit RB-19, Page 1A). (Please note that, in my exhibits and sometimes in my testimony, I refer to investment income on surplus as a shorthand reference to investment income on capital and surplus.) All of the foregoing income components are adjusted for taxes. The components are discussed in greater detail below:

Underwriting profit and installment fee income - As a matter of arithmetic and definition, the underwriting profit as a percentage of premium matches the underwriting profit provision selected by the NCRB. It is the percentage of premium left over after accounting for the loss and expense provisions, with the projected loss and LAE ratio and fixed expense ratios being adjusted to reflect the indicated rate change. Installment fee income is based on the average installment charges as a percentage of premium over the past five years (Exhibit RB-19, Page 3). The underwriting profit income and installment fee income are both assumed to be taxed at the current corporate rate of 21% (Line 4 of Exhibit RB-19, Pages 1 and 1A), as revised in the Tax Cut and Jobs Act of 2017. I also account for additional tax liabilities relating to IRS rules regarding the treatment of unearned premium reserves and of loss reserves (Line 5 of Exhibit RB-19, Pages

1 and 1A). Details of the calculation of these additional tax liabilities are found on Pages 4 to 6 of Exhibit RB-19.

Net Investment Gain on Insurance Transaction – This portion of the return reflects investment income on investible funds generated by the insurance transaction. Specifically, this quantity is calculated as the product of an investment yield and the average loss/LAE and unearned premium reserves that are actually held at the insurance company. An adjustment is made for investment income on agents balances (specifically, to account for the fact that agents balances, which are premiums held by agents and not yet remitted to the company, are not available for investment by the insurance company). I also adjust for investment income on reinsurance balances, accounting for the additional income that the company receives on funds that have not yet been remitted to the reinsurer, as well as the investment income that it is not able to collect on funds that have not yet been recovered from the reinsurer. The details of the estimation of investible reserves and the investment income generated from those reserves are found on Pages 7 to 9 of Exhibit RB-19, with the adjustments for balances shown on Pages 1 and 2. The tax liability is based on a weighted average of estimated tax rates on the different sources of investment income, with the weights based on the composition of the overall property-casualty industry portfolio.

Investment Gain on Surplus – This portion of the return would reflect investment income generated from surplus. The investment yield is applied to investible surplus, the amount of which is based on the ten-year average premium-to-surplus ratio for groups writing Homeowners insurance in North Carolina from Page 14 of Exhibit RB-19. The tax liability is again based on a weighted average of estimated tax rates on the different sources of investment income, with the weights based on the composition of the overall property-casualty industry portfolio.

These components of after-tax return, all denominated as a percent of premium, are then summed and related to net worth. This is accomplished by multiplying the returns as percent of premium by the product of the premium-to-surplus ratio from Page 14 of Exhibit RB-19 and the inverse of the industry-wide net worth-to-surplus ratio from Page 15 of Exhibit RB-19.

Q: Please explain how the investment yield is calculated.

A: My understanding is that the conventional approach in North Carolina, based on a decision by the Commissioner in the 1990's, is to estimate the investment yield as an average of the "embedded yield" based on the industry statutory annual statement reports and a "current yield" based on current market rates. I have followed this convention in my analysis. For the current yield, I start with the overall industry invested asset portfolio and use various sources to estimate the current market yields for those assets. Sources for current market rates, and a summary of the overall calculation, are provided on Page 11 of Exhibit RB-19. For each of the bond subcategories, I obtain a maturity distribution for the industry portfolio in that subcategory from the Schedule D summary exhibits and match each maturity level from the exhibits to a corresponding bond yield of similar maturity, so that the average yield shown on Page 11 is a weighted average across maturities according to the industry portfolio. The overall pre-tax current yield on the industry portfolio as thus determined is 2.30%. The embedded yield calculations, based on the actual investment income reported by the industry, are shown on

Pages 12 and 13 of Exhibit RB-19; the pre-tax embedded yield is 3.91%. For the pro forma calculations, I average these two figures to obtain 3.10% (shown on Page 10 of Exhibit RB-19).

The tax liability for investment income is determined for each asset class, reflecting tax advantages as appropriate on municipal bond interest, preferred and common stock dividends, and capital gains on stock. Most of these rates are taken straight from the tax code for the respective asset class. However, to calculate the tax liability for the expected return on equity on Page 11 of Exhibit RB-19, we must split the return between capital gain and dividend components, since each has a different tax rate. We base the split on the experience of the S&P 500 over the 1998-2018 period.

Q: What is the expected return on net worth?

A: To calculate the implied return on insurance company equity, components of after-tax return are summed and related to net worth, which, as a percentage of premium, is calculated based on the product of the premium-to-surplus ratio from Page 14 of Exhibit RB-19 and the inverse of the industry-wide net worth-to-surplus ratio from Page 15 of Exhibit RB-19. This approach indicates that the selected underwriting profit factor of 9.0%, if achieved, would yield an expected statutory return on net worth of 7.35% (without including investment income on surplus) and a total return on net worth of 9.90% (when including investment income on surplus).

Q: Have you considered the impact of any other alternative assumptions on your estimates?

A: Yes, I have considered the impact of alternative investment yield calculations.

First, I analyzed whether asset distribution supporting the actual underwriting of Homeowners insurance in North Carolina was reasonably approximated by the overall industry distribution. The models used to estimate the return on net worth in filings in North Carolina rely on the aggregated industry invested asset distribution. I have followed this convention in Exhibit RB-19, but I also considered using the premium-weighted asset distribution of carriers underwriting Homeowners insurance in North Carolina. This distribution ended up being close to the overall industry distribution, with a common stock allocation that was only slightly lower than the overall industry distribution. Thus, I concluded that the industry-level distribution was reasonable for this case.

Second, I investigated the impact of basing the investment yield solely on the current yield. The practice of averaging embedded yields with current yields makes little difference when the yields are relatively close together. But the changes wrought by COVID-19 have opened up a significant divergence between the current yields on investments---which, in many cases, are at all time lows---and embedded yields---which reflect the market conditions of earlier years. The gap between the two is significant: the pre-tax current yield is 2.30%, and the pre-tax embedded yield is 3.91%. If we calculate the returns on net worth using the current yield alone rather than the average, the rate of return drops to 7.13% (excluding investment income on surplus) and 8.95% (including investment income on surplus).

Finally, I considered various alternative estimates of current yields, none of which had a material impact on the results.

Q: How was the underwriting profit factor determined?

A: The Bureau selected the 9.0% provision. I participated in the Bureau's Property Rating Subcommittee meeting for the discussion of the profit portion of the rate review. I described for the committee my pro forma profit analysis and provided an array of underwriting profit provisions and their associated returns on net worth, both without including investment income on surplus and including investment income on surplus. The returns shown in that array spanned the range for the cost of equity that had been provided by Dr. Vander Weide. Following my presentation and the committee discussion, the committee selected the underwriting profit factor.

III. Rate of Return on Capital

Q: What steps did you take in the course of assessing whether the returns described above would produce a reasonable rate of return on equity?

A: I first reviewed Dr. Vander Weide's results. I then compared his results to other independent estimates based on various methodologies. I then made adjustments to both sets of estimates to account for the particular ownership structures that prevail in the North Carolina market. Finally, I compared the estimated statutory and total return on net worth determined in Section II above to these adjusted cost of equity estimates.

Q: What was the nature of Dr. Vander Weide's analysis?

A: The cost of equity for an industry is a difficult figure to pin down, and Dr. Vander Weide uses two approaches to estimate it. The first is a discounted cash flow (DCF) model, which estimates the cost of equity under the assumption that the current equity price is a discounted present value of future dividend cash flows. The critical input to this calculation is the dividend growth rate estimate, which he bases on analyst forecasts. His final estimate under this approach is 10.7%, which he obtains when restricting his attention to forecasts for property-casualty firms specifically and also when using forecasts for the S&P 500 generally. The second approach is a risk premium approach, which estimates the current cost of equity as a current bond yield plus a spread, or risk premium. This analysis, which uses the S&P 500 for purposes of estimating the risk premium, produces an estimate of 8.0%.

Q: How do Dr. Vander Weide's estimates compare with other estimates of the cost of equity for the industry?

A: The two methods employed by Dr. Vander Weide---the DCF and the risk premium method---are perhaps the two most widely accepted and widely deployed methods for estimating the cost of equity. However, there is substantial variation in implementation of these methods, which can have significant effects on the estimates. For example, the DCF/dividend growth model is sometimes estimated with different time period stages, with time-varying growth rates. There is also substantial methodological variation in implementation of the risk premium method---differences in averaging techniques, differences in the sample period used to estimate the risk premium, differences in the choice of the reference bond yield, differences in the methods used to estimate the relative risk of the industry of interest, and so forth. To get a sense of the import of these differences, I reviewed some additional third-party estimates of the cost of

equity for the property-casualty industry, particularly those from Damodaran Online (an open-access website maintained by Aswath Damodaran, a valuation expert affiliated with New York University) and Duff & Phelps (a consultancy that took over the pioneering Ibbotson Cost of Capital franchise). The most recent estimates from Damodaran Online (January 2020) and Duff & Phelps (June 2020 edition of *Valuation Handbook – U.S. Industry Cost of Capital*, for the SIC Code Composite) are listed along with Dr. Vander Weide’s estimates in the table below.

Property-Casualty Industry Cost of Equity Estimates

| Source | Method | Estimate |
|--------------------|------------------------------------|----------|
| James Vander Weide | Risk Premium | 8.0% |
| Duff & Phelps | Risk Premium (CAPM) | 7.0% |
| Damodaran Online | Risk Premium (CAPM) | 5.5% |
| Duff & Phelps | Risk Premium (CAPM + Size Premium) | 7.5% |
| Duff & Phelps | Risk Premium (Fama-French) | 7.3% |
| James Vander Weide | DCF | 10.7% |
| Duff & Phelps | DCF (1-stage) | 6.1% |
| Duff & Phelps | DCF (3-stage) | 11.8% |

As can be seen from the table, Dr. Vander Weide’s estimates are comparable to other estimates for the industry, falling within the range of those other estimates (5.5% to 11.8%).

Q: In the table, you also listed additional cost of equity estimates from Duff & Phelps. Can you explain these methods and their relevance to this filing?

A: Yes. While the CAPM and DCF methods are the basic models and are widely used, various extensions have gained acceptance over the years because of the need to draw finer distinctions among industries and firms when calculating the cost of equity. In particular, the “CAPM + size premium” recognizes the higher cost of capital endured by smaller firms and thus corrects for the average size of firms within an industry. The Fama-French-5-factor model extends the single risk factor framework of the CAPM to a five factor risk framework, thus pricing an industry’s equity on the basis of its sensitivity to four additional factors in addition to overall market returns. These methods typically produce higher estimates for the cost of equity in the property-casualty industry than the single factor risk premium model approaches. They provide additional perspective on the cost of equity.

Q: Do you believe any adjustments are necessary to the estimated cost of equity in the context of this filing?

A: Yes. All of the foregoing estimates are based on the data of publicly traded companies, which have the easiest access to financing and thus the lowest costs of capital. However, I found that operating companies affiliated with publicly traded holding companies wrote only 34% of the 2019 Homeowners direct premiums written for North Carolina. The remainder was underwritten by companies associated with private, often mutual, ownership---a segment well-known to have more difficulty in accessing the capital markets. The industry average cost of equity needs to be adjusted upward to account for this non-public ownership.

Q: How much higher is the cost of equity for non-public firms?

A: Research dating back at least as far as the 1960's has demonstrated that private equity trades at a substantial discount to public equity. The discount is thought to derive from a variety of factors, including the illiquid nature of private equity stakes (also known as a "lack of marketability") as well as information, monitoring, and control issues. The discount translates into a higher cost of equity. For example, if a public firm's cost of equity is estimated at 10% and the equity of a comparable private firm is selling at a 20% discount to that of the public firm, the private firm's cost of equity would be estimated as:

$$12.5\% = 10\% / (1 - 20\%)$$

The discount is difficult to estimate. Exhibit RB-20 summarizes some of the academic research on the private firm discount. Studies have taken a variety of approaches to measurement. "IPO" studies compare the prices of pre-IPO share transactions in a private company with post-IPO share prices after the company is public. "Acquisition" studies compare the valuations of acquired private companies versus the valuations of acquired public companies. "Restricted stock" and "private placement" studies compare the prices of restricted stock issued by public companies with the prices of their traded shares.

All the approaches have their flaws. IPO studies, for example, are thought to have a bias toward overstating the discount because of the differences in timing of transactions. Restricted stock and private placement studies tend to understate the discount: Since they confine their attention to public companies, they do not account for factors other than the discount for lack of marketability (DLOM), and, moreover, the actual restrictions on marketability for private placements have been loosened significantly over the years by the Securities and Exchange Commission.

On balance, however, the studies point to a substantial discount. For purposes of this testimony, I use a discount of 25%, which is slightly below the average of the averages of the three groups in Exhibit RB-20 (when taking the midpoint of the ranges for the studies with ranges of estimates).

Q: How would this affect the estimated cost of equity for the industry?

A: Assuming a 25% private company discount and a 66% market share for non-public companies, I calculate adjusted estimates of the private cost of equity and the public cost of equity:

$$66\% * \left(\frac{COE}{(1 - 0.25)} \right) + (34\%) * (COE),$$

where *COE* is the estimated cost of equity for public companies. The adjusted estimates are as follows:

Cost of Equity Estimates, Adjusted for Non-Public Ownership

| Source | Method | Adjusted Estimate |
|--------------------|------------------------------------|--------------------------|
| James Vander Weide | Risk Premium | 9.8% |
| Duff & Phelps | Risk Premium (CAPM) | 8.5% |
| Damodaran Online | Risk Premium (CAPM) | 6.6% |
| Duff & Phelps | Risk Premium (CAPM + Size Premium) | 9.2% |
| Duff & Phelps | Risk Premium (Fama-French) | 8.9% |
| James Vander Weide | DCF | 13.1% |
| Duff & Phelps | DCF (1-stage) | 7.4% |
| Duff & Phelps | DCF (3-stage) | 14.4% |

Q: How do these figures speak to the issue of whether or not the pro forma expected return on net worth is reasonable?

A: There are at least two schools of thought on this issue.

The first is that the “net worth” in the pro forma return exhibit should be interpreted as an equity investment akin to the equity analyzed by Dr. Vander Weide and others. Thus, it should be entitled to a similar rate of return. Under this school of thought, the return on net worth calculated in the previous section should be compared directly with the figures in the table above. If one does this, the projected returns are, in my opinion, clearly not excessive, even when including investment income on surplus in the calculation of the return. The projected total return of 9.90% falls toward the middle of the span of estimates above, which range from 6.6% to 14.4%. If one instead focuses on the statutory return by excluding investment income on surplus, the figure of 7.35% falls toward the lower end of the range of estimates.

A second school of thought is that, although the capital of the operating subsidiaries may be fully financed by equity, one should “look through” the operating subsidiaries to the level of the holding companies to determine a cost of capital, which is important because the holding companies---unlike the insurance subsidiaries---typically hold some debt in the capital structure. Holding companies that are typically classified as property-casualty companies have, in recent history and on average, had in the neighborhood of 20% debt. Thus, the cost of capital for the holding company is, under this school of thought, calculated as a weighted average of the cost of equity and the cost of debt, with the weights based on each component’s share of the capital structure. The result is a weighted average cost of capital (WACC), which is typically lower than the cost of equity as a reflection of the lower cost of debt. On the other hand, another consideration is that the market value of the capital of the holding company will be different than the book value of the capital invested in the insurance subsidiaries. Thus, a particular return on net worth at the level of the operating subsidiary will translate into a lower (higher) return on holding company capital if the market value of the holding company capital exceeds (is less than) the net worth of the insurance subsidiaries.

The following table shows the most current WACC estimates for the property-casualty industry from Damodaran Online and Duff & Phelps, after adjusting the cost of equity for non-public ownership as described above. It also shows the required return on operating company net worth under different assumptions about the ratio of holding company equity market capitalization to holding company net worth and under the assumption of 20% debt (trading at par) in the capital structure. For example, the required return on operating company net worth for a WACC estimate of 10.0% and a Market-to-Net Worth Ratio of 1.2, would be:

$$10\% * (1.2 * 80\% + 20\%) = 11.6\%$$

Note that the WACC estimates vary, due not only to the previously described differences in estimating the cost of equity, but also due to different estimates for the cost of debt and for the share of debt in the capital structure.

Property-Casualty WACC Estimates, Adjusted for Non-Public Ownership

| Source | Method | Adjusted WACC Estimate | Required Return on Net Worth, Assuming Market-to-Net Worth Ratio of: | | |
|------------------|---------------------|------------------------|--|-------|-------|
| | | | 1 | 1.2 | 1.4 |
| Duff & Phelps | Risk Premium (CAPM) | 7.7% | 7.7% | 8.9% | 10.1% |
| Damodaran Online | Risk Premium (CAPM) | 5.8% | 5.8% | 6.8% | 7.7% |
| Duff & Phelps | DCF (1-stage) | 6.7% | 6.7% | 7.8% | 8.9% |
| Duff & Phelps | DCF (3-stage) | 12.5% | 12.5% | 14.5% | 16.4% |
| Duff & Phelps | CAPM + Size Premium | 8.2% | 8.2% | 9.5% | 10.8% |
| Duff & Phelps | Fama-French | 7.9% | 7.9% | 9.2% | 10.5% |

At current stock market valuations, the market-to-net worth ratio of the public companies underwriting Homeowners insurance in North Carolina is typically well above 1. However, even if one sets this ratio to 1, the table above shows a range of 5.8% to 12.5%. This suggests that a total return on capital of 9.90% (counting investment income on surplus) is reasonable and not excessive, and the same characterization applies to a statutory return on capital of 7.35% (not counting investment income on surplus).

In summary, the expected return on net worth calculated in Section II is, in my opinion, consistent with a reasonable and not excessive return on invested capital.

IV. Conclusion

Q: Based on your knowledge and experience and on the studies and analyses you have performed, have you come to any conclusions regarding the underwriting profit factor selected by the Bureau and used in its indicated rate level calculations in this filing?

A: Yes. Based on my pro forma return analysis, I found that the expected statutory return on net worth implied by the selected 9.0% underwriting profit factor was 9.90% (not including investment income on surplus). The expected total return on net worth was 7.35% (including investment income on surplus). Adjusting prospective investment returns to account for the low current level of yields would reduce both of these figures to 7.13% and 8.95%, respectively.

In any case, after reviewing and analyzing the cost of capital estimates for the industry produced by Dr. Vander Weide and others, I found the expected returns on net worth resulting from the selected underwriting profit factors to be consistent with a reasonable and not excessive return on invested capital. Thus, I believe that the selected underwriting profit factors are reasonable and not excessive.

An important caveat to this analysis, however, is that all conclusions are predicated on the assumption that the indicated rate level is achieved. In the event that a lower rate level is implemented, the expected rate of return could be inadequate.

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Education

Ph.D., Economics, University of Chicago, 2000
ACAS, Casualty Actuarial Society, 1994
A.B. / B.S., Economics and Biology, Stanford University, 1990

Work Experience

University of Alabama (Tuscaloosa, Alabama)

Professor of Finance and Frank Park Samford Chair of Insurance, 2017-

Georgia State University (Atlanta, Georgia)

AAMGA Distinguished Chair in Risk Management & Insurance, 2011-2017
Associate Professor, 2008-2017

Nanyang Technological University (Singapore)

Visiting Senior Research Fellow, 2011-12, 2013-2014

Federal Reserve Bank of New York (New York, New York)

Senior Economist, 2006-2008
Economist, 2000-2006

Fireman's Fund Insurance Companies (Novato, California)

Senior Actuarial Analyst, 1993-94
Actuarial Analyst, 1991-1993
Assistant Actuarial Analyst, 1990-1991

Publications: Refereed Scholarly

"Capital Allocation Techniques: Review and Comparison," (with Daniel Bauer and Qiheng Guo),
Variance, forthcoming

"Dynamic Capital Allocation with Irreversible Investments," (with Daniel Bauer, Shinichi Kamiya,
and Xiaohu Ping), *Insurance: Mathematics and Economics* 85: 138-52, (2019)

“What Drives Tort Reform Legislation? Economics and Politics of the State Decisions to Restrict Liability Torts,” (with Yiling Deng), *Journal of Risk & Insurance* 85: 959-991, (2018)

“Egalitarian Equivalent Capital Allocation,” (with Shinichi Kamiya), *North American Actuarial Journal* 21: 382-96, (2017)

“The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” (with Daniel Bauer), *Management Science* 62: 1431-1457 (2016)

“Economic Analysis of Risk and Uncertainty Induced by Health Shocks: A Review and Extension,” (with Tomas J. Philipson), in *Handbook of the Economics of Risk and Uncertainty*, Volume 1, Mark J. Machina and W. Kip Viscusi (eds.), North Holland: Elsevier (2014)

“Capital Allocation and Its Discontents,” (with Daniel Bauer), in *Handbook of Insurance* (2nd edition), Georges Dionne (ed.), New York: Springer (2013)

“Financial Pricing of Insurance,” (with Daniel Bauer and Richard D. Phillips), in *Handbook of Insurance* (2nd edition), Georges Dionne (ed.), New York: Springer (2013)

“Insurance Risk, Risk Measures, and Capital Allocation: Navigating a Copernican Shift,” (with Michael R. Powers), *Annual Review of Financial Economics* 5: 201-223 (2013)

“Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” (with Darius Lakdawalla), *Journal of Risk & Insurance* 79, pp. 449-76 (2012)

“An Economic Approach to Capital Allocation,” *Journal of Risk and Insurance* 77, pp. 523-549 (2010) [Winner of Casualty Actuarial Society ARIA Award, 2010]

“Federal Financial Exposure to Catastrophic Risk,” (with J. David Cummins and Michael Suher), in *Measuring and Managing Federal Financial Risk*, Deborah Lucas (ed.), Chicago: University of Chicago Press (2010)

“Public versus Private Underwriting of Catastrophe Risk: Lessons from the California Earthquake Authority,” in *Risking House and Home: Disasters, Cities, Public Policy*, John M. Quigley and Larry A. Rosenthal (eds.), Berkeley: Berkeley Public Policy Press (2008)

“Regulation, Capital, and the Evolution of Organizational Form in U.S. Life Insurance,” *American Economic Review* 97, pp. 973-983 (2007)

“Insurance, Self Protection, and the Economics of Terrorism,” (with Darius Lakdawalla), *Journal of Public Economics* 89, pp. 1891-1905 (2005)

“Terrorism Insurance Policy and the Public Good,” (with Darius Lakdawalla), *St. John's Journal of Legal Commentary* 18, pp. 463-469 (2004)

“The Production and Regulation of Health Insurance: Limiting Opportunism in Proprietary and Non-Proprietary Organizations,” (with Tomas Philipson) in *Individual Decisions for Health*, Bjorn Lindgren (ed.), pp. 194-206, Routledge International Studies in Health Economics, Routledge: London (2003)

“Pricing and Capital Allocation in Catastrophe Insurance,” *Journal of Financial Economics* 65, pp. 283-305 (2002) [reprinted in *Insurance and Risk Management Volume I: Economics of Insurance Markets*, Gregory Niehaus (ed.), Northampton: Edward Elgar Publishing, (2008)]

Publications: Professional/Practitioner

Book review of “Moral Hazard in Health Insurance,” *Journal of Economic Literature* 53, pp. 682-3 (2015)

“Microinsurance Lessons from History,” (with Rick Koven), *Microinsurance Learning and Knowledge (MILK)* (2013)

“Institutional Investors and Asset Allocations: Accounting and Regulation of Private Defined Benefit Pension Plans and Other Institutional Investors in the United States, Mexico, and Australia,” (with John Broadbent, Michael Palumbo, and Julio Santaella), *CGFS Publication No. 27, Working Group on Institutional Investors, Global Savings, and Asset Allocation* (2006)

“An Overview of Political Risk Insurance” (with Kausar Hamdani and Elise Liebers), *CGFS Publication No. 22, Working Group on Foreign Direct Investment in the Financial Sector of Emerging Market Economies* (2005)

Work in Progress

“Life Insurance and Annuity Pricing During the Financial Crisis, Revisited,” (with Daniel Bauer, Lars Powell, and Boheng Su), working paper, 2020.

“Market Discipline and Guaranty Funds in Life Insurance,” (with Martin Grace, Shinichi Kamiya, and Robert W. Klein), working paper, 2019

“The Effect of Government Guarantees on Market Discipline in the Property-Casualty Insurance Industry,” (with Yiling Deng and Ty Leverty), working paper, 2019

- “The Marginal Cost of Risk in a Multi-Period Model,” (with Daniel Bauer), working paper, 2019. [Winner of Casualty Actuarial Society Hachemeister Prize, 2015]
- “An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions,” (with Daniel Bauer), working paper, 2019
- “Optimal Insurance Contracts with Insurer Background Risk,” (with Xiaohu Ping), working paper, 2015
- “The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption,” (with Shinichi Kamiya and Jackie Li), working paper, 2015
- “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry” working paper, 2010
- “The Rise and Fall of the Fraternal Life Insurer: Law and Organizational Form in U.S. Life Insurance, 1870-1920,” working paper, (*revise and resubmit, Journal of Law & Economics*), 2007
- “Organizational Form and the Underwriting Cycle: Theory with Evidence from the Pennsylvania Fire Insurance Market, 1873-1909,” working paper, 2004
- “Consumption versus Production of Insurance,” (with Tomas Philipson), *NBER Working Paper #6225*, 1997

External Research Projects and Consulting

- 2020 Expert Witness, Workers’ Compensation Rate Filing, North Carolina
- 2019 NCCI Review of Cost of Capital Methodology
- 2019 Expert Witness, Workers’ Compensation Rate Filing, Massachusetts
- 2019 Expert Witness, Flood Rate Filing, North Carolina
- 2019 Expert Witness, Workers’ Compensation Rate Filing, North Carolina
- 2019 Expert Witness, Dwelling Rate Filings, North Carolina
- 2019 Expert Witness, Automobile Rate Filing, North Carolina
- 2019 Expert Witness, Mobile Homeowners Rate Filings, North Carolina
- 2018 NCCI Review of TCJA
- 2017 Expert Witness, Workers’ Compensation Rate Hearing, Florida
- 2016 Expert Witness, Assigned Risk Workers’ Compensation Rate Hearing, Virginia
- 2015 Expert Witness, Workers’ Compensation Rate Hearing, Florida
- 2015 NCCI Revision of Underwriting Profit and Contingency Internal Rate of Return Model
- 2015 An Extension of the Project on the Costs of Holding Capital, sponsored by the CAS
- 2013 Microinsurance Centre Lessons from History Project
- 2012 Allocation of the Costs of Holding Capital, sponsored by the CAS,
- 2011 CRO Risk Index Project, co-sponsored by SOA and Bloomberg, co-founder

2009 “The Financial Crisis and Lessons for Insurers,” \$50,000 SOA grant, role: report co-author

Papers Presented at Professional Meetings

- 2020 “Life Insurance and Annuity Pricing During the Financial Crisis, Revisited” WRIEC, virtual meeting
- 2019 “An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions,” EGRIE Annual Meeting, Rome, Italy
- 2019 “An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions,” ARIA Annual Meeting, San Francisco, CA
- 2019 “An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions,” RTS Annual Seminar, Tuscaloosa, AL
- 2017 “The Effect of Government Guarantees on Market Discipline in the Property-Casualty Insurance Industry,” NBER Insurance Project Workshop, Boston, MA
- 2015 “The Marginal Cost of Risk in a Multi-Period Model,” NBER Insurance Project Workshop, Stanford, CA
- 2015 “The Marginal Cost of Risk in a Multi-Period Model,” CAS Annual Meeting, Philadelphia, PA
- 2015 “Dynamic Capital Allocation,” IME Annual Conference, Liverpool UK
- 2015 “What Drives Tort Reform Legislation? Economics and Politics of the State Decisions to Restrict Liability Torts,” ASSA Annual Meeting, Boston, MA
- 2014 “The Marginal Cost of Risk in a Multi-Period Model,” CAS Centennial, New York, NY
- 2014 “Market Discipline and Guaranty Funds in Life Insurance,” EGRIE Annual Seminar, St. Gallen, CH
- 2014 “Dynamic Capital Allocation with Irreversible Investments,” EGRIE Annual Seminar, St. Gallen, CH
- 2014 “What Drives Tort Reform Legislation? Economics and Politics of the State Decisions to Restrict Liability Torts,” ARIA Annual Meeting, Seattle, WA
- 2014 “The Marginal Cost of Risk in a Multi-Period Model,” ARIA Annual Meeting, Seattle, WA
- 2014 “Market Discipline and Guaranty Funds in Life Insurance,” ARIA Annual Meeting, Seattle, WA
- 2014 “The Marginal Cost of Risk in a Multi-Period Model,” IME Conference, Shanghai, CN
- 2014 “The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption,” Risk Theory Seminar, Munich, Germany
- 2013 “The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption,” ASSA Annual Meeting, Philadelphia, PA
- 2013 “Optimal Insurance Contracts with Insurer Background Risk,” EGRIE Annual Meeting, Paris, FR
- 2013 “The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption,” ARIA Annual Meeting, Washington D.C.
- 2013 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” IRFRC Catastrophe Risk Conference, Singapore
- 2013 “Optimal Insurance Contracts with Insurer Background Risk,” ARIA Annual Meeting, Washington D.C.
- 2013 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” CEAR/ETH Indices of Risk and New Risk Measures Conference, Zurich, CH
- 2012 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” CAS Spring Meeting, Phoenix, AZ
- 2012 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” Symposium: Risk and Catastrophic Events, State College, PA
- 2012 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” ASSA Annual Meeting, Chicago, IL
- 2011 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” NBER Insurance Project Workshop, Cambridge, MA
- 2010 “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry,” ASSA Annual Meeting, Atlanta, GA
- 2009 “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry,” Risk Management and Corporate Governance Conference, Loyola University of Chicago
- 2009 “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry,” ARIA Annual Meeting, Providence, RI
- 2008 “An Economic Approach to Capital Allocation,” Risk Theory Society, Annual Meeting, Fort Collins, CO

- 2007 “Federal Financial Exposure to Catastrophic Risk,” ARIA Annual Meeting, Quebec City, CA
- 2007 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” EFMA Annual Meeting, Vienna, AT
- 2007 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” 5th Infiti Conference on International Financial Integration, Dublin, IE
- 2007 “Federal Financial Exposure to Catastrophic Risk,” NBER Conference on Measuring and Managing Federal Financial Risk, Evanston, IL
- 2006 Insuring Catastrophic Losses: The Status of TRIA and Proposed Natural Disaster Backstops, Wash., D.C.
- 2006 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” Risk Theory Society, Annual Meeting, Richmond, VA
- 2006 “Public versus Private Underwriting of Catastrophe Risk: Lessons from the California Earthquake Authority,” Berkeley Symposium on Real Estate, Catastrophic Risk, and Public Policy
- 2006 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” NBER Insurance Project Workshop, Cambridge, MA
- 2005 “Regulation, Capital, and the Evolution of Organizational Form in U.S. Life Insurance,” NBER Insurance Project Workshop, Cambridge, MA
- 2004 “The Rise and Fall of the Fraternal Life Insurer: Law and Organizational Form in U.S. Life Insurance,” NBER Insurance Project Workshop, Cambridge, MA
- 2004 “Regulation, Capital, and the Evolution of Organizational Form in U.S. Life Insurance,” American Finance Association, Annual Meeting, San Diego, CA
- 2003 “Insurance, Self-Protection, and the Economics of Terrorism,” Risk Theory Society, Annual Meeting, Atlanta, GA
- 2003 “Terrorism Insurance Policy and the Public Good,” St. John’s Journal of Legal Commentary 10th Annual Legal Symposium: Terrorism and its Impact on Insurance: Legislative Responses and Coverage Issues, Queens, NY
- 2003 “Insurance, Self-Protection, and the Economics of Terrorism,” NBER Insurance Project Workshop, Cambridge, MA
- 2002 “Pricing and Capital Allocation in Catastrophe Insurance,” CAS Risk and Capital Management Seminar, Toronto, CA
- 2002 “Market Discipline and Government Guarantees in U.S. Life Insurance,” Risk Theory Society, Annual Meeting, Urbana-Champaign, IL
- 2001 “Pricing and Capital Allocation in Catastrophe Insurance,” Risk Theory Society, Annual Meeting, Montreal

Other Conferences Talks and Panel Participation

- 2018 Surplus Lines Automation Conference, Florida
- 2017 International Conference on Business Sciences, Cairo University, Egypt
- 2016 IIF Insurance Colloquium, Basel, Switzerland
- 2016 Surplus Lines Association of California, California (keynote)
- 2014 Surplus Lines Automation Conference, Florida
- 2011 PRMIA Annual Risk Leadership Conference, Atlanta, GA
- 2011 7th International Microinsurance Conference, Rio de Janeiro, Brazil
- 2010 Property Loss Research Bureau Eastern Adjusters Conference, Atlanta, GA (keynote)
- 2008 NCOIL Annual Meeting, Duck Key, FL
- 2007 Capital Markets Symposium on Securitizing Insurance Risk, New York, NY
- 2006 Insuring Catastrophic Losses: The Status of TRIA and Proposed Natural Disaster Backstops, Wash., D.C.
- 2006 Catastrophe Bonds and Insurance Linked Securities Summit, New York, NY
- 2005 12th Annual International Conference Promoting Business Ethics, New York, NY

Service Activities in Academic and Professional Organizations

American Risk & Insurance Association President (2012-13)
Risk Theory Society President (2011-2012)
American Risk & Insurance Association Board Member (2007-2014)
International Research Advisory Board, Risk and Insurance Research Center, NCCU, Taiwan
Editorial Board, *Journal of Insurance Issues* (2012-2014)
Senior Editor, *Journal of Risk and Insurance* (2019-)
Huebner Colloquium Panelist (2016-2019)

External Committees

American Risk & Insurance Association Program Committee, various years; ARIA Nominations Committee, 2015, 2016, 2018; Kulp-Wright Book Award Committee, 2005

Discussant: *WRIEC 2020; EGRIE Annual Meeting, Rome, 2019; ARIA Annual Meeting, San Francisco, 2019; ARIA Annual Meeting, Chicago, 2018; ARIA Annual Meeting, Boston, 2016; SIFR Insurance Conference, Stockholm, 2015; EGRIE Annual Seminar, St. Gallen, 2014; ARIA Annual Meeting, Seattle, 2014; ARIA Annual Meeting, San Diego, 2011; CEAR Workshop on Insurance for the Poor, Atlanta, 2010; CEAR Workshop on Risk Perception and Subjective Beliefs, Atlanta, 2010; Midwest Finance Association Annual Meeting, Chicago, 2009; 5th Infiniti Conference, Dublin, 2007; EFMA Annual Meeting, Vienna, 2007; AEA Annual Meeting, San Diego, 2004*

Session Chair: *ARIA Annual Meeting, Chicago, 2018, ARC, Atlanta, 2017; IME, Atlanta, 2017; ARIA Annual Meeting, San Diego, 2011; Midwest Finance Association Annual Meeting, Chicago, 2009; ARIA Annual Meeting, Quebec City, 2007; EFMA Annual Meeting, Vienna, 2007;*

Referee for *Asia-Pacific Journal of Risk and Insurance, Astin Bulletin, Australian Social Monitor, Contemporary Economic Policy, Current Issues in Economics and Finance, Defense and Peace Economics, European Economic Review, Financial Review, Geneva Papers: Issues and Practice, Geneva Risk and Insurance Review, Health Affairs, Insurance: Mathematics and Economics, Journal of Banking and Finance, Journal of Business, Journal of Finance, Journal of Financial Intermediation, Journal of Financial Services Research, Journal of Law and Economics, Journal of Money, Credit, and Banking, Journal of Political Economy, Journal of Risk and Insurance, Management Science, North American Actuarial Journal, Proceedings of the National Academy of Sciences, Review of Financial Studies, Risk Management and Insurance Review, Scandinavian Actuarial Journal, and Science.*

Working Group Participation

Committee on the Global Financial System, Working Group on Institutional Investors, Global Savings, and Asset Allocation (2006); Presidential Working Group on Financial Markets, Working Group on Terrorism Insurance (2006)

Continuing Education Activities

2004-2007 Central Banking Seminar, Federal Reserve Bank of New York, Topics: Introduction to U.S. Financial Markets; Introduction to Non-bank Financial Institutions

- 2009 Texas Farm Bureau Program, Georgia State University, Topic: Securitization, the Insurance Industry, and the Panic of 2007
- 2009-2012 Horst K. Jannott Visiting Fellows Program, Georgia State University, Topics: Securitization, the Insurance Industry, and the Panic of 2007; Introduction to Statistics;

| NCRB - Pro Forma Statutory Rate of Return HOMEOWNERS INSURANCE | | | |
|---|----------------|--------------------------|-----------------|
| | Pre-Tax | Tax Liability | Post-Tax |
| 1 Premiums | 100.00% | | |
| Loss & LAE | 52.21% | | |
| Commissions | 12.10% | | |
| Other Acquisition & General | 8.42% | | |
| Taxes, Licenses, & Fees | 2.80% | | |
| Policyholder Dividends | 0.40% | | |
| Net Cost of Reinsurance | 13.23% | | |
| Compensation for Assessment Risk | 1.84% | | |
| 2 Pro Forma Underwriting Profit | 9.00% | | |
| 3 Installment Fee Income | 0.36% | | |
| 4 Regular Tax | | 1.97% | |
| 5 Additional Tax Due to IRS Treatment of Reserves | | 0.07% | |
| 6 Total Return from Underwriting Post-Tax | | | 7.33% |
| 7 Investment Gain on Insurance Transaction | 1.51% | | |
| Less Investment Income on Agent and Reinsurance Balances | 0.47% | | |
| Net Investment Gain on Insurance Transaction | 1.04% | 0.16% | 0.87% |
| 8 Total Return as a Percent of Premium (post-tax) | | | 8.20% |
| 9 Premium-to-Net Worth Ratio | | | 0.90 |
| 10 Total Return as a Percent of Net Worth (post-tax) | | | 7.35% |

Lines (1) to (8) are expressed as a percentage of premium.

Assumptions and Parameters

| | |
|---|--------|
| (a) Underwriting Income Tax Rate | 21.00% |
| (b) Investment Income Tax Rate | 15.71% |
| (c) Pre-tax Investment Yield | 3.10% |
| (d) Premium-to-Surplus Ratio | 1.01 |
| (e) Net Worth-to-Surplus Ratio | 1.127 |
| (f) Installment Fee Income | 0.36% |
| (g) Additional Tax Due to IRS Treatment of Loss Reserves and UEPR | 0.07% |
| (h) Net Cost of Reinsurance | 13.23% |
| (i) Compensation for Assessment Risk | 1.84% |

Notes to Exhibit RB-19 Page 1

- 1 The expense provisions are those used in Exhibit RB-1, adjusted for the proposed rate change.
- 2 Selected by North Carolina Rate Bureau
- 3 See Exhibit RB-19, Page 3
- 4 $[(2) + (3)] \times (a)$
- 5 See Exhibit RB-19, Pages 4-6
- 6 $(2) + (3) - (4) - (5)$
- 7 Investment income on agents balances is calculated as $0.165 \times 1.021 \times (c)$, where 0.165 is a factor for agents balances held for less than 90 days and 1.021 is a factor to correct for overdue balances. From this figure, we deduct investment income on net reinsurance balances, which we estimate at 0.091 of the total cost of reinsurance times (c). The estimate for net reinsurance balances is based on ceded balances payable plus funds held plus other amounts due reinsurers minus reinsurance recoverables. These amounts are taken from the aggregated Schedule F as reported in the latest available edition of A.M. Best Aggregates & Averages.
- 8 $(6) + (7)$
- 9 $(d) / (e)$
- 10 $(8) \times (9)$

Assumptions

- (a) Current corporate tax rate, based on the Tax Cut and Jobs Act of 2017.
- (b) See Exhibit RB-19, Pages 11-13. Calculated as $1 - \text{average post-tax yield} / \text{average pre-tax yield}$.
- (c) See Exhibit RB-19, Page 10
- (d) See Exhibit RB-19, Page 14
- (e) See Exhibit RB-19, Page 15
- (f) See Exhibit RB-19, Page 3
- (g) See Exhibit RB-19, Pages 4-6
- (h) Net Cost of Reinsurance based on the analysis of Aon and incorporated in the filing, adjusted for the indicated rate change.
- (i) Compensation for Assessment Risk based on the analysis of Milliman incorporated in the filing, adjusted for the indicated rate change.

| NCRB - Pro Forma Statutory Rate of Return (Including Investment Income on Surplus) HOMEOWNERS INSURANCE | | | |
|--|----------------|--------------------------|-----------------|
| | Pre-Tax | Tax Liability | Post-Tax |
| 1 Premiums | 100.00% | | |
| Loss & LAE | 52.21% | | |
| Commissions | 12.10% | | |
| Other Acquisition & General | 8.42% | | |
| Taxes, Licenses, & Fees | 2.80% | | |
| Policyholder Dividends | 0.40% | | |
| Net Cost of Reinsurance | 13.23% | | |
| Compensation for Assessment Risk | 1.84% | | |
| 2 Pro Forma Underwriting Profit | 9.00% | | |
| 3 Installment Fee Income | 0.36% | | |
| 4 Regular Tax | | 1.97% | |
| 5 Additional Tax Due to IRS Treatment of Reserves | | 0.07% | |
| 6 Total Return from Underwriting Post-Tax | | | 7.33% |
| 7 Investment Gain on Insurance Transaction | 1.51% | | |
| Less Investment Income on Agent and Reinsurance Balances | 0.47% | | |
| Net Investment Gain on Insurance Transaction | 1.04% | 0.16% | 0.87% |
| 8 Investment Gain on Surplus | 3.37% | 0.53% | 2.84% |
| 9 Total Return as a Percent of Premium (post-tax) | | | 11.05% |
| 10 Premium-to-Net Worth Ratio | | | 0.90 |
| 11 Total Return as a Percent of Net Worth (post-tax) | | | 9.90% |
| <i>Lines (1) to (8) are expressed as a percentage of premium.</i> | | | |

Assumptions and Parameters

| | |
|---|--------|
| (a) Underwriting Income Tax Rate | 21.00% |
| (b) Investment Income Tax Rate | 15.71% |
| (c) Pre-tax Investment Yield | 3.10% |
| (d) Premium-to-Surplus Ratio | 1.01 |
| (e) Net Worth-to-Surplus Ratio | 1.127 |
| (f) Installment Fee Income | 0.36% |
| (g) Additional Tax Due to IRS Treatment of Loss Reserves and UEPR | 0.07% |
| (h) Net Cost of Reinsurance | 13.23% |
| (i) Compensation for Assessment Risk | 1.84% |

Notes to Exhibit RB-19 Page 1A

1 The expense provisions are those used in Exhibit RB-1, adjusted for the proposed rate change.

2 Selected by North Carolina Rate Bureau

3 See Exhibit RB-19, Page 3

4 $[(2) + (3)] \times (a)$

5 See Exhibit RB-19, Pages 4-6

6 $(2) + (3) - (4) - (5)$

7 Investment income on agents balances is calculated as $0.165 \times 1.021 \times (c)$, where 0.165 is a factor for agents balances held for less than 90 days and 1.021 is a factor to correct for overdue balances. From this figure, we deduct investment income on net reinsurance balances, which we estimate at 0.091 of the total cost of reinsurance times (c). The estimate for net reinsurance balances is based on ceded balances payable plus funds held plus other amounts due reinsurers minus reinsurance recoverables. These amounts are taken from the aggregated Schedule F as reported in the latest available edition of A.M. Best Aggregates & Averages.

8 $(c) \times [1 / (d) + 0.1864 \times 0.5195]$, where 0.1864 is the prepaid expense ratio minus the total cost of reinsurance from Page 7, and 0.5195 is the UEPR ratio from Page 7.

9 $(6) + (7) + (8)$

10 $(d) / (e)$

11 $(9) \times (10)$

Assumptions

(a) Current corporate tax rate, based on the Tax Cut and Jobs Act of 2017.

(b) See Exhibit RB-19, Pages 11-13. Calculated as $1 - \text{average post-tax yield} / \text{average pre-tax yield}$.

(c) See Exhibit RB-19, Page 10

(d) See Exhibit RB-19, Page 14

(e) See Exhibit RB-19, Page 15

(f) See Exhibit RB-19, Page 3

(g) See Exhibit RB-19, Pages 4-6

(h) Net Cost of Reinsurance based on the analysis of Aon and incorporated in the filing, adjusted for the indicated rate change.

(i) Compensation for Assessment Risk based on the analysis of Milliman incorporated in the filing, adjusted for the indicated rate change.

**NORTH CAROLINA
HOMEOWNERS INSURANCE
INSTALLMENT PAYMENT INCOME**

| Year | Installment Charges | Direct Written Premium | Percentage |
|----------------|--------------------------------|-----------------------------------|-------------------|
| 2019 | 9,722,684 | 2,831,680,169 | 0.34% |
| 2018 | 9,491,438 | 2,660,370,763 | 0.36% |
| 2017 | 9,400,022 | 2,520,916,144 | 0.37% |
| 2016 | 9,268,479 | 2,422,544,236 | 0.38% |
| 2015 | 8,471,642 | 2,337,630,079 | 0.36% |
| Selected Value | | | 0.36% |

Source: NCRB

**North Carolina
HOMEOWNERS INSURANCE
Calculation of Additional Tax Liability**

| | |
|---|---------|
| 1. Collected Direct Earned Premium for Current Year | 100.00% |
| 2. Unearned (Net) Premium Reserve 12/31/Current | 34.59% |
| 3. Unearned (Net) Premium Reserve 12/31/Prior | 33.18% |
| 4. Increase: (2) - (3) | 1.41% |
| 5. 20% of Increase = Taxable Income | 0.28% |
| | |
| 6. Additional Tax Liability due to Unearned Premium Reserve | 0.06% |
| | |
| 7. Unpaid Net Loss Current Year | 14.69% |
| 8. Discounted Unpaid Net Loss Prior Year | 13.90% |
| | |
| 9. Unpaid Net Loss Prior Year | 14.09% |
| 10. Discounted Unpaid Net Loss Prior Year | 13.33% |
| | |
| 11. Additional Income | 0.03% |
| 12. Additional Tax Liability due to Loss Reserve Discounting | 0.01% |
| | |
| 13. Total Additional Tax Liabilities (6) + (12) | 0.07% |

**NORTH CAROLINA
HOMEOWNERS INSURANCE
Calculation of Taxable Income**

| Calculation of Unpaid Loss for Current Accident Year (AY) | | | | | Calculation of Discounted Unpaid Loss for Current AY | | | Calculation of Discounted Unpaid Loss for Prior AY | | | |
|---|-------------------|-------------------|-----------------|------------------|--|--------------------|---------------------------|--|------------------|--------------------|---------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| AY Avg Acc Date | AY Pay Pattern | Percent Unpaid | Total Losses | Unpaid Losses | AY at 12/31 yr t | Discount Factor | Discounted Unpaid Loss | AY at 12/31/yr t-1 | Unpaid Losses | Discount Factor | Discounted Unpaid Loss |
| 0.5 | 75.79% | 24.21% | 52.215 | 12.64 | 2020 | 0.950382 | 12.0155 | | | | |
| 1.5 | 94.14% | 5.86% | 50.087 | 2.94 | 2019 | 0.933147 | 2.7402 | 2019 | 12.128 | 0.950382 | 11.5259 |
| 2.5 | 98.58% | 1.42% | 48.047 | 0.68 | 2018 | 0.936251 | 0.6386 | 2018 | 2.817 | 0.933147 | 2.6285 |
| 3.5 | 99.66% | 0.34% | 46.089 | 0.16 | 2017 | 0.928232 | 0.1470 | 2017 | 0.654 | 0.936251 | 0.6125 |
| 4.5 | 99.92% | 0.08% | 44.211 | 0.04 | 2016 | 0.909251 | 0.0335 | 2016 | 0.152 | 0.928232 | 0.1411 |
| 5.5 | 99.98% | 0.02% | 42.409 | 0.01 | 2015 | 0.911314 | 0.0078 | 2015 | 0.035 | 0.909251 | 0.0321 |
| 6.5 | 100.00% | 0.00% | 40.681 | 0.00 | 2014 | 0.908234 | 0.0018 | 2014 | 0.008 | 0.911314 | 0.0075 |
| 7.5 | 100.00% | 0.00% | 39.024 | 0.00 | 2013 | 0.905036 | 0.0000 | 2013 | 0.002 | 0.908234 | 0.0017 |
| | | | | | | | | 2012 | 0.000 | 0.905036 | 0.0000 |
| Totals | | | | 16.47 | 15.58 | | | 15.80 | | 14.95 | |

Notes to Pages 4 and 5

Page 4

- 2 Page 8, line (2) divided by Page 8, line (1) minus the Cost of Reinsurance from Page 7
- 3 (2) divided by 1 plus the 10 year average growth rate of Homeowners premiums in North Carolina
- 4 (2) - (3)
- 5 (4) x 20%
- 6 (5) x current corporate tax rate
- 7 Unpaid current-year net losses at year-end as a percent of current year premium.
Sum of Page 5, Column (5) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 8 Discounted unpaid current-year losses at year-end as a percent of current year premium.
Sum of Page 5, Column (8) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 9 Unpaid prior-year losses at year-end as a percent of current year premium.
Sum of Page 5, Column (10) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 10 Discounted unpaid prior-year losses at year-end as a percent of current year premium.
Sum of Page 5, Column (12) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 11 Change in loss reserve discount: [(7) - (8)] - [(9) - (10)]
- 12 (11) x current corporate tax rate
- 13 (6) + (12)

Page 5

- 1 Midpoint of number of years since end of accident period
- 2 Homeowners accident year payout pattern developed from North Carolina policy year losses (Source: ISO)
- 3 1 - (2)
- 4 Latest period losses are based on projected loss ratio from Page 1. For previous years,
losses are detrended at the 10 year average premium growth rate for Homeowners in North Carolina.
- 5 (3) x (4)
- 6 Accident Year at current year end
- 7 IRS discount factors for Multiple Peril Lines from Revenue Procedure 2019-06
- 8 (5) x (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 IRS discount factors for Multiple Peril Lines from Revenue Procedure 2019-06
- 12 (10) x (11)

**NCRB Investment Income Calculation
HOMEOWNERS INSURANCE**

**Projected Investment Earnings on Loss, Loss
Adjustment Expense and Unearned Premium Reserves**

A. UNEARNED PREMIUM RESERVES

| | | |
|---|--------|-----------|
| 1. Direct Earned Premiums | | 1,000,000 |
| 2. Mean Unearned Premium Reserve | 51.95% | 519,468 |
| 3. Deductions for Prepaid Expenses | | |
| Commissions & Brokerage | 12.10% | |
| Taxes, Licenses, & Fees (5/6) | 2.33% | |
| Other Acquisition & General (1/2) | 4.21% | |
| Cost of Reinsurance | 18.87% | |
| Total | 37.51% | |
| 4. Deduction for Prepaid Expense: (2) x (3) | | 194,868 |
| 5. Net Unearned Premium Reserve Subject to Investment (2) - (4) | | 324,601 |

B. Loss and Loss Expense Reserves

| | | |
|---|--------|-----------|
| 1. Direct Earned Premiums | | 1,000,000 |
| 2. Expected Net Incurred Loss & LAE-to-Direct Premium Ratio | 46.57% | 465,734 |
| 3. Expected Mean Loss and LAE Reserve-to-Incurred Ratio | 34.51% | 160,717 |

C. Net Policyholder Funds Subject to Investment (A5 + B3) 485,318

D. Average Rate of Return 3.10%

E. Investment Earnings from Net Reserves: (C) x (D) 15,063

F. Average Rate of Return as a Percent of Direct Earned Premiums: (E) / (A1) 1.51%

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Calculations displayed are per million of direct earned premiums.

Line A-2

The mean unearned premium reserve (UEPR) is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the direct earned premium for the current calendar year ended 12/31. The data are for North Carolina Homeowners (NC HO) insurance (from statutory Page 14 of the Annual Statement).

| | |
|---|---------------|
| 1 NC HO Direct Earned Premium for most recent calendar year | 2,748,738,904 |
| 2 NC HO UEPR at end of most recent calendar year | 1,469,475,147 |
| 3 NC HO UEPR at end of previous calendar year | 1,386,288,967 |
| 4 Mean NC HO UEPR | 1,427,882,057 |
| 5 Ratio [(4) / (1)] | 51.95% |

Line A-3

Deduction for prepaid expenses

Certain production expenses, such as commissions and reinsurance, are assumed to be incurred when the policy is written and before the premium is paid. In addition, half of Other Acquisition and General expenses and 5/6 of Taxes, Licenses and Fees are assumed to be prepaid.

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line B-2

Ratio is calculated as the expected direct loss and LAE ratio from Page 1 minus the difference between the total cost of reinsurance from Line A-3 and the net cost of reinsurance from Page 1.

Line B-3

The mean loss reserve is calculated by multiplying the incurred losses in (2) by the ratio for mean loss reserves to incurred losses. The latter figures are based on total statutory Page 14 figures for North Carolina Homeowners direct losses incurred and direct losses unpaid. The adjustment for loss expense reserves is based on nationwide industry aggregates for the Homeowners line.

| | | |
|--|------|---------------|
| 6 Direct Losses Incurred | 2015 | 1,000,022,353 |
| 7 Direct Losses Incurred | 2016 | 1,356,857,801 |
| 8 Direct Losses Incurred | 2017 | 1,227,461,006 |
| 9 Direct Losses Incurred | 2018 | 2,349,919,704 |
| 10 Direct Losses Incurred | 2019 | 1,561,396,362 |
| 11 Direct Losses Unpaid | 2014 | 329,397,212 |
| 12 Direct Losses Unpaid | 2015 | 345,437,165 |
| 13 Direct Losses Unpaid | 2016 | 444,413,633 |
| 14 Direct Losses Unpaid | 2017 | 398,416,653 |
| 15 Direct Losses Unpaid | 2018 | 732,364,300 |
| 16 Direct Losses Unpaid | 2019 | 526,638,529 |
| 17 Mean Loss Reserve | 2015 | 337,417,189 |
| 18 Mean Loss Reserve | 2016 | 394,925,399 |
| 19 Mean Loss Reserve | 2017 | 421,415,143 |
| 20 Mean Loss Reserve | 2018 | 565,390,477 |
| 21 Mean Loss Reserve | 2019 | 629,501,415 |
| 22 Ratio | 2015 | 33.74% |
| 23 Ratio | 2016 | 29.11% |
| 24 Ratio | 2017 | 34.33% |
| 25 Ratio | 2018 | 24.06% |
| 26 Ratio | 2019 | 40.32% |
| 27 Average Loss Reserve | | 32.31% |
| 28 Ratio of LAE Reserves to Loss Reserves | | 0.225 |
| 29 Ratio of Incurred LAE to Incurred Loss | | 0.147 |
| 30 Loss & LAE Reserve [(27) x (1+(28))/(1+(29))] | | 0.345 |

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line E

The average rate of return is the average of the pretax current yield calculated on Page 11 and the pretax embedded yield. The embedded yield (see Page 12) is the sum of the ratio of investment income to invested assets for the most recent year plus the ten year average ratio of capital gains to invested assets (see Page 13). The current yield is the estimated currently available rate of return (including both income and capital gains) on the industry investment portfolio (see Page 11).

| | |
|----------------|-------|
| Embedded Yield | 3.91% |
| Current Yield | 2.30% |
| Average | 3.10% |

| Portfolio Yield and Tax Rate - Current Yield | | | | | |
|---|--------------------------|---|-----------------|--|--|
| Investable Asset | Percent of Assets | Estimated Prospective Pre-Tax Return | Tax Rate | Estimated Prospective Post-Tax Return | |
| Bonds | | | | | |
| US Gov't | 10.81% | 0.27% | 21.00% | 0.21% | |
| Municipal | 24.54% | 0.54% | 5.25% | 0.52% | |
| Industrial | 31.16% | 1.08% | 21.00% | 0.85% | |
| Preferred Stock | 0.34% | 5.72% | 13.13% | 4.97% | |
| Common Stock | 24.52% | 8.28% | 19.40% | 6.67% | |
| Mortgage Loans | 1.25% | 2.95% | 21.00% | 2.33% | |
| Real Estate | 0.86% | 5.66% | 21.00% | 4.47% | |
| Cash & Short-term Investments | 6.51% | 0.10% | 21.00% | 0.08% | |
| Rate of Return Before Expenses | 100.00% | 2.64% | 18.91% | 2.14% | |
| Investment Expenses | | 0.34% | 21.00% | 0.27% | |
| Portfolio Rate of Return | | 2.30% | 18.61% | 1.87% | |

Sources

| | |
|---------------------|---|
| Preferred Stock | Current yield on iShares Preferred Stock Index ETF, 10/1/2020 |
| Real Estate | REIT Sector Cost of Equity, using 3 month average T-Bill for risk free rate, 0.0818 ERP, 0.68 Beta (source: Damodaran Online) |
| Cash | 3 month Treasury rate, averaged over 3 months (source: US Treasury) |
| Municipal | Maturity weighted avg of 3 month avg MBIS Investment Grade yield curve; linearly interpolated |
| Industrial | Three month average of HQM par yields (source: FRED); linearly interpolated |
| Treasury | Three month average of Treasury yields; linearly interpolated (source: US Treasury) |
| Common Stock | 0.0818 ERP (source: Damodaran Online) plus 3 month average T-Bill Rate |
| Investment Expenses | Investment Expenses from Page 12 Exhibit of Net Inv Inc divided by Cash and Inv Assets (Page 2) |

| Portfolio Yield and Tax Rate Embedded Yield | | | |
|---|--------------------|---------------|-----------------|
| | | Income | Tax Rate |
| Bonds | | | |
| | Taxable | 26,150,371 | 21.00% |
| | Non-Taxable | 8,700,372 | 5.25% |
| Stocks | | | |
| | Taxable | 7,971,643 | 13.13% |
| | Non-Taxable | 4,181,953 | 5.25% |
| Mortgage Loans | | 908,689 | 21.00% |
| Real Estate | | 1,937,053 | 21.00% |
| Contract Loans | | 5,854 | 21.00% |
| Cash & Short Term Inv | | 1,984,480 | 21.00% |
| All Other | | 11,900,550 | 21.00% |
| Total | | 63,740,965 | 16.83% |
| Inv. Expenses | | 5,911,971 | 21.00% |
| Net Inv. Income | | 57,828,994 | 16.40% |
| Mean Invested Assets | | 1,733,729,297 | |
| Inv. Inc. Yield Rate | | 3.34% | 16.40% |
| Capital Gains (10 yr. avg.) (% of Inv. Assets) | | 0.57% | 0.00% |
| Invest. Yield Rate (pre-tax) | | 3.91% | 14.00% |
| Invest. Yield Rate (post-tax) | | 3.36% | |

Source: A.M. Best's Aggregates and Averages, 2019 Edition, Page 12 - Exhibit of Net Investment Income (Column 2 - Earned During Year). For capital gains, see Exhibit RB-19, Page 13.

**Realized Capital Gains or Losses
As a Percentage of Mean Invested Assets
(Amounts in Thousands of Dollars)**

| Calendar Year | Mean Invested Assets | Realized Capital Gains Amount | Percent |
|----------------------|-----------------------------|--|----------------|
| 2009 | 1,274,678,809 | (8,079,575) | -0.63% |
| 2010 | 1,330,998,082 | 8,100,143 | 0.61% |
| 2011 | 1,366,568,026 | 7,563,305 | 0.55% |
| 2012 | 1,400,656,619 | 9,035,405 | 0.65% |
| 2013 | 1,473,600,834 | 12,163,890 | 0.83% |
| 2014 | 1,543,882,375 | 12,093,078 | 0.78% |
| 2015 | 1,567,611,077 | 9,887,732 | 0.63% |
| 2016 | 1,596,937,470 | 8,086,268 | 0.51% |
| 2017 | 1,676,831,258 | 15,725,303 | 0.94% |
| 2018 | 1,733,729,297 | 10,825,733 | 0.62% |
| Total | 14,965,493,844 | 85,401,282 | 0.57% |

"Mean Invested Assets" is the average of current and prior year values for Total Invested Assets (Page 2). Source for data is 2009-2019 editions of A.M. Best's Aggregates and Averages. Figures are net of capital gains taxes.

North Carolina**HOMEOWNERS INSURANCE****Premium-to-Surplus Ratios**

| Year | Ratio |
|----------------|--------------|
| 2018 | 1.02 |
| 2017 | 0.98 |
| 2016 | 0.98 |
| 2015 | 0.98 |
| 2014 | 0.98 |
| 2013 | 0.98 |
| 2012 | 1.04 |
| 2011 | 1.07 |
| 2010 | 0.99 |
| 2009 | 1.03 |
| Average | 1.01 |

Data from NAIC Statutory Filings and from A.M. Best's Aggregates and Averages, various years, for all groups writing Homeowners insurance in North Carolina, weighted by North Carolina Homeowners direct premiums written.

**North Carolina
HOMEOWNERS INSURANCE
Calculation of Ratio of GAAP Net Worth to Statutory Surplus**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|--------------|
| Policyholder Surplus | 705,383,177 | 706,046,329 | 734,973,294 | 786,896,032 | 779,735,146 |
| + Deferred Acquisition Costs | 32,841,853 | 34,339,266 | 34,497,160 | 35,448,312 | 40,036,795 |
| + Non-Admitted DTA Provision | 12,438,011 | 13,406,897 | 12,678,507 | 6,023,322 | 6,958,587 |
| + Non-admitted Assets (non-tax part) | 34,284,282 | 41,064,060 | 44,580,531 | 47,724,191 | 47,237,245 |
| + Provision for Reinsurance | 2,395,153 | 2,253,194 | 2,197,343 | 2,621,717 | 2,750,285 |
| + Provision for FASB 115(after-tax) | 27,628,143 | 17,489,124 | 11,137,026 | 18,749,276 | 1,323,356 |
| - Surplus Notes | (12,099,804) | (13,100,048) | (12,282,030) | (11,967,501) | (11,738,367) |
| GAAP-adjusted Net Worth | 802,870,815 | 801,498,821 | 827,781,831 | 885,495,349 | 866,303,047 |
| Ratio of Net Worth to Surplus | 1.14 | 1.14 | 1.13 | 1.13 | 1.11 |
| Five Year Average | 1.127 | | | | |

Source: ISO

Sample of Findings on the Private Company Discount

| Study | Years | Discount | Type |
|--|-----------|------------|--------------------|
| Emory (1994) | 1992-1993 | 45% | IPO |
| Willamette Management Associates (various) | 1975-1997 | 29% to 60% | IPO |
| Garland and Reilly (2004) | 1998-2002 | 35% | IPO |
| Larcker et al. (2018) | 2017 | 39% to 47% | IPO |
| Koeplin et al. (2000) | 1984-1998 | 20% to 30% | Acquisitions |
| Block (2007) | 1999-2006 | 20% to 25% | Acquisitions |
| Officer (2007) | 1979-2003 | 15% to 30% | Acquisitions |
| Paglia and Harjoto (2010) | 1993-2008 | 65% to 70% | Acquisitions |
| Jaffe et al. (2018) | 1985-2014 | 0% | Acquisitions |
| Silber (1991) | 1981-1988 | 34% | Restricted Stock |
| Johnson (1999) | 1991-1995 | 20% | Restricted Stock |
| Bajaj et al. (2001) | 1990-1995 | 7% | Private placements |
| Comment (2012) | 2004-2010 | 5% to 6% | Private placements |
| Finnerty (2013) | 1991-1997 | 21% | Private placements |
| Finnerty (2013) | 1997-2007 | 15% | Private placements |
| Chen et al. (2015) | 1999-2012 | 10% | Private placements |

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* The Willamette research studies were unpublished but reported in [Business Valuation Discounts and Premiums](#), Chapter 5, by Shannon Pratt (New York: John Wiley & Sons, Inc., p. 85).