



NORTH CAROLINA
Rate Bureau

2026

A N N U A L
R E P O R T



General Manager's Report

CORE VALUES

Serve members
effectively

Promote market
stability

Pursue rate
adequacy



As North Carolina's insurance environment continued to grow more complex, the North Carolina Rate Bureau (Bureau) remained focused on the work that matters most: **pursuing rate adequacy, promoting market stability, and strengthening the organization's ability to serve members effectively.**

Over the past year, the Bureau advanced this work across property, automobile, and workers compensation programs, with rate/rule changes implemented in all lines. These efforts reflected disciplined analysis, active committee engagement, and constructive regulatory dialogue to support informed decisions and timely resolution of key matters.

The Bureau also made meaningful progress on modernization priorities, including the workers compensation Diamond system rewrite, statistical data collection enhancements, technology and cybersecurity improvements, more robust member communications, and thoughtful exploration of artificial intelligence. Together, these efforts are improving efficiency, tightening controls, and supporting more timely, accurate, and actionable decision-making.

Organizational resilience remained a priority as well. Through talent development, cross-training for critical roles, and continued enterprise risk management efforts, the Bureau is strengthening governance and preparing for evolving operational, regulatory, and market needs.

The Bureau also continued to serve as a trusted resource for regulators, legislators, and member companies. During the year, Bureau staff developed educational materials to support implementation of the updated Homeowner program in North Carolina, monitored legislative and regulatory developments, and maintained regular stakeholder touchpoints to ensure the Bureau remains a trusted industry resource.



PROGRESS THIS YEAR

Rate/Rule changes
in all lines

Diamond System
rewrite

Statistical data
enhancements

Cybersecurity
improvements

AI exploration

Member
communications

Looking ahead, our priorities remain clear: advance rate adequacy, enhance the value we deliver to members, modernize systems and processes, and maintain stakeholder alignment. The Bureau is well-positioned to build on this progress and respond effectively to the opportunities and challenges ahead.

I appreciate the continued support of the Governing Committee, committees and subcommittees, member companies, counsel, consultants, and our associates. Their expertise and commitment remain essential to furthering the Bureau's mission.

A handwritten signature in black ink, reading "Joanna Biliouris".

Joanna Biliouris
General Manager

Governing Committee Chair's Report



2026 PRIORITIES

Strengthening
governance and
succession planning

Enhancing shared-
service effectiveness

Modernizing
technology

Mitigating
cybersecurity risk

Improving both
internal and external
communications

The past year continued to challenge the North Carolina property and casualty industry, with persistent pressure on rate adequacy—especially across homeowners and dwelling lines of business. Through these demanding conditions, the North Carolina Rate Bureau member companies, staff, and consultants remained resilient and delivered results that helped ensure that North Carolinians can rely on stable, competitive products and pricing.

Throughout the year, the Rate Bureau team remained focused on its core priorities: fortifying governance and succession planning; enhancing shared-service effectiveness; modernizing technology; mitigating cybersecurity risk; and improving both internal and external communications. The team's follow-through and collaborative approach produced meaningful progress across these priorities.

Technology Modernization, Security, and Enterprise Risk Readiness

The Rate Bureau team made strong progress in technology modernization and cybersecurity. Technology enhancements and cybersecurity remained central objectives, and staff



strengthened organizational defenses while improving readiness and responsiveness. The team delivered improved training and expanded monitoring capabilities, including the implementation of a “smart security” system designed to strengthen threat detection and improve how quickly cyber risks are identified and addressed.

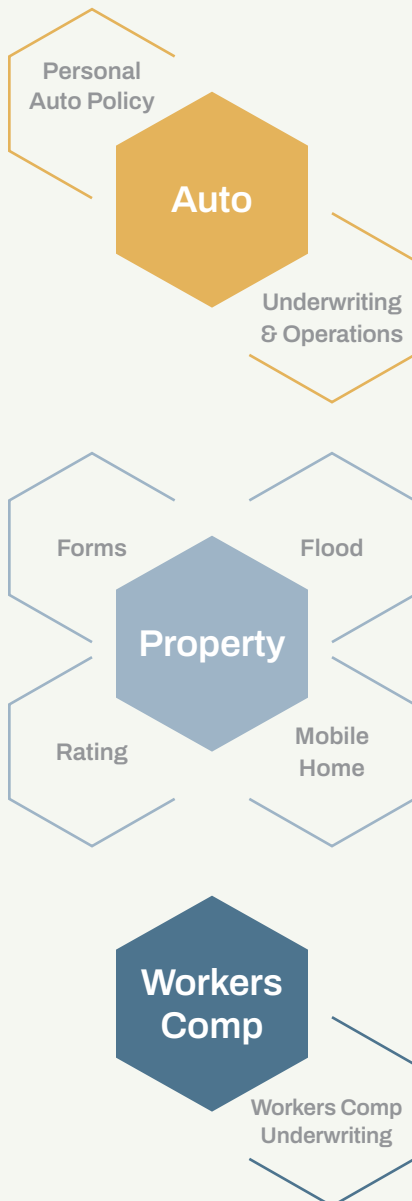
The team also reinforced business continuity planning and advanced work toward enterprise risk management (ERM). Movement towards an ERM program reflects a forward-looking approach that helps the Bureau anticipate emerging risks and coordinate responses enterprise-wide.

In addition, this marked the second year of development of a new core operating system for Workers Compensation. The modernization effort, “Diamond,” is a major undertaking. The progress achieved this year reflects the Bureau’s commitment, technical focus, and long-range vision. When complete, Diamond is expected to be industry-leading for bureaus nationwide, improving application efficiency and optimizing data use to enhance the Workers Compensation platform for the years ahead.

**GOVERNING
COMMITTEE MEMBERS**

- Accident Fund Ins Co
- Allstate Ins Co
- American Home Assurance
- Builders Mutual Ins Co
- Erie Insurance Exchange
- Hartford Fire Ins Co
- Liberty Mutual Ins Co
- Nationwide Mutual Ins Co
- NC Farm Bureau Mutual Ins Co
- Progressive Casualty Ins Co
- State Farm Mutual Auto Ins Co
- The Travelers Ins Co

LINE COMMITTEES AND SUBCOMMITTEES



Rate and Regulatory Focus

Rate Bureau staff, counsel, consultants, and negotiation teams devoted substantial time and effort to develop key filings and secure approvals that continue progress toward rate adequacy and deliver major policy enhancements for the North Carolina market.

1

Approval of the NC 2027 Homeowners Policy Program

A key accomplishment this year was the approval of the NC 2027 Homeowners Policy Program. This achievement demonstrated the Bureau's ability to advance updated policy and pricing needs that modernize this program. The program introduces revised forms, a roof payment schedule, and other important changes that expand consumer choice and better align price with risk. Rate Bureau staff have proactively begun information sessions with member companies in preparation for the June 1, 2027 effective date.

2

2025 Dwelling Rate Filing Settlement

Although much more is needed to return this program to rate adequacy, the Bureau's persistence culminated in a negotiated two-year implementation. The negotiated terms reflect an overall statewide +5.0% increase each year, with implementation dates of October 1, 2026 and October 1, 2027.

3

Statutorily Required Non-Fleet Private Passenger and Motorcycle Filing

Each year, the Rate Bureau submits the required filing to the Commissioner. This year's rate review showed an improved rate indication and led to submitting an informational-only filing with no request for a rate-level change. The filing also included non-rate-level updates, including new deductible options and changes to Extended Transportation Expense coverages, approved for an October 1, 2026 effective date.

4

Inflation Factor

For several years, the Bureau has prioritized development of an inflation factor for auto and property insurance to improve responsiveness to changing loss conditions. The Bureau submitted a filing and engaged in extensive discussions with the DOI on the inflation factor concept. The Bureau ultimately withdrew the filing to permit dialogue with the DOI to continue, and joint efforts turned to developing statutory language that would authorize the inflation factor. The draft legislation did not receive attention this legislative session, but optimism remains for the future introduction of an inflation factor.

5

Enhanced Data Collection Process

The Bureau has developed a new data call process that establishes a common data dictionary across all statistical organizations, modernizes and incorporates additional data fields, and standardizes several aspects of the data collection process. The new process will reduce time and costs associated with compiling and validating data.

Thank You

On behalf of the Governing Committee, thank you to our Bureau staff, consultants, and counsel for your continued professionalism, diligence, and hard work throughout the year. We also appreciate the contributions of our committee members. Your steady focus—centered on effective governance, technology modernization, and responsible rate and regulatory work, among other key aims—remains essential to supporting North Carolina policyholders and our member companies. It has been an honor and privilege to represent State Farm as chair this past year.

Respectfully,

Jeff Clinch

**Assistant Vice President & Actuary
State Farm Insurance Companies**



Your steady focus—centered on effective governance, technology modernization, and responsible rate and regulatory work—remains essential to supporting North Carolina policyholders and our member companies.

Legislative/Legal

Relevant Legislation

Significant Legislation Passed

SL 2026-14 (former HB 315)

Prohibits litigation investments in the civil justice system and increases certain workers compensation benefits.

Significant Bills Not Enacted

HB 356

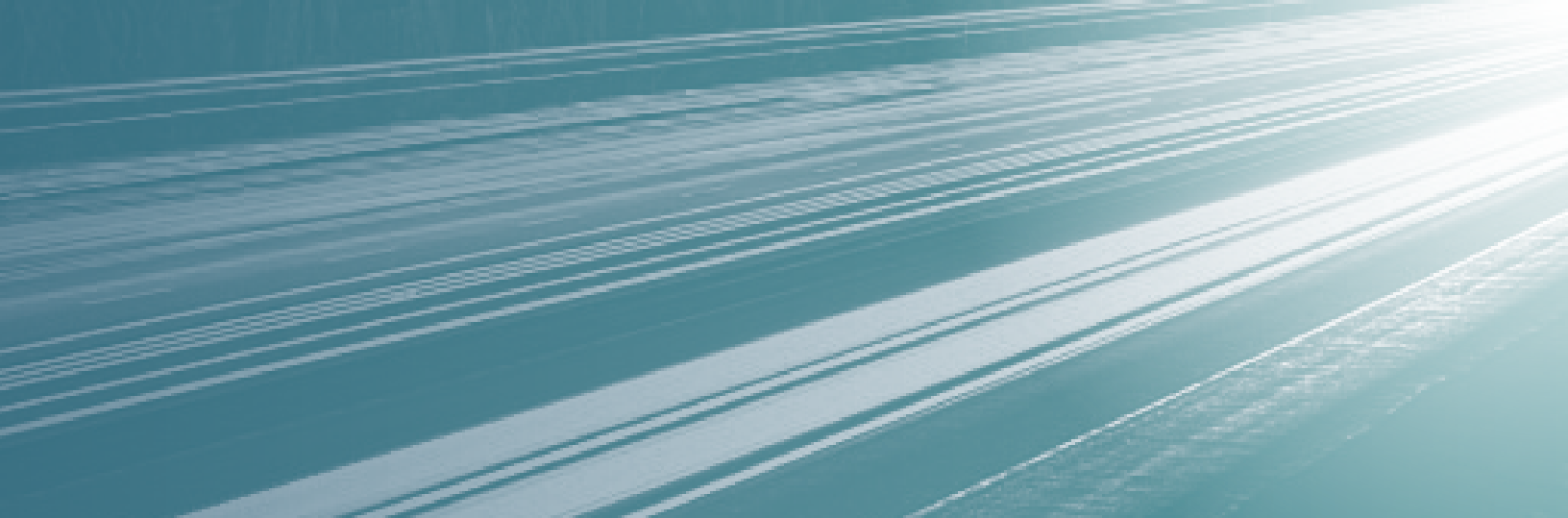
Contains a wide array of provisions impacting insurance

- IO Continuous Coverage—Delays the effective date of last year's legislation on Continuous Coverage for Inexperienced Operators from 7/1/2026 to 1/1/2027. Also clarifies IO reporting information.
- Peer-to-Peer Vehicle Sharing—Provides disclosure requirements for the operation of car-sharing programs.
- Beach Property Insurance Coverage—Increases the amount of contents coverage available on Beach Plan policies.

HB 368

Arbitration Requirements for UM/UIM

Gives insureds a statutory right to unilaterally compel arbitration and codifies the current arbitration procedures. This provision would reverse previous policy amendments.



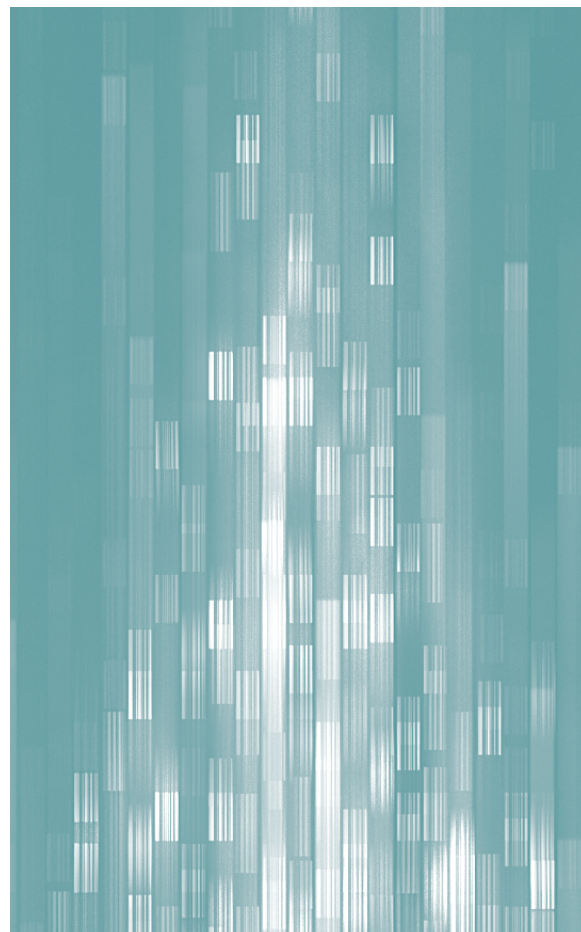
Relevant Litigation

Property Roofing

- Multiple lawsuits filed by a roofing company.
- The lawsuits attack the assignment of benefits provision in property forms.
- The trial court granted the insurers' motions to dismiss.
- On appeal, the cases have been consolidated and motions to dismiss are pending.

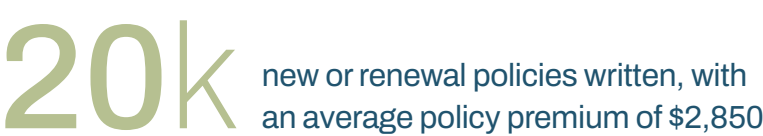
Auto Valuation

- Single lawsuit filed by an insured seeking class-action status.
- The lawsuit alleges that an insurer systematically underpaid total loss claims by reducing the retail value of comparable vehicles.
- The insurer's motion to dismiss was denied, but the motion to compel appraisal was granted.
- The case has been assigned to mediation.
- Class has not been certified to date.



Workers Compensation

Assigned Risk



Data Services



Processed from 7/1/2025 to 6/30/2026

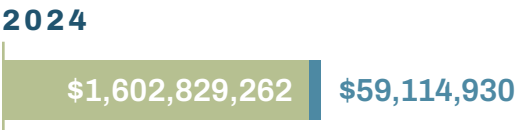
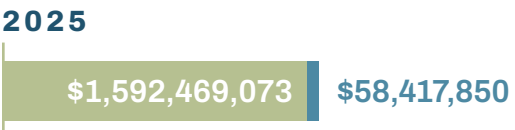
Filings

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 2026, the Bureau filed a Voluntary Loss Cost change of -10.6% and Assigned Risk Rate change of -14.3%.

These filings are proposed to be effective 4/1/2027.

Written Premium



Voluntary Assigned Risk

Property

Property Settled Rate Filings

PROGRAM	EFFECTIVE DATE	CHANGE	YEAR
Homeowners	6/1/26	7.5% ▲	2nd Year
Mobile Home (C)	9/1/26	8% ▲	2nd Year
Mobile Home (F)	9/1/26	11% ▲	2nd Year
Dwelling Year 1	10/1/26	5% ▲	1st Year
Dwelling Year 2	10/1/27	5% ▲	2nd Year

Written Premium

Homeowners	Mobile Home	Dwelling
2025 \$5,058,603,750	2025 \$168,992,456	2025 \$141,797,183
2024 \$4,409,894,303	2024 \$166,495,585	2024 \$142,626,898

HO 2027 Program Modernization

- New NC-specific Homeowner program developed to modernize forms, rules, and rating; effective 6/1/27.

Expanded consumer choice with the introduction of many new endorsements, including Roof Payment Schedule, Cosmetic Damage, and Matching.

Informational sessions hosted by Bureau staff will review key coverage and rule changes, implementation expectations, and how companies can understand changes early to ensure a smooth transition to HO 27.

Private Passenger Auto

Auto Rules Effective 10/1/26



Auto Repairs Provision

Updated to reflect N.C.G.S.
58-1-180



New Physical Damage Deductible Options

Requested by member companies



Low Speed Vehicles

Updated to reflect N.C.G.S.
20-4.01(27)g



Transportation Coverage Enhancements

Impacts extended and increased
limits

Increased transportation
reimbursement limits for theft to
address rising costs

Removed optional \$15/\$450
transportation reimbursement limit



Food Delivery Exclusion

Revised in response to court case

Allows liability claim payments
up to NC minimum FR limits for
delivery of goods



Minor Editorial Updates

Table of Contents

Rule 9— Clarification on return
premium

Written Premium Growth

2025

\$9,969,542,222

2024

\$9,486,576,730

Auto Filings

The Bureau is obligated by statute to make a PPA
filing or rate review each year by February 1.

On January 30th, the Bureau submitted an
informational-only PPA filing with no changes to
base rates.



Special Projects

Data Collection

STATISTICAL DATA CALL

New and standardized Auto, Homeowner, and Dwelling reporting requirements and data dictionaries for statistical organizations. The new process improves efficiency, promotes consistency, and modernizes the procedure for statistical organizations to submit actuarial rate-making data.

UPDATED INSURANCE DATA COLLECTION PROCESS

Revised guidelines for annual IDC data used across the organizations for assessments, expense allowances, and rate filings.

Agent University

The Workers Compensation team launched its first “Agent University” video for NC agents. This video walks through the assigned risk application process. More videos to come in 2026–2027.

Diamond System

Large-scale system rewrite of the Workers Compensation data collection and storage system.

Education Center

Developed to offer member companies a centralized platform for accessing on-demand educational videos and resources related to Personal Lines Property and Workers Compensation programs, with additional lines of business planned for future inclusion.

Information Services



A celebratory banner for the 2026 Carolina ORBIE Awards. On the left is a portrait of Shelley Chandler, a woman with blonde hair, wearing a dark blazer over a white shirt. To the right of the portrait, the text reads '2026 CAROLINA ORBIE AWARDS' in gold and white. Below this, it says 'Congratulations' in a script font, followed by 'SHELLEY CHANDLER' in large, bold, white capital letters. Underneath her name is a gold circular medal icon. To the right of the medal, it says '2026 CAROLINA ORBIE® CIO OF THE YEAR' in gold and white, and 'NONPROFIT / PUBLIC SECTOR WINNER' in white on a dark blue ribbon. In the top right corner, it says 'HONORING LEADERSHIP. CELEBRATING IMPACT.' in white. A faint map of North Carolina is visible in the background on the right.

2026 CAROLINA ORBIE AWARDS

HONORING LEADERSHIP. CELEBRATING IMPACT.

Congratulations

SHELLEY CHANDLER

2026 CAROLINA ORBIE® CIO OF THE YEAR

NONPROFIT / PUBLIC SECTOR WINNER

CHIEF INFORMATION OFFICER

NORTH CAROLINA RATE BUREAU
NORTH CAROLINA REINSURANCE FACILITY
NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION

Security

- Percentage of emails rejected: 27%
- 77 security reviews performed
- 16 New hires across all 3 organizations received training and 1:1 orientation to NCRB's Security Program
- 7 Phishing Campaigns
- 12 Training Campaigns
- Improved protection for employee accounts and sensitive information
- Increased monitoring capabilities to detect and investigate suspicious activity
- Accelerated response to potential cybersecurity threats
- Implemented governance and formal risk reviews for AI tools, development platforms, and vendor solutions

Major Projects

- New Ticketing System
- Diamond: Spectrum / ManageData rewrite
- ManageAR ELR Decimal upgrade
- Class Code Loss Cost Decimal update

Administration Services



OBJECTIVES

- Human Resource administration
- Membership administration and support
- Corporate administrative support

STRATEGIC REORGANIZATION FRAMEWORK

- Workflow alignment and efficiency
- Agile resource pools
- Expansion of the professional development and education program

2026 WINS FROM NEW STRUCTURE

- Targeted training
- Enhanced succession planning
- Centralization of corporate meetings and event logistics
- Centralization of enterprise-wide internal communications
- Ongoing development of year-round associate wellness and engagement programs

Finance

Revenue

Total revenue for the six months ended June 30, 2026

ASSESSMENTS

91%

MEMBERSHIP FEES

6%

FINES AND CHARGES

3%

▲ 6%

YTD assessment revenue increased 6% over the prior-year period, from \$11.8 million in 2025 to \$12.5 million in 2026.

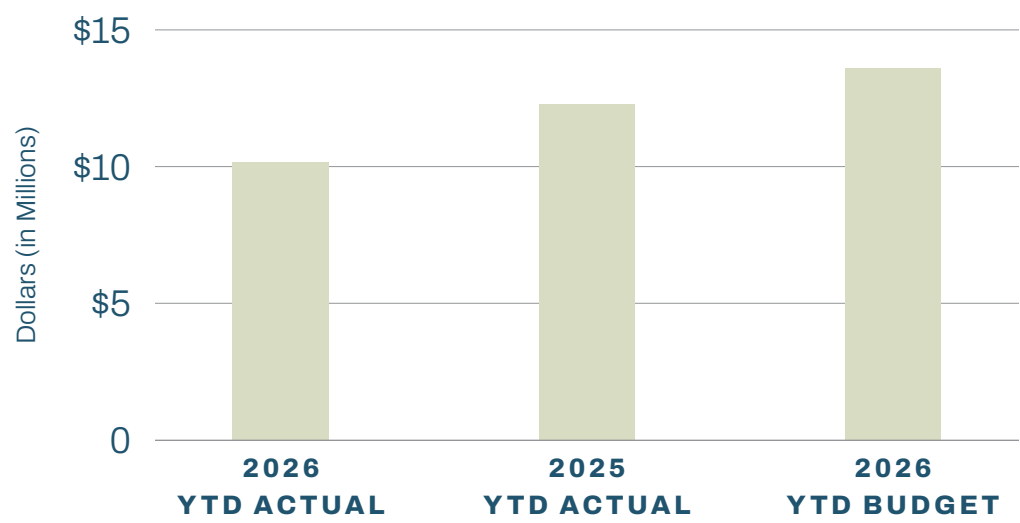
Budget

▲ 12%

Increased 12% over 2025, from \$24.0 million to \$26.8 million, primarily to fund technology projects.

Expenses

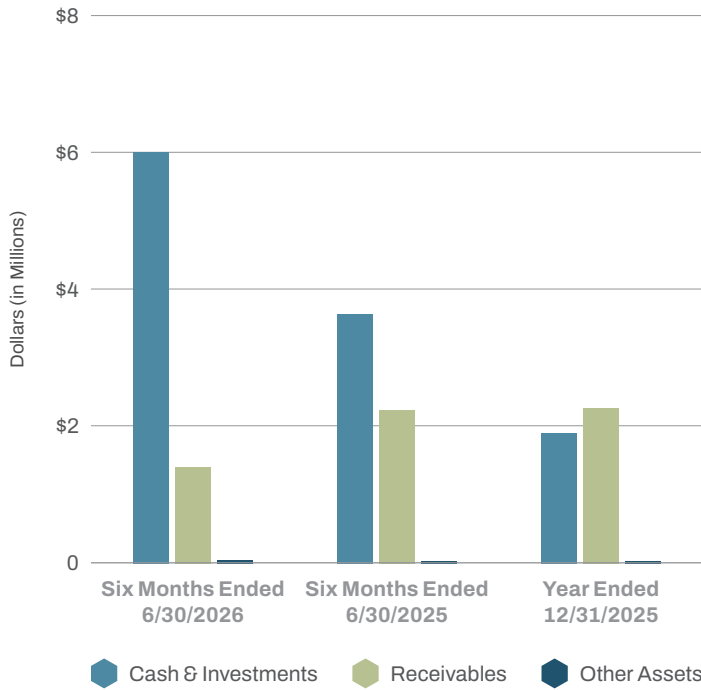
Total expenses for the six months ended June 30, 2026



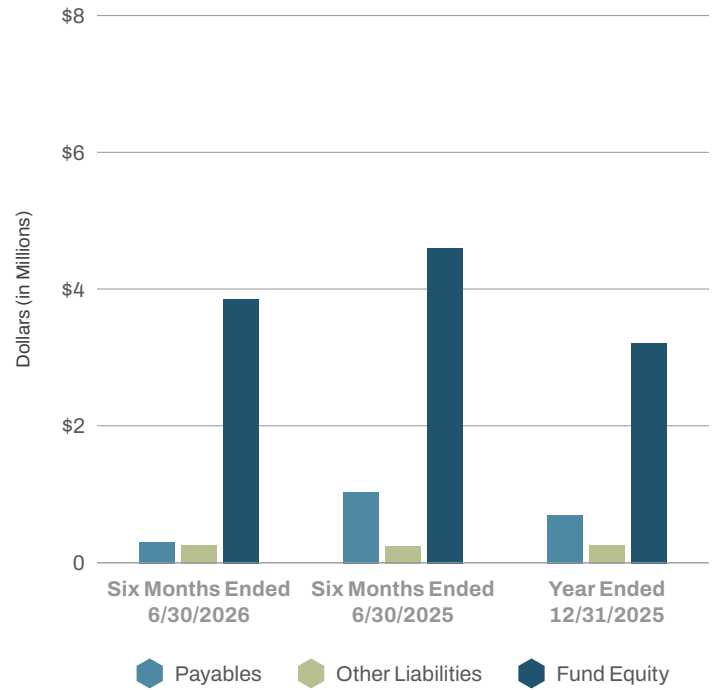
YTD actuals are favorable vs. budget and prior year.

Balance Sheet

ASSETS

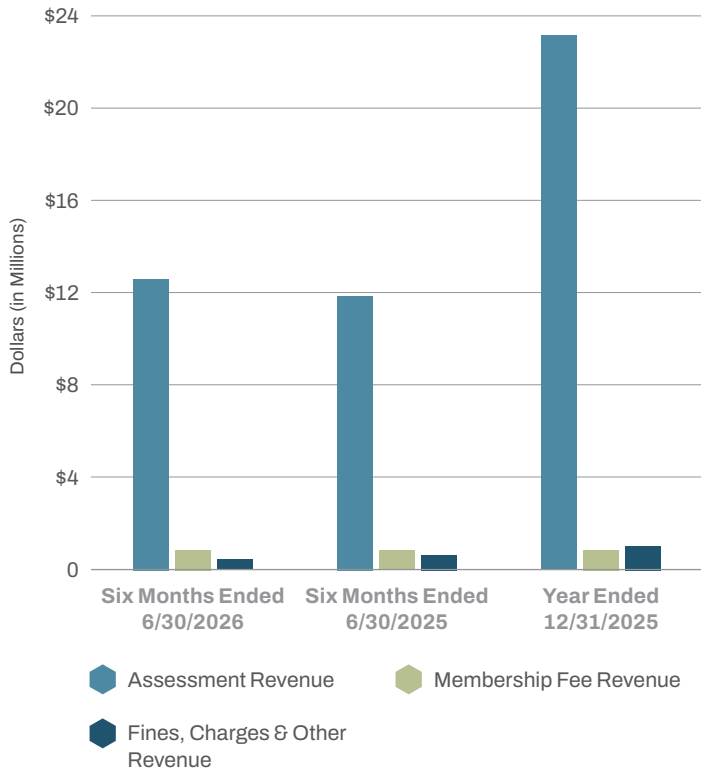


LIABILITIES & FUND EQUITY

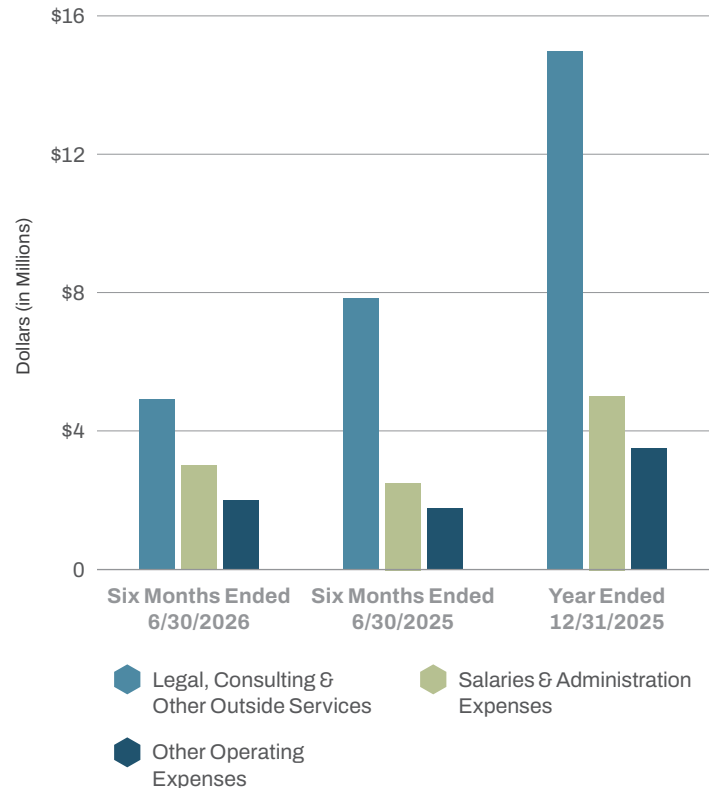


Income Statement

REVENUE



EXPENSES (NET)



Detailed financial statements are available to members upon request.



NORTH CAROLINA
Rate Bureau

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