



April 23, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

IMMEDIATE ATTENTION REQUIRED

Re: Revised Mobile Homeowners MH(F)
Insurance Rates

On December 31, 2014, the Rate Bureau filed with the Commissioner of Insurance proposed revised Mobile Homeowners MH(F) insurance rates for coverages subject to the Rate Bureau's jurisdiction. The Rate Bureau's rate filing proposed (1) statewide average rate level change for all Mobile Homeowners MH(F) forms, with changes varying by form and by territory; (2) revised amount of insurance relativities; (3) revised Windstorm or Hail Exclusion Credits; and (4) introduced new territory groups.

The Bureau and the Department of Insurance have negotiated an agreement as to this filing, and on April 23, 2015, the Commissioner signed a Settlement Agreement and Consent Order approving settlement of this filing. The filing and Consent Agreement and Consent Order provides for (1) an approved overall statewide average rate level increase of +6.7% for owners and +7.0 for tenants; (2) approved revised amount of insurance relativities; (3) approved modified Windstorm or Hail Exclusion Credits to track the revised base rates; and (4) approved new territory groups.

Enclosed are final exhibits which set forth (1) the rate level changes by territory; (2) the revised Windstorm or Hail Exclusion Credits; (3) the revised base rates for all forms; and (4) new territory groups.

Since these changes have been approved by the Commissioner, no portion of the premiums on applicable policies is required to be escrowed. The approved changes are to be implemented in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2015.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Notice of the changes should be sent as soon as possible to your Company's North Carolina agents to make them aware of the revisions.

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

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

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

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

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

NOTICE OF RATE CHANGE - NORTH CAROLINA

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

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

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms
Attachments
P-15-5

NORTH CAROLINA
MOBILE HOMES INSURANCE- MH(F) PROGRAM

RATE LEVEL CHANGES

<u>TERRITORY GROUP*</u>	<u>OWNERS</u>	<u>TENANTS</u>
1	29.6%	30.1%
2	12.0%	12.0%
3	-3.5%	-4.0%
SW	6.7%	7.0%
	<u>ALL FORMS COMBINED</u>	
SW	6.7%	

*Territory group 1: Territory 5, 6, 42, 43

*Territory group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

*Territory group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA

MOBILE HOMES INSURANCE- MH(F) PROGRAM

REVISED RATING

	TERRITORY GROUP* 1 <u>SURCHARGE</u>	TERRITORY GROUP* 3 DISCOUNT
1. OWNERS FORMS	38.1%	-17.8%
TENANT FORM	40.9%	-14.3%

2. OWNERS FORMS; NO DEDUCTIBLE--TERRITORY GROUP* 2

-----Amount of Insurance-----					
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	MH(F)-2	MH(F)-3
\$2,000	\$200	\$600	\$200	\$263.00	\$300.00
3,000	300	900	300	273.00	312.00
4,000	400	1,200	400	283.00	324.00
5,000	500	1,500	500	294.00	336.00
6,000	600	1,800	600	304.00	347.00
7,000	700	2,100	700	315.00	359.00
8,000	800	2,400	800	325.00	372.00
9,000	900	2,700	900	336.00	384.00
10,000	1,000	3,000	1,000	346.00	395.00
11,000	1,100	3,300	1,100	356.00	407.00
12,000	1,200	3,600	1,200	367.00	419.00
13,000	1,300	3,900	1,300	377.00	431.00
14,000	1,400	4,200	1,400	387.00	443.00
15,000	1,500	4,500	1,500	394.00	451.00
each Add'l.					
\$1,000 - Add				10.00	12

3. TENANT FORM;NO DEDUCTIBLE--TERRITORY GROUP* 2

-----Amount of Insurance----		
<u>C</u>	<u>D</u>	MH(F)-4
\$2,000	\$200	\$50.00
3,000	300	61.00
4,000	400	73.00
5,000	500	84.00
6,000	600	96.00
7,000	700	108.00
8,000	800	118.00
9,000	900	131.00
10,000	1,000	142.00
Each Add'l.		
\$1,000 - Add		11.00

*Territory group 1: Territory 5, 6, 42, 43

*Territory group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

*Territory group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA

MOBILE HOMES INSURANCE- MH(F) PROGRAM

REVISED RATING

4. DEDUCTIBLE CREDITS- MAXIMUM DOLLAR AMOUNTS

Owners- Section 1 Deductible

Deductible Amount	\$100	\$250	\$500	\$1,000
Percentage Credit	10%	20%	27%	34%
Maximum Credit:				
--Territory Group* 1	\$53.80	\$107.59	\$215.19	\$537.97
--Territory Group* 2	\$38.95	\$77.90	\$155.81	\$389.51
--Territory Group* 3	\$32.02	\$64.04	\$128.08	\$320.20

Tenant- Section 1 Deductible

Deductible Amount	\$100	\$250	\$500	\$1,000
Percentage Credit	10%	20%	27%	34%
Maximum Credit:				
--Territory Group* 1	\$39.46	\$78.91	\$157.82	\$394.55
--Territory Group* 2	\$28.00	\$56.00	\$112.00	\$280.00
--Territory Group* 3	\$24.00	\$48.00	\$96.00	\$240.00

Owners
Theft Deductible

Tenant
Theft Deductible

Deductible Amount	\$100	\$250	\$100	\$250
Percentage of Credit	3%	5%	3%	5%
Maximum Credit:				
--Territory Group* 1	\$21.52	\$32.28	\$15.78	\$23.67
--Territory Group* 2	\$15.58	\$23.37	\$11.20	\$16.80
--Territory Group* 3	\$12.81	\$19.21	\$9.60	\$14.40

5. WINDSTORM OR HAIL EXCLUSION CREDIT -- Territory Group* 1 only

	<u>Owners</u>	<u>Tenant</u>
Filed	73.9%	61.3%

*Territory group 1: Territory 5, 6, 42, 43

*Territory group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

*Territory group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA

MOBILE HOMES INSURANCE- MH(F) PROGRAM

REVISED RATING

6. OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLES -- Territory Group* 1

Section 1 Deductible - Owners

All Other Perils Deductible

<u>Amount</u>	<u>\$50</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>
Percentage Credit:	5%	14%	24%	31%	37%
Maximum Credit:	\$28.32	\$56.62	\$113.26	\$226.52	\$566.29

Section 1 Deductible - Tenants

All Other Perils Deductible

<u>Amount</u>	<u>\$50</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>
Percentage Credit:	5%	14%	24%	31%	37%
Maximum Credit:	\$20.76	\$41.54	\$83.06	\$166.13	\$415.31

7. OPTIONAL WINDSTORM OR HAIL DEDUCTIBLES -- Territory Group* 1

The Maximum \$1,000 Windstorm or Hail Deductible Credit is \$537.97

The Maximum \$2,000 Windstorm or Hail Deductible Credit is \$1,075.94

The Maximum \$5,000 Windstorm or Hail Deductible Credit is \$1,721.51

*Territory group 1: Territory 5, 6, 42, 43