



NORTH CAROLINA
Rate Bureau

ANNUAL
REPORT



20
25



General Manager's Report



The NC Rate Bureau (Bureau) is so thankful to our Governing Committee, Line Committees, Subcommittees, Bureau members, counsel, and associates for their contributions, trust, and support in 2025. We embarked on a lot of “firsts” over the past year, all of which have elevated our services and operations for the industry, members, and North Carolina citizens.

- The Bureau participated in its first rate hearing in over a decade, which unfolded over the course of three months.
- The Bureau achieved positive settlements with rate increases for homeowners, mobile home, and auto over the next two years.
- A revision to the homeowners program was filed to include a roof payment schedule and additional offerings to modernize the program and better match price to risk—the first major overhaul in more than 10 years. This filing is still under review by the Commissioner of Insurance, with valuable collaboration taking place and approval anticipated soon.
- The core operating system for worker’s compensation is being rewritten, another first in over 20 years. We have partnered with a software development firm to modernize and re-envision our new “Diamond” application to focus on efficiency and data optimization.



The Bureau has also concentrated on enhancing operations through technology and support from shared services. The newly formed Administration Services team, which includes Human Resources, aims to optimize resources, boost efficiency, and improve organizational support. Finance has implemented a new accounting system to streamline processes to produce timely and insightful financial data, while our IT Team is updating platforms and methodologies to meet future business needs and maintain a secure technology environment. Next, we will focus on using data analytics to enhance decision-making processes, as well as modernizing IT infrastructure to support emerging technologies.

Looking ahead to 2026 and beyond, the Bureau will continue to pursue opportunities to improve the value proposition to our members, striving for rate adequacy, enhancing user experience, and collaborating on achieving these goals.

Joanna Biliouris
General Manager

Core Values



Commitment



Integrity



Talents



Consistency



Ownership



Respect

Governing Committee Chair's Report



Governing Committee Members

Accident Fund Insurance Co
Allstate Insurance Co
American Home Assurance
Erie Insurance Exchange
Hartford Fire Insurance Co
Liberty Mutual Insurance Co
Nationwide Mutual Insurance Co
NC Farm Bureau Mutual
Insurance Co
State Farm Mutual Auto
Insurance Co
The Members Insurance Co
The Travelers Indemnity Co
United Services Automobile
Association

The past few years have presented significant challenges to the North Carolina property and casualty industry. Climate change, evolving driving behaviors, technological advancements, inflation, and tariff risks continue to put pressure on rate adequacy within the North Carolina market. Despite these pressures, the North Carolina Rate Bureau staff, consultants, and member companies have persevered, working to deliver stable and competitive products and pricing for North Carolinians.

In addition to pursuing more adequate rates for homeowners and auto insurance, the Bureau team has also placed an increased emphasis on enhancing product delivery. This includes technological advancements in workers compensation and more options for consumers through the recently filed ISO Homeowners 2022 program.

This past year, the Rate Bureau worked diligently to pursue rate adequacy for personal property and auto insurance.

- Over a year after making the filing and more than two months into a rate hearing, the Bureau reached a settlement for a +7.5% increase in homeowners rates for both 2025 and 2026. This achievement was made possible by the relentless dedication of Bureau staff, counsel, and consultants.
- Bureau staff and counsel secured a +5% settlement on auto rates.

Line Committees and Subcommittees

Auto

Personal Auto Policy
Underwriting &
Operations

Property

Forms
Rating
Flood
Mobile Home

Workers Comp

Workers Comp
Underwriting

- The ISO Homeowners 2022 program, introduced to the Department of Insurance staff in mid-2024 and initially filed in late 2024, remains pending. This program will deliver modernized forms, a “Roof Payment Schedule,” and other changes designed to provide increased consumer choice and better align price with risk.
- Technological advancements have been made within the workers compensation product. The new “Diamond” system, a monumental undertaking that will replace a 30-year-old system, will modernize our workers compensation department and establish the NCRB system capabilities as a gold standard for bureaus nationwide.

It has been an honor representing USAA as chair this past year and having the opportunity to work alongside such dedicated professionals. The staff, counsel, consultants, and member companies are world-class professionals operating within a complex and critical industry. Despite the unique characteristics of North Carolina’s property and casualty insurance landscape, the North Carolina Rate Bureau effectively serves the needs of both citizens and member carriers with professionalism, consistency, integrity, and ongoing technological advancements.

Jerry Achatz
USAA

Legislative/Legal



Statutory Changes

Major legislative updates became effective July 1, 2025, including new minimum financial responsibility limits, expanded uninsured/underinsured coverage, an expanded inexperienced operator surcharge period, and an expanded surcharge period for certain SDIP point assignments (SL 2023-133 and SL 2024-29).



Subject Matter Expert

Rate Bureau staff and counsel contributed to technical corrections for July 1, 2025 statutory changes to promote clarity and consistent interpretation (SL 2025-45).



Monitoring (pending bills)

HB 53 would increase SDIP damage thresholds for auto property damage-only accidents.

HB 315 would prohibit litigation investments in the civil justice system and would update some workers compensation benefits based on inflationary trends.



Cases of Relevance

Ha v. Nationwide

Concerned whether mailing of notice of cancellation for a homeowners policy was sufficient or if the insurer must prove that the policyholder actually received the notice. The NC Supreme Court heard oral arguments on April 16, 2025, with the Rate Bureau playing an amicus role throughout the appeal and participating in the oral argument. The NC Supreme Court decided the case in favor of the member company but did so on a finding that the policyholder had received actual notice of the cancellation on the facts in the record. The Supreme Court did not rule on the issue of the effectiveness of mailing the notice of cancellation.

Piedmont Roofing cases

Multiple lawsuits filed in Mecklenburg County by a roofing company attacking the assignment of benefits provision in the Rate Bureau's property forms. These cases were filed against a myriad of insurance companies repeating the same allegations. All defendant insurance companies filed motions to dismiss the lawsuits. The court has been consistently granting the insurers' motions to dismiss, but in some cases the roofing company has filed notices of appeal.

Berkley v. Integon

Trial court case arising from application of the food delivery exclusion in the Personal Auto Policy (PAP). A high school student driving his father's vehicle, which was insured by Integon, was involved in an accident. At the time of the accident, the student was delivering pizza for a pizza restaurant insured by Berkley. Integon denied coverage, citing the food delivery exclusion in the PAP. Berkley filed a declaratory judgment action contending that coverage must be afforded up to the financial responsibility act (FRA) limits. The Wake County Superior Court agreed, finding that the Integon policy must at least afford FRA limits notwithstanding the food delivery exclusion.

Workers Compensation

Assigned Risk

86%

Assigned Risk applications assigned of the 11,206 applications received from 7/1/2024 to 6/30/2025

23,265

New or renewal policies written, with an average policy premium of \$2,809

7

Direct Assignment Carriers

3

Servicing Carriers

Data Services

996,557

policy transactions

338,193

USR transactions

processed from 7/1/2024 to 6/30/2025

29,247

Experience modifications generated for North Carolina employers

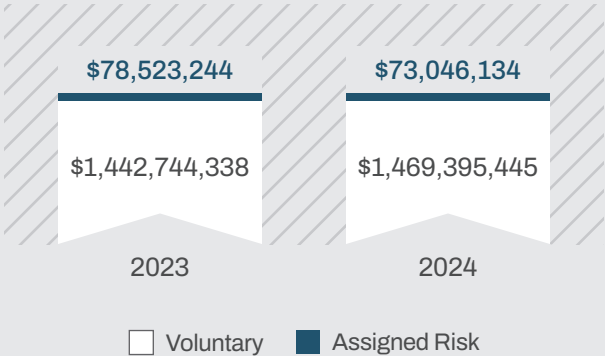
Filings

The Bureau is obligated by statute to make Workers Compensation Voluntary Market Loss Cost and Assigned Risk Rate filings or reviews each year by September 1.

In 2025 the Bureau filed a Voluntary Loss Cost change of -7.8% and Assigned Risk Rate change of -7.6%.

These filings are proposed to be effective 4/1/2026.

1.4% Written Premium Growth



Property

Homeowners

Rate
Increases

Filed
▲ 42.2%

Settled
▲ 7.5%

2025 (Yr 1) and 2026 (Yr 2)

The Rate Bureau filed for a rate increase of 42.2% with the Commissioner of Insurance on January 3, 2024. The Commissioner and the Rate Bureau settled the filing with a two-year agreement, with an overall statewide average rate level increase of 7.5% for policies effective on or after June 1, 2025 (year 1), and an overall statewide increase of 7.5% for policies effective on or after June 1, 2026 (year 2).

HO 2022 Program

The Rate Bureau filed the ISO HO 2022 program to modernize homeowners coverage for the North Carolina market, including a roof payment schedule. This is currently pending COI approval.

Mobile Homeowners

4/24
Filed April 2024

2-Year
Settled with a two-year
agreement for both
MHF and MHC

Revised base rates, revised
windstorm or hail exclusion
credits, revised wind mitigation
credits, and revised wind-only
rates for both Year 1 and Year 2

MHF Overall statewide average
rate level increase of 11%
for policies becoming effective on or after
September 1, 2025 (Year 1), and an 11% rate
level increase for policies becoming effective on
or after September 1, 2026 (Year 2), with a 0%
change for the Tenant form in Year 2

MHC Overall statewide
average rate level
increase of 8% for policies becoming
effective on or after September 1, 2025
(Year 1), and an 8% rate level increase
for policies becoming effective on or
after September 1, 2026 (Year 2)

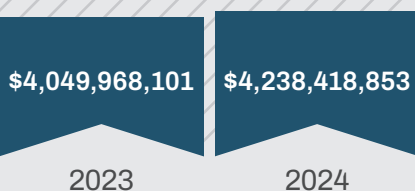
Dwelling



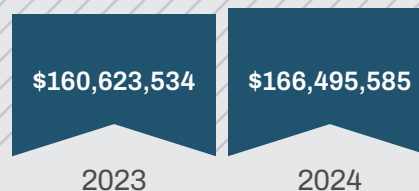
The Rate Bureau is currently
in the process of conducting a
Dwelling Rate Review expected to
be completed in late 2025.

Written Premium Growth

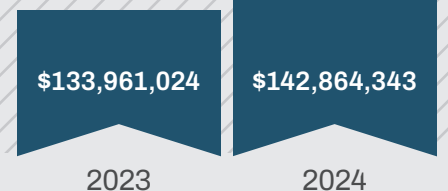
Homeowners



Mobile Home



Dwelling



(excludes NCJUA-NCIUA premiums)

Private Passenger Auto

Session Laws 2023-133, 2024-29, and 2025-45; effective 7/1/2025

50/100/50

Increase Minimum Limits
from 30/60/25 to 50/100/50.

Years 4-8

Inexperienced Operator Surcharge Expansion
for Operators Licensed on or after 7/1/25

UM/UIM

UIM coverage revised from limits trigger/limits reduction
system to damages trigger/damages reduction system;
UM and UIM now required on all policies

▲ 5 Years

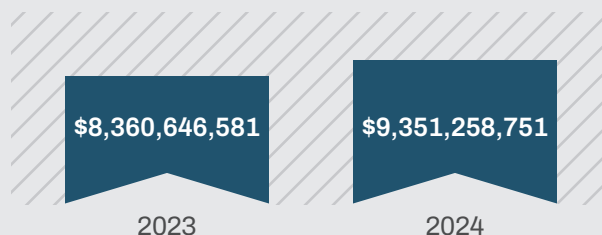
SDIP Surcharge Changes for
Certain SDIP Point Assignments

The Rate Bureau is obligated by statute to make a
Private Passenger Auto filing or rate review each year
by February 1.

2025 Filed Rate Request of +23.0%

The filing was subsequently settled for an overall
increase of 5.0%, effective 10/1/2025.

+12% Written Premium Growth



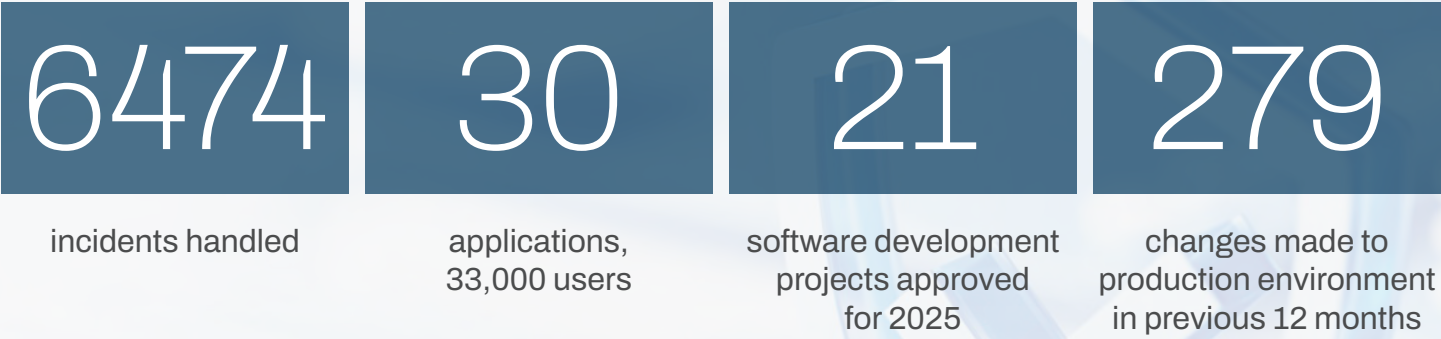
Other Highlights

- The Bureau is currently working to create a full suite of videos titled “Agent University.” The goal is to build a broader understanding of Workers Compensation Insurance, the role the Bureau plays in the industry, and how to complete an assigned risk application.
- Over 13,500 Customer Service inquiries were fielded by NCRB associates.
- Received Customer Satisfaction score of 4.79 out of 5.00

Tech Projects

- **Diamond System** — The Bureau is still actively working on a rewrite of our workers compensation data collection and storage system.
- **Acord 135NC** — The Bureau is working to update the Acord 135NC form to allow insureds to opt in for electronic communication with carriers.

Information Services



Email threats detected

Total emails received: 710,057
Total rejected emails for 12 months: 245,487

Phishing and training campaigns

7 phishing campaigns for an 87% success/pass rate
12 training campaigns

Training conducted

16 new hires received training and 1:1 orientation.

Vendors and services reviews

Total of 57 separate reviews

Responded to 2 Member company cyber incidents

Administration Services



In 2025, Human Resources was brought under the Administration shared service umbrella to align with strategic initiatives and maximize synergistic resources.



8th consecutive year for college internship program



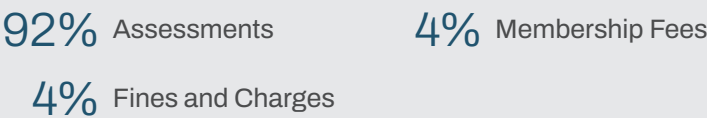
38% of associates have 11+ years of service.



Wellness Programs—Multiple health and wellness programs were offered to our associates with broad participation.

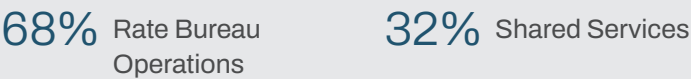
Finance

Total Income through June 30



12% increase in 2025 budget over 2024 budget to fund technology projects

Expenses through June 30

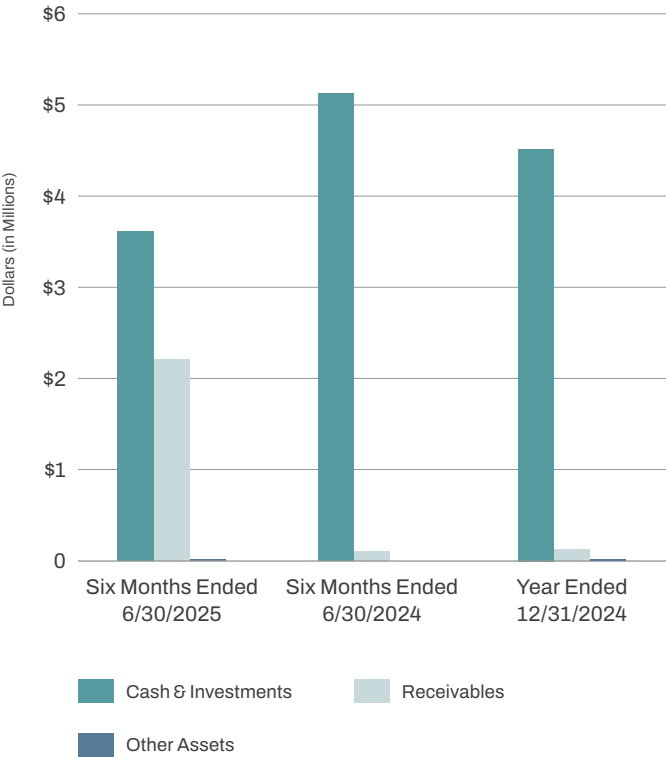


5% Under Budget

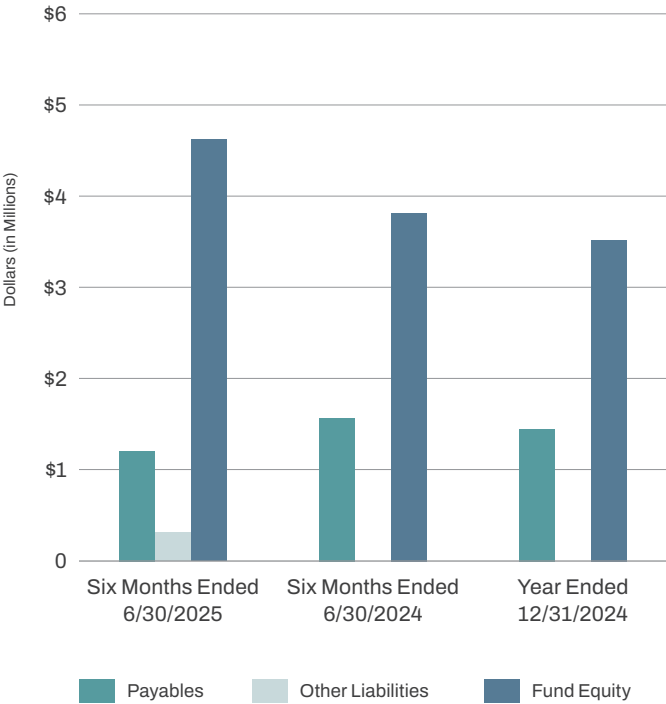
21% decrease in self-insured medical group insurance plan account liabilities

Balance Sheet

Assets

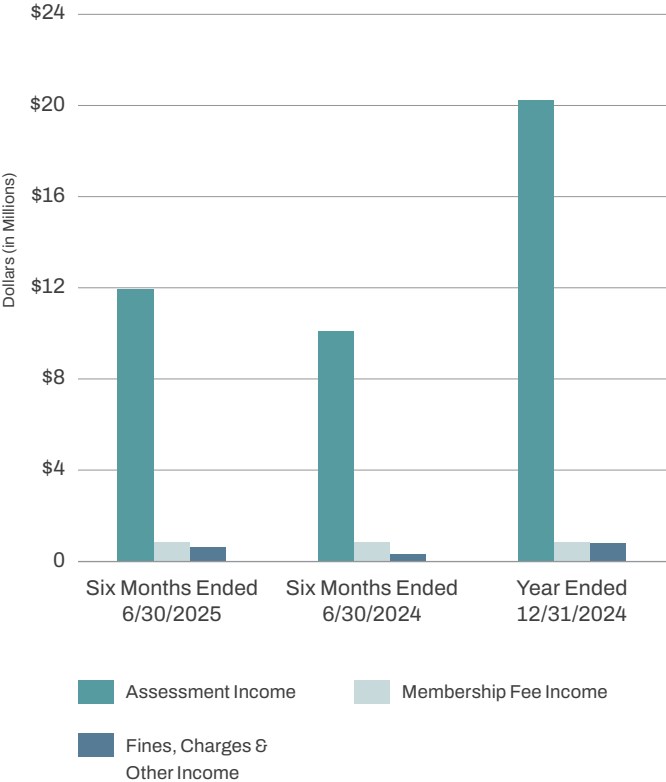


Liabilities & Fund Equity

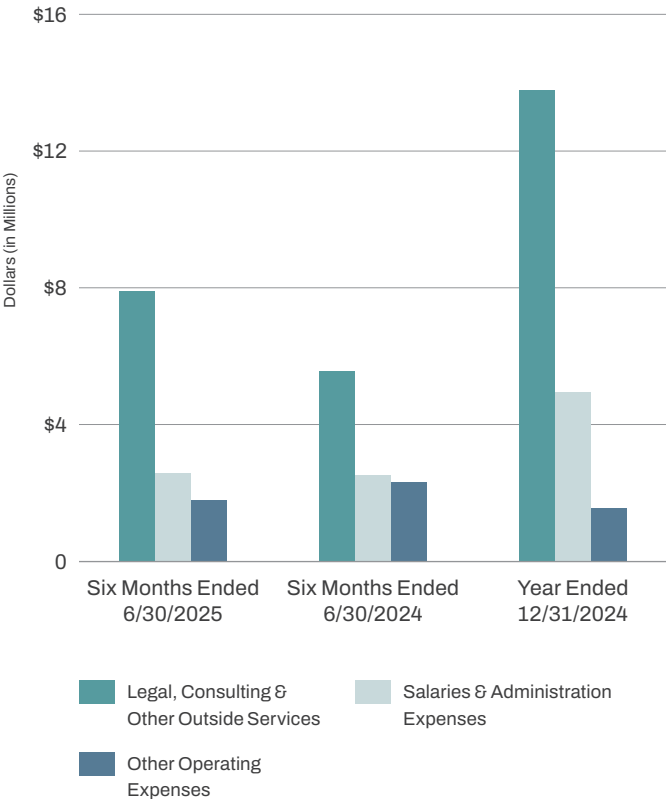


Income Statement

Income



Expenses (NET)





NORTH CAROLINA
Rate Bureau



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