

September 27, 2017

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Homeowners Windstorm and Hail Policy Program
Revised Manual Rules and Rates

Please find attached revised Homeowners Windstorm and Hail Policy Program manual rules and rates. These changes are a result of the recent revisions to the amount of insurance and protection/construction relativity factors for the Homeowners line of business. These manual rule and rate revisions have been filed with and approved by the Commissioner of Insurance. As announced in Circular Letter To All Member Companies P-15-6, this Homeowners Windstorm and Hail Policy Program is an optional program and is available only in territories 110, 120, 130, 140, 150 and 160.

In that regard, please find attached the revised Homeowners Windstorm and Hail Policy Manual Base Class Premium Tables that have been modified to reflect construction type, along with the updated Key Premium Tables.

These changes become effective in accordance with the following Rule of Application:

This revision is effective with respect to all new and renewal policies becoming effective on or after April 1, 2018.

NOTICE REQUIREMENTS

Also be advised that G. S. 58-36-45 provides 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 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 procedures under this statute.

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

Sincerely,

Andy Montano

Director, Personal Lines

AM:ko
Attachment

P-17-6

**WINDSTORM AND HAIL POLICY PROGRAM
HOMEOWNERS MANUAL SUPPLEMENT**

NORTH CAROLINA

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 301.
BASE PREMIUM COMPUTATION**

A. All Forms Except HS 00 04 And HS 00 06

1. One- And Two-family Dwelling

- a. From the following Base Class Premium Table, select the Form **HS 00 03** premium for the territory and construction that applies.
- b. From the following Key Factor Table, select the Key Factor for the desired limit of liability.
- c. Multiply the Base Class Premium from Paragraph a. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

	Territory					
	110	120	130	140	150	160
All Forms Except HO-00-04 and HO-00-06	\$ 1280	\$ 1542	\$ 898	\$ 1010	\$ 624	\$ 766
HO-00-04	85	98	54	59	37	45
HO-00-06	64	85	50	54	33	38

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

	Territory					
	110	120	130	140	150	160
Frame Construction						
HS 00 03	\$ 1382	\$ 1674	\$ 915	\$ 1115	\$ 668	\$ 726
HS 00 04	93	107	53	67	38	44
HS 00 06	67	89	48	55	31	35
Masonry Construction						
HS 00 03	\$ 1247	\$ 1519	\$ 851	\$ 1007	\$ 607	\$ 664
HS 00 04	84	97	49	62	35	41
HS 00 06	62	81	43	51	29	32

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

Key Factor Table

Cov. A Amt. (In 000)	Factor	Cov. A Amt. (In 000)	Factor
**\$ 10	.510	\$ 55	.853
** 12	.526	60	.930
** 14	.542	65	.953
** 16	.558	70	.977
** 18	.574	75	1.000
20	.590	80	1.023
22	.606	85	1.040
24	.622	90	1.050
26	.638	95	1.068
28	.654	100	1.109
30	.670	110	1.195
32	.686	120	1.281
34	.702	130	1.367
36	.718	140	1.453
38	.734	150	1.539
40	.750	160	1.609
42	.766	170	1.679
44	.782	180	1.749
46	.798	190	1.819
48	.814	200	1.889
50	.830		
Each Add'l \$1,000			.0070
Minimum Limits Of Liability			
**Section I - Property		HS 00 02 And HS 00 03	HS 00 08
Primary Location		\$ 25,000	\$ 15,000
Secondary Location		15,000	10,000

Cov. A Amt. (In 000)	Factor		
**\$ 10	.464		
50	.816		
75	1.000		
100	1.160		
150	1.480		
200	1.800		
300	2.410		
500	3.550		
750	4.975		
1000	6.400		
1500	9.200		
2000	12.000		
3000	17.600		
4000	23.200		
5000	28.800		
Each Add'l \$1,000		.005	
Minimum Limits Of Liability			
**Section I - Property		HS 00 02 And HS 00 03	HS 00 08
Primary Location		\$ 25,000	\$ 15,000
Secondary Location		\$ 15,000	\$ 10,000

Table 301.A.1.c.#2 Key Factors

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

2. Three- And Four-family Dwelling

Multiply the One- and Two-family Dwelling Base Premium by the three- and four-family factor of 1.04 to arrive at the Base Premium.

B. Form HS 00 04 Or HS 00 06

1. From the Base Class Premium Table contained in Paragraph 301.A.1.c.#1, select the Form HS 00 04 or HS 00 06 premium for the territory and construction that applies.
2. From the following Form HS 00 04 or HS 00 06 Key Factors Table 301.B.3, select the Key Factor for the desired limit of liability.
3. Multiply the Base Class Premium from Paragraph 1. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

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			
HS 00 04 – \$ 6,000			
HS 00 06 – \$ 10,000			

Table 301.B.3. Key Factors

**WINDSTORM AND HAIL POLICY PROGRAM
HOMEOWNERS MANUAL SUPPLEMENT**

NORTH CAROLINA

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 301.
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A. All Forms Except HS 00 04 And HS 00 06

1. One- And Two-family Dwelling

- a. From the following Base Class Premium Table, select the Form **HS 00 03** premium for the territory and construction that applies.
- b. From the following Key Factor Table, select the Key Factor for the desired limit of liability.
- c. Multiply the Base Class Premium from Paragraph a. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

	Territory					
	110	120	130	140	150	160
Frame Construction						
HS 00 03	\$ 1382	\$ 1674	\$ 915	\$ 1115	\$ 668	\$ 726
HS 00 04	93	107	53	67	38	44
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Table 301.A.1.c.#1 Base Class Premium

Key Factor Table

Cov. A Amt. (In 000)	Factor	
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750	4.975	
1000	6.400	
1500	9.200	
2000	12.000	
3000	17.600	
4000	23.200	
5000	28.800	
Each Add'l \$1,000	.005	
Minimum Limits Of Liability		
**Section I – Property	HS 00 02 And HS 00 03	HS 00 08
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	\$ 15,000	\$ 10,000

Table 301.A.1.c.#2 Key Factors

**RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)**

2. Three- And Four-family Dwelling

Multiply the One- and Two-family Dwelling Base Premium by the three- and four-family factor of 1.04 to arrive at the Base Premium.

B. Form HS 00 04 Or HS 00 06

1. From the Base Class Premium Table contained in Paragraph 301.A.1.c.#1, select the Form HS 00 04 or HS 00 06 premium for the territory and construction that applies.
2. From the following Form HS 00 04 or HS 00 06 Key Factors Table 301.B.3, select the Key Factor for the desired limit of liability.
3. Multiply the Base Class Premium from Paragraph 1. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

Key Factor Table

Cov. C Amt. (In 000)	Factor	Cov. C Amt. (In 000)	Factor
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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			
HS 00 04 – \$ 6,000			
HS 00 06 – \$ 10,000			

Table 301.B.3. Key Factors