

April 23, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

IMMEDIATE  
ATTENTION REQUIRED

Re: Revised Mobile Homeowners MH(C)  
Insurance Rates

On December 31, 2014, the Rate Bureau filed with the Commissioner of Insurance proposed revised Mobile Homeowners MH(C) 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(C) forms, with changes varying by form and by territory; (2) revised amount of insurance relativities; (3) revised Windstorm or Hail Exclusion Credits; and (4) new territory groupings.

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 decrease of -0.8%; (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 groupings.

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 groupings.

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-15-4

NORTH CAROLINA  
MOBILEHOMES INSURANCE - MH(C) PROGRAM

RATE LEVEL CHANGES

<u>Territory Group*</u>	<u>STRUCTURES</u>	<u>ADJACENT STRUCTURES</u>	<u>PERSONAL EFFECTS</u>	<u>LIABILITY</u>
1	34.2%	22.8%	19.7%	45.7%
2	5.3%	-11.5%	-13.7%	45.7%
3	-6.3%	-25.1%	-26.9%	45.7%
SW	3.1%	-14.0%	-16.1%	45.7%
	<u>ALL COVERAGES COMBINED</u>			
SW				-0.8%

\*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  
MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

1.	TERRITORY GROUP* 1 SURCHARGE	TERRITORY GROUP* 3 DISCOUNT
Mobilehome	71.1%	-9.0%
Adjacent Structure	86.5%	-15.4%
Personal Effects	87.8%	-15.3%

2. TERRITORY GROUP\* 2  
COMPREHENSIVE MOBILEHOME COVERAGE;\$100 DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Primary Residence	Rental
\$ 0 - 3,999	\$176.44	\$302.25
4,000 - 4,999	188.58	323.05
5,000 - 5,999	200.35	343.20
6,000 - 6,999	212.49	364.00
7,000 - 7,999	224.25	384.15
8,000 - 8,999	236.39	404.95
9,000 - 9,999	248.16	425.10
10,000 - 10,999	259.92	445.25
11,000 - 11,999	272.06	466.05
12,000 - 12,999	283.83	486.20
13,000 - 13,999	295.97	507.00
14,000 - 14,999	307.73	527.15
15,000 - 15,999	319.87	547.95
16,000 - 16,999	331.64	568.10
17,000 - 17,999	343.78	588.90
18,000 - 18,999	355.54	609.05
19,000 - 19,999	367.68	629.85
20,000 - 20,999	379.45	650.00
21,000 - 21,999	391.21	670.15
22,000 - 22,999	403.35	690.95
23,000 - 23,999	415.11	711.10
24,000 - 24,999	427.26	731.90
25,000 - 25,999	439.02	752.05
26,000 - 26,999	451.16	772.85
27,000 - 27,999	462.92	793.00
28,000 - 28,999	475.07	813.80
29,000 - 29,999	486.83	833.95
30,000 - 30,999	498.97	854.75

If value is in excess of \$30,999 increase the premium by the following amount for each \$1,000 of excess or any part thereof:

11.93	20.44
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\*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  
MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

3. TERRITORY GROUP\* 2  
NAMED PERILS MOBILEHOME COVERAGE; NO DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Primary Residence	Rental
\$ 0 - 3,999	\$157.26	\$283.07
4,000 - 4,999	168.09	302.55
5,000 - 5,999	178.57	321.42
6,000 - 6,999	189.39	340.90
7,000 - 7,999	199.88	359.77
8,000 - 8,999	210.70	379.26
9,000 - 9,999	221.19	398.13
10,000 - 10,999	231.67	417.00
11,000 - 11,999	242.49	436.48
12,000 - 12,999	252.98	455.35
13,000 - 13,999	263.80	474.83
14,000 - 14,999	274.28	493.70
15,000 - 15,999	285.11	513.18
16,000 - 16,999	295.59	532.05
17,000 - 17,999	306.41	551.53
18,000 - 18,999	316.90	570.40
19,000 - 19,999	327.72	589.88
20,000 - 20,999	338.20	608.76
21,000 - 21,999	348.69	627.63
22,000 - 22,999	359.51	647.11
23,000 - 23,999	369.99	665.98
24,000 - 24,999	380.82	685.46
25,000 - 25,999	391.30	704.33
26,000 - 26,999	402.12	723.81
27,000 - 27,999	412.61	742.68
28,000 - 28,999	423.43	762.16
29,000 - 29,999	433.92	781.03
30,000 - 30,999	444.74	800.51

If value is in excess of \$30,999 increase the premium by the following amount for each \$1,000 of excess or any part thereof:

10.64	19.15
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\*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  
MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

4. TERRITORY GROUP\* 2  
SEASONAL/VACATION; \$250 DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Comprehensive Coverage	Named Perils Coverage
\$ 0 - 3,999	\$176.44	\$157.26
4,000 - 4,999	188.58	168.09
5,000 - 5,999	200.35	178.57
6,000 - 6,999	212.49	189.39
7,000 - 7,999	224.25	199.88
8,000 - 8,999	236.39	210.70
9,000 - 9,999	248.16	221.19
10,000 - 10,999	259.92	231.67
11,000 - 11,999	272.06	242.49
12,000 - 12,999	283.83	252.98
13,000 - 13,999	295.97	263.80
14,000 - 14,999	307.73	274.28
15,000 - 15,999	319.87	285.11
16,000 - 16,999	331.64	295.59
17,000 - 17,999	343.78	306.41
18,000 - 18,999	355.54	316.90
19,000 - 19,999	367.68	327.72
20,000 - 20,999	379.45	338.20
21,000 - 21,999	391.21	348.69
22,000 - 22,999	403.35	359.51
23,000 - 23,999	415.11	369.99
24,000 - 24,999	427.26	380.82
25,000 - 25,999	439.02	391.30
26,000 - 26,999	451.16	402.12
27,000 - 27,999	462.92	412.61
28,000 - 28,999	475.07	423.43
29,000 - 29,999	486.83	433.92
30,000 - 30,999	498.97	444.74

If value is in excess of \$30,999 increase the premium by the following amount for each \$1,000 of excess or any part thereof:

11.93	10.64
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\*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  
MOBILEHOMES INSURANCE - MH(C) PROGRAM  
REVISIED RATING

5. ADJACENT STRUCTURES COVERAGE--TERRITORY GROUP\* 2

Amount of	Comprehensive	Amount of	Named Perils
\$300	\$3.87	\$100	\$1.11

Increment per \$100 of Insurance:

	<u>Deductible</u>	<u>Comprehensive</u>	<u>Deductible</u>	<u>Named Perils</u>
Primary Residence	\$100	\$1.29	None	\$1.11
Seasonal/Vacation	\$250	\$1.29	\$250	\$1.11
Tenants	\$100	\$1.29	None	\$1.11

6. COMPREHENSIVE PERSONAL EFFECTS COVERAGE--TERRITORY GROUP\* 2

Amount of Insurance	Premium
\$500	\$15.30

Increment per \$100 of Insurance:

	<u>Deductible</u>	
Primary Residence	\$100	\$0.74
Seasonal/Vacation	\$250	\$0.74
Tenants	\$100	\$0.74

7. PERSONAL LIABILITY COVERAGE-- All Territories

	<u>Limits</u>	
\$	25,000	\$21.86
	50,000	\$24.04
	100,000	\$28.41
	200,000	\$30.60
	250,000	\$32.78
	300,000	\$34.97

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

NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

8. DEDUCTIBLE--COMPREHENSIVE COVERAGE-- TERRITORY GROUP\* 1

Deductible Amount		Residence		Seasonal/Vacation Residence	
None	Mobile Home	Add	\$22.58		
	Adjacent Structures	Add	\$1.50		
	Personal Effects	Add	\$9.19		
\$50	Mobile Home	Add	\$10.27		
	Adjacent Structures	Add	\$0.75		
	Personal Effects	Add	\$4.60		
\$100	Mobile Home	Included			
	Adjacent Structures	Included			
	Personal Effects	Included			
\$250	Mobile Home	Subtract	\$18.48		
	Adjacent Structures	Subtract	\$1.50		
	Personal Effects	Subtract	\$9.19		
\$500	Mobile Home	Subtract	\$47.22	Subtract	\$28.75
	Adjacent Structures	Subtract	\$12.01	Subtract	\$10.50
	Personal Effects	Subtract	\$13.79	Subtract	\$4.60

DEDUCTIBLE--COMPREHENSIVE COVERAGE-- TERRITORY GROUP\* 2

Deductible Amount					
None	Mobile Home	Add	\$14.51		
	Adjacent Structures	Add	\$0.89		
	Personal Effects	Add	\$5.38		
\$50	Mobile Home	Add	\$6.61		
	Adjacent Structures	Add	\$0.44		
	Personal Effects	Add	\$2.69		
\$100	Mobile Home	Included			
	Adjacent Structures	Included			
	Personal Effects	Included			
\$250	Mobile Home	Subtract	\$11.88		
	Adjacent Structures	Subtract	\$0.89		
	Personal Effects	Subtract	\$5.38		
\$500	Mobile Home	Subtract	\$30.36	Subtract	\$18.47
	Adjacent Structures	Subtract	\$7.08	Subtract	\$6.20
	Personal Effects	Subtract	\$8.07	Subtract	\$2.69

DEDUCTIBLE--COMPREHENSIVE COVERAGE-- TERRITORY GROUP\* 3

Deductible Amount					
None	Mobile Home	Add	\$13.21		
	Adjacent Structures	Add	\$0.75		
	Personal Effects	Add	\$4.56		
\$50	Mobile Home	Add	\$6.01		
	Adjacent Structures	Add	\$0.37		
	Personal Effects	Add	\$2.28		
\$100	Mobile Home	Included			
	Adjacent Structures	Included			
	Personal Effects	Included			
\$250	Mobile Home	Subtract	\$10.81		
	Adjacent Structures	Subtract	\$0.75		
	Personal Effects	Subtract	\$4.56		
\$500	Mobile Home	Subtract	\$27.63	Subtract	\$16.81
	Adjacent Structures	Subtract	\$5.99	Subtract	\$5.24
	Personal Effects	Subtract	\$6.84	Subtract	\$2.28

\*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

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MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

9. DEDUCTIBLE--NAMED PERILS COVERAGE-- TERRITORY GROUP\* 1

Deductible Amount

None	Mobile Home	Included	
	Adjacent Structures	Included	
	Personal Effects	Included	
\$50	Mobile Home	Subtract	\$10.27
	Adjacent Structures	Subtract	\$0.75
	Personal Effects	Subtract	\$3.83
\$100	Mobile Home	Subtract	\$19.51
	Adjacent Structures	Subtract	\$1.50
	Personal Effects	Subtract	\$7.66
\$250	Mobile Home	Subtract	\$34.90
	Adjacent Structures	Subtract	\$2.25
	Personal Effects	Subtract	\$15.32

DEDUCTIBLE--NAMED PERILS COVERAGE-- TERRITORY GROUP\* 2

Deductible Amount

None	Mobile Home	Included	
	Adjacent Structures	Included	
	Personal Effects	Included	
\$50	Mobile Home	Subtract	\$6.61
	Adjacent Structures	Subtract	\$0.44
	Personal Effects	Subtract	\$2.24
\$100	Mobile Home	Subtract	\$12.53
	Adjacent Structures	Subtract	\$0.89
	Personal Effects	Subtract	\$4.49
\$250	Mobile Home	Subtract	\$22.44
	Adjacent Structures	Subtract	\$1.33
	Personal Effects	Subtract	\$8.97

DEDUCTIBLE--NAMED PERILS COVERAGE-- TERRITORY GROUP\* 3

Deductible Amount

None	Mobile Home	Included	
	Adjacent Structures	Included	
	Personal Effects	Included	
\$50	Mobile Home	Subtract	\$6.01
	Adjacent Structures	Subtract	\$0.37
	Personal Effects	Subtract	\$1.90
\$100	Mobile Home	Subtract	\$11.41
	Adjacent Structures	Subtract	\$0.75
	Personal Effects	Subtract	\$3.81
\$250	Mobile Home	Subtract	\$20.42
	Adjacent Structures	Subtract	\$1.12
	Personal Effects	Subtract	\$7.60

10. WINDSTORM OR HAIL EXCLUSION -- TERRITORY GROUP\* 1 ONLY

Mobile Home (Comprehensive and Named Perils)	59.6%
Adjacent Structures	37.9%
Personal Effects	38.9%

\*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  
MOBILEHOMES INSURANCE - MH(C) PROGRAM  
REVISED RATING

11. OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLE COMPREHENSIVE COVERAGE -- TERRITORY GROUP\* 1 ONLY

Deductible - Comprehensive Coverage

All Other Perils Deductible Amount			Primary Residence Surcharge/Credit		Seasonal/Vacation Residence Credit
None	Mobile Home	Add	\$15.86		
	Adjacent Structures	Add	\$1.01		
	Personal Effects	Add	\$8.19		
\$50	Mobile Home	Add	\$3.68		
	Adjacent Structures	Add	\$0.26		
	Personal Effects	Add	\$3.64		
\$100	Mobile Home	Subtract	\$6.49		
	Adjacent Structures	Subtract	\$0.48		
	Personal Effects	Subtract	\$0.91		
\$250	Mobile Home	Subtract	\$24.79	Subtract	\$6.49
	Adjacent Structures	Subtract	\$1.96	Subtract	\$0.48
	Personal Effects	Subtract	\$10.01	Subtract	\$0.91
\$500	Mobile Home	Subtract	\$53.24	Subtract	\$34.96
	Adjacent Structures	Subtract	\$12.37	Subtract	\$10.87
	Personal Effects	Subtract	\$14.56	Subtract	\$5.47

12. OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLE NAMED PERILS COVERAGE -- TERRITORY GROUP\* 1 ONLY

Deductible - Named Perils Coverage

All Other Perils Deductible Amount			Primary Residence Surcharge/Credit
None	Mobile Home	Subtract	\$11.57
	Adjacent Structures	Subtract	\$0.82
	Personal Effects	Subtract	\$1.83
\$50	Mobile Home	Subtract	\$21.65
	Adjacent Structures	Subtract	\$1.56
	Personal Effects	Subtract	\$5.58
\$100	Mobile Home	Subtract	\$30.69
	Adjacent Structures	Subtract	\$2.30
	Personal Effects	Subtract	\$9.34
\$250	Mobile Home	Subtract	\$45.78
	Adjacent Structures	Subtract	\$3.03
	Personal Effects	Subtract	\$16.83

\*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

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

13. WINDSTORM OR HAIL DEDUCTIBLES  
COMPREHENSIVE COVERAGE -- TERRITORY GROUP\* 1 ONLY

The Maximum \$1,000 Windstorm or Hail Deductible Credit is \$513.66

The Maximum \$2,000 Windstorm or Hail Deductible Credit is \$1,027.33

The Maximum \$5,000 Windstorm or Hail Deductible Credit is \$1,643.73

14. WINDSTORM OR HAIL DEDUCTIBLES  
NAMED PERILS COVERAGE -- TERRITORY GROUP\* 1 ONLY

The Maximum \$1,000 Windstorm or Hail Deductible Credit is \$513.66

The Maximum \$2,000 Windstorm or Hail Deductible Credit is \$1,027.33

The Maximum \$5,000 Windstorm or Hail Deductible Credit is \$1,643.73

\*Territory Group 1: Territory 5, 6, 42, 43