

April 18, 2018

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**IMMEDIATE
ATTENTION REQUIRED**

Re: Revised Homeowners Insurance Rates and Rules

On November 17, 2017, the Rate Bureau filed with the Commissioner of Insurance proposed revised homeowners insurance rates for homeowners' coverages subject to the Rate Bureau's jurisdiction. The Rate Bureau's rate filing proposed (1) a statewide average rate level change of +18.7% for all homeowner forms, with changes varying by form and by territory; (2) revised windstorm or hail exclusion credits; (3) revised wind mitigation credits; and (4) revised wind-only rates for the Windstorm and Hail Policy Program (stand-alone wind only program). In addition, the rate filing revised the base amount of insurance (for owners forms only) and revised the base deductibles for all forms. Finally, the rate filing included revised manual rules to reflect all of these proposed homeowners insurance changes.

The Rate Bureau and the Department of Insurance have negotiated an agreement as to the rate level revision, and on April 18, 2018, the Commissioner signed a Consent Order approving settlement of this filing. The Consent Order approves the rate filing, subject to several modifications which include (1) an approved overall statewide average rate level increase of 4.8% for all homeowner forms; as well as (2) the resulting approved base rates, (3) the resulting approved windstorm or hail exclusion credits; (4) the resulting approved wind mitigation credits; and (5) the resulting approved wind-only rates.

The various approved rates, relativities, credits, and manual rules are set forth in the following revised manual pages:

- **Exhibit A-1 – revised pages for the Homeowners Policy Program Manual, with changes marked (12 pages)**
- **Exhibit A-2 – clean revised pages for the Homeowners Policy Program Manual (12 pages)**

- Exhibit B-1 – revised pages for the Homeowners Manual Supplement, with changes marked (4 pages)
- Exhibit B-2 – clean revised pages for the Homeowners Manual Supplement (4 pages)

- Exhibit C-1 – revised pages for the Windstorm and Hail Policy Program (stand-alone wind only program), with changes marked (3 pages)
- Exhibit C-2 – clean revised pages for the Windstorm and Hail Policy Program (stand-alone wind only program) (3 pages)

The approved changes are to be implemented in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after October 1, 2018.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible. In the meantime, 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 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 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. 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.

Sincerely,

Andy Montano

Personal Lines Director

AM:ko

Attachments

P-18-3

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

<u>Territory</u>	<u>Forms 2, 3, 5, 7, 8</u>	<u>Form 4</u>	<u>Form 6</u>
110	5.5%	12.0%	12.0%
120	5.5%	12.0%	12.0%
130	5.5%	12.0%	12.0%
140	5.5%	12.0%	12.0%
150	5.4%	12.0%	12.0%
160	5.5%	12.0%	12.0%
170	1.5%	12.0%	12.0%
180	5.5%	12.0%	12.0%
190	5.5%	12.0%	12.0%
200	5.5%	12.0%	12.0%
210	5.5%	12.0%	12.0%
220	5.5%	12.0%	12.0%
230	5.5%	12.0%	12.0%
240	5.5%	12.0%	12.0%
250	5.5%	12.0%	12.0%
260	5.5%	12.0%	12.0%
270	5.5%	12.0%	12.0%
280	5.5%	12.0%	12.0%
290	5.5%	12.0%	12.0%
300	-3.7%	12.0%	12.0%
310	5.5%	12.0%	12.0%
320	5.5%	12.0%	12.0%
330	5.0%	10.0%	12.0%
340	5.5%	12.0%	12.0%
350	2.1%	12.0%	12.0%
360	1.8%	12.0%	12.0%
370	-6.3%	10.8%	12.0%
380	-9.4%	12.0%	12.0%
390	-6.1%	12.0%	12.0%

Statewide 4.4% 12.0% 12.0%

Combined Statewide Change for all Forms: 4.8%

HOMEOWNERS POLICY PROGRAM MANUAL
 BASE CLASS PREMIUM PAGES

**RULE 301.
 BASE PREMIUM COMPUTATION**

Base Class Premium Table

TERRITORY	HO 00 03	HO 00 04	HO 00 06
110	<u>4,5892,383</u>	<u>445118</u>	<u>97</u>
120	<u>4,8632,794</u>	<u>432134</u>	<u>448119</u>
130	<u>4,0441,516</u>	<u>7475</u>	<u>75</u>
140	<u>4,2981,947</u>	<u>8991</u>	<u>8182</u>
150	<u>8531,278</u>	<u>5657</u>	<u>56</u>
160	<u>9171,375</u>	<u>7172</u>	<u>6061</u>
170	<u>548791</u>	<u>55</u>	<u>5051</u>
180	<u>599899</u>	<u>5657</u>	<u>52</u>
190	<u>7081,062</u>	<u>5960</u>	<u>55</u>
200	<u>8121,218</u>	<u>6364</u>	<u>6061</u>
210	<u>554831</u>	<u>5657</u>	<u>4950</u>
220	<u>652978</u>	<u>8688</u>	<u>5051</u>
230	<u>7341,097</u>	<u>5758</u>	<u>54</u>
240	<u>539808</u>	<u>5960</u>	<u>4748</u>
250	<u>616924</u>	<u>55</u>	<u>4647</u>
260	<u>408612</u>	<u>6263</u>	<u>4849</u>
270	<u>456684</u>	<u>4748</u>	<u>54</u>
280	<u>405607</u>	<u>43</u>	<u>3839</u>
290	<u>502753</u>	<u>4950</u>	<u>4748</u>
300	<u>595815</u>	<u>55</u>	<u>4647</u>
310	<u>410615</u>	<u>5051</u>	<u>41</u>
320	<u>467700</u>	<u>4849</u>	<u>42</u>
330	<u>392585</u>	<u>51</u>	<u>4647</u>
340	<u>400600</u>	<u>55</u>	<u>45</u>
350	<u>448650</u>	<u>5354</u>	<u>44</u>
360	<u>389563</u>	<u>3637</u>	<u>41</u>
370	<u>460612</u>	<u>47</u>	<u>4748</u>
380	<u>441568</u>	<u>4546</u>	<u>45</u>
390	<u>441589</u>	<u>4546</u>	<u>45</u>

Table 301. Base Class Premium

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

2. Key Factor Table

Cov. A Amt. (In 000)	Factor	
**\$ 10	.258-464	
50	.453-816	
75	.5561-000	
100	.6441-160	
150	.8221-480	
200	1.0001-800	
300	1.3392-410	
500	1.9723-550	
750	2.7644-975	
1000	3.5566-400	
1500	5.1119-200	
2000	6.66712-000	
3000	9.77817-600	
4000	12.88923-200	
5000	16.00028-800	
Each Add'l \$1,000	.003-005	
Minimum Limits Of Liability		
**Section I – Property	HO 00 02, 03 & 05	HO 00 08
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	15,000	10,000
Section II – Liability	All Forms	
Personal Liability	\$ 25,000	
Medical Payments to Others	1,000	

Table 301.A.2. Key Factors

**RULE 406.
DEDUCTIBLES**

Rule 406. is replaced by the following:

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

~~\$250 Deductible.~~

A Base Deductible of \$1,000 applies to all forms except HO 00 04 and HO 00 06.

A Base Deductible of \$500 applies to forms HO 00 04 and HO 00 06.

B. ~~Optional Lower Deductibles~~ \$100 All Perils Deductible Options

1. ~~Additional Premium Charge~~

- ~~a. The options in Paragraphs 2. and 3. are subject to a minimum and maximum additional premium charge.~~
- ~~b. Refer to the state company rates for these charges.~~

2.1. \$100 All Perils Deductible

To compute the premium for this option, multiply the Base Premium by a factor of: ~~1.40.~~

- a. 1.39 for all forms except HO 00 04 and HO 00 06; or
- b. 1.21 for Form HO 00 04; or
- c. 1.22 for Form HO 00 06.

3.2. \$100 All Perils/250 Theft Deductible

This option applies to all forms except HO 00 05, HO 00 04 with Special Personal Property Coverage – North Carolina Endorsement and HO 00 06 with Unit-owners Coverage C Special Coverage – North Carolina Endorsement.

- a. The \$250 Theft Deductible applies to Coverage C – Personal Property and is available only when:
 - (1) A \$100 deductible applies to All Other Perils; or
 - (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.
- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor of:
 - (1) ~~1.09-1.38~~ for all forms except HO 00 04 and HO 00 06; or
 - (2) ~~1.05-1.15~~ for Form HO 00 04; or ~~HO 00 06.~~
 - (3) 1.17 for Form HO 00 06.
- c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraph C.3.a.(6) or C.3.b.(6) for policies applicable to a higher Windstorm or Hail deductible.

C. ~~Optional Higher Deductibles~~ Other Optional Deductibles

1. All Perils Deductibles

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the following table:

All Forms Except HO 00 04 And HO 00 06								
Coverage A Limit	Deductible Amounts							
	\$250	\$500	\$1,000	\$1,500	\$2,500	\$5,000	\$7,500	\$10,000
Up to \$59,999	1.27	1.15.94	1.00.79	.92.73	.78.62	.72.57	N/A	N/A
\$60,000 to 99,999	1.27	1.15.94	1.00.79	.92.73	.78.62	.72.57	N/A	N/A
100,000 to 200,000	1.27	1.16.92	1.00.79	.92.73	.78.62	.72.57	N/A	N/A
200,001 and Over	1.27	1.22.96	1.13.89	1.06.84	.95.75	.82.65	.76.60	.71.56
HO 00 04								
Coverage C Limit	\$250	\$500	\$1,000	\$1,500	\$2,500			
Up to \$25,000	1.10	1.00.94	.85.77	N/A	.65.59			
\$25,001 and Over	1.10	1.02.93	.92.84	N/A	.75.68			
HO 00 06								
Coverage C Limit	\$250	\$500	\$1,000	\$1,500	\$2,500			
Up to \$40,000	1.11	1.00.90	.84.76	N/A	.62.56			
\$40,001 and Over	1.11	1.02.92	.90.84	N/A	.70.63			

Table 406.C.1. All Perils Deductibles Factors

**HOMEOWNERS POLICY PROGRAM MANUAL
EXCEPTION PAGES**

NORTH CAROLINA (32)

**RULE 406.
DEDUCTIBLES (Cont'd)**

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft Deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Endorsement

An endorsement is not required.

c. Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

d. Deductible Application

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Use of Factors

The factors for Form HO 00 04 and Form HO 00 06 Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

f. Deductible Factors

(1) Form HO 00 04

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$25,000	\$25,001 And over
\$ 1,000	\$ 100	<u>-.931.02</u>	<u>-.951.04</u>
	250	<u>-.88.97</u>	<u>-.921.01</u>
	500	<u>-.84.92</u>	<u>-.89.98</u>
2,500	100	<u>-.83.91</u>	<u>-.88.97</u>
	250	<u>-.80.88</u>	<u>-.85.93</u>
	500	<u>-.75.82</u>	<u>-.82.90</u>
	1000	<u>-.69.76</u>	<u>-.77.85</u>

Table 406.C.2.f.(1) Theft Deductible Factors

(2) Form HO 00 06

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$40,000	\$40,001 And over
\$ 1,000	\$ 100	<u>1.041.12</u>	<u>1.001.11</u>
	250	<u>-.951.06</u>	<u>-.961.07</u>
	500	<u>-.87.97</u>	<u>-.901.00</u>
2,500	100	<u>-.971.08</u>	<u>-.971.08</u>
	250	<u>-.941.01</u>	<u>-.921.02</u>
	500	<u>-.83.92</u>	<u>-.86.96</u>
	1000	<u>-.72.80</u>	<u>-.77.86</u>

Table 406.C.2.f.(2) Theft Deductible Factors

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, and 5% of the Coverage A limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

RULE 406.
DEDUCTIBLES (Cont'd)

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12**.

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

- (a)** Deductible – Windstorm or Hail 1% of Coverage **A** limit and \$250 for All Other Perils.
- (b)** Deductible – Windstorm or Hail 2% of Coverage **A** limit, \$250 for Theft of Personal Property and \$100 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph **(6)** incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Serviced by NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1.** Multiply the Windstorm or Hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2.** Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3.** Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4.** Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5.** Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

RULE 406.
DEDUCTIBLES (Cont'd)

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	<u>1.334-05</u>	<u>1.324-04</u>	<u>1.324-04</u>	<u>1.324-04</u>
250	<u>1.22-96</u>	<u>1.22-96</u>	<u>1.22-96</u>	<u>1.22-96</u>
500	<u>1.13-89</u>	<u>1.13-89</u>	<u>1.13-89</u>	<u>1.18-93</u>
1,000	—	—	<u>.99-78</u>	<u>1.11-88</u>
1,500	—	—	<u>.92-73</u>	<u>1.06-84</u>
2,500	—	—	—	<u>.94-74</u>
5,000	—	—	—	<u>.80-63</u>
7,500	—	—	—	<u>.73-58</u>
10,000	—	—	—	<u>.68-54</u>

Table 406.C.3.a.(6)(b)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	<u>1.294-02</u>	<u>1.294-02</u>	<u>1.294-02</u>	<u>1.294-02</u>
250	<u>1.18-93</u>	<u>1.18-93</u>	<u>1.19-94</u>	<u>1.20-95</u>
500	<u>1.09-86</u>	<u>1.09-86</u>	<u>1.10-87</u>	<u>1.15-94</u>
1,000	<u>.96-76</u>	<u>.96-76</u>	<u>.96-76</u>	<u>1.08-85</u>
1,500	—	<u>.90-74</u>	<u>.90-74</u>	<u>1.01-80</u>
2,500	—	—	<u>.76-69</u>	<u>.91-72</u>
5,000	—	—	—	<u>.77-64</u>
7,500	—	—	—	<u>.71-56</u>
10,000	—	—	—	<u>.67-53</u>

Table 406.C.3.a.(6)(b)#2 2% Windstorm Or Hail Deductible

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	<u>1.23-97</u>	<u>1.23-97</u>	<u>1.25-99</u>	<u>1.274-00</u>
250	<u>1.13-89</u>	<u>1.13-89</u>	<u>1.15-94</u>	<u>1.18-93</u>
500	<u>1.04-82</u>	<u>1.04-82</u>	<u>1.06-84</u>	<u>1.13-89</u>
1,000	<u>.91-72</u>	<u>.91-72</u>	<u>.92-73</u>	<u>1.05-83</u>
1,500	<u>.85-67</u>	<u>.85-67</u>	<u>.86-68</u>	<u>.99-78</u>
2,500	<u>.75-59</u>	<u>.75-59</u>	<u>.75-59</u>	<u>.89-70</u>
5,000	—	—	<u>.70-55</u>	<u>.75-59</u>
7,500	—	—	—	<u>.70-55</u>
10,000	—	—	—	<u>.65-54</u>

Table 406.C.3.a.(6)(b)#3 5% Windstorm Or Hail Deductible

b. Higher Fixed-dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instruction

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$250 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the NCIUA, additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Serviced By NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

\$1,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.294-02	1.304-03	1.334-05	1.344-06
250	1.20-95	1.20-95	1.23-97	1.24-98
500	1.11-88	1.11-88	1.14-90	1.20-95

Table 406.C.3.b.(6)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.24-98	1.274-00	1.304-03	1.324-04
250	1.15-94	1.16-92	1.20-95	1.22-96
500	1.08-85	1.08-85	1.11-88	1.18-93
1,000	.95-75	.95-75	.97-77	1.11-88
1,500	.89-70	.89-70	.91-72	1.06-84

Table 406.C.3.b.(6)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.22-96	1.23-97	1.284-04	1.294-02
250	1.11-88	1.13-89	1.16-92	1.19-94
500	1.04-82	1.04-82	1.08-85	1.15-94
1,000	.91-72	.91-72	.95-75	1.09-86
1,500	.85-67	.85-67	.89-70	1.04-82
2,500	.73-58	.75-59	.76-60	.94-74

Table 406.C.3.b.(6)#3 \$5,000 Windstorm Or Hail Deductible

RULE 406.
DEDUCTIBLES (Cont'd)

D. Named Storm Percentage Deductible – Territories 110, 120, 130, 140, 150 And 160 Only

1. Deductible Amounts

The Named Storm Percentage Deductible option is used in conjunction with a deductible applicable to All Other Section I Perils.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

5. Deductible Factors

The factors displayed below incorporate the factors for the All Perils Deductibles shown in Paragraph **C.1**. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

Additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the named storm deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in: Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium. Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired named storm deductible option.

RULE 406.
DEDUCTIBLES (Cont'd)

Territories 110, 120, 130, 140, 150 And 160				
Named Storm Deductible Percentage	All Other Perils Deductible Amount	HO 00 02, HO 00 03, HO 00 05 And HO 00 08	HO 00 04	HO 00 06
1%	\$ 100	1.344.06	—	—
	250	1.23.97	—	—
	500	1.19.94	1.01.92	1.01.91
	1,000	1.13.89	.91.83	.89.80
	1,500	1.08.85	—	—
	2,500	.95.75	.74.67	.69.62
	5,000	.81.64	—	—
	7,500	.75.59	—	—
	10,000	.70.55	—	—
2%	100	1.304.03	—	—
	250	1.22.96	—	—
	500	1.16.92	1.00.91	1.00.90
	1,000	1.09.86	.90.82	.88.79
	1,500	1.03.81	—	—
	2,500	.92.73	.73.66	.68.61
	5,000	.78.62	—	—
	7,500	.72.57	—	—
	10,000	.68.54	—	—
5%	100	1.284.04	—	—
	250	1.19.94	—	—
	500	1.14.90	.99.90	.99.89
	1,000	1.06.84	.89.84	.87.78
	1,500	1.00.79	—	—
	2,500	.90.71	.71.65	.67.60
	5,000	.76.60	—	—
	7,500	.71.56	—	—
	10,000	.66.52	—	—

Table 406.D.5. Named Storm Percentage Deductible

RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS HO 00 02, HO 00 03 AND HO 00 05

Paragraphs C.1.b. and C.1.c. are replaced by the following:

C. Options Available

1. Specified Additional Amount Of Insurance For Coverage A Only

b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.1.b. Additional Amounts Of Insurance Factors

c. Use Specified Additional Amount Of Insurance For Coverage A Endorsement HO 32 20.

Paragraphs C.2.b. and C.2.c. are replaced by the following:

2. Additional Limits Of Liability For Coverages A, B, C, And D

b. The premium is computed by multiplying the Base Premium by a factor of 1.06.

c. Use Additional Limits Of Liability For Coverages A, B, C And D Endorsement HO 32 11.

**HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES**

**Exhibit A-1-10
NORTH CAROLINA (32)**

ADDITIONAL RULE(S)

**RULE A2.
INSTALLMENT PAYMENT PLAN**

C. Charge per installment – \$3

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY**

Frame Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 And HO 00 06	\$ <u>1,717</u> 1,327	\$ <u>2,389</u> 1,617	\$ <u>1,115</u> 866	\$ <u>1,508</u> 1,054	\$ <u>889</u> 605	\$ <u>930</u> 662
HO 00 04	<u>72</u> 79	<u>84</u> 93	<u>33</u> 39	<u>40</u> 53	<u>12</u> 24	<u>19</u> 30
HO 00 06	<u>47</u> 57	<u>74</u> 79	<u>29</u> 38	<u>31</u> 45	<u>14</u> 24	<u>14</u> 25

Table A3.#1 Wind Or Hail Exclusion Credit – Frame

Masonry Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 And HO 00 06	\$ <u>1,546</u> 1,192	\$ <u>2,155</u> 1,462	\$ <u>1,048</u> 802	\$ <u>1,344</u> 946	\$ <u>790</u> 544	\$ <u>835</u> 600
HO 00 04	<u>64</u> 70	<u>75</u> 83	<u>30</u> 35	<u>36</u> 48	<u>10</u> 21	<u>17</u> 27
HO 00 06	<u>42</u> 52	<u>65</u> 74	<u>26</u> 33	<u>28</u> 41	<u>13</u> 19	<u>12</u> 22

Table A3.#2 Wind Or Hail Exclusion Credit – Masonry

**RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

B. Premium

Charge per policy – \$14

**NORTH CAROLINA (32) HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES**

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

Frame Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ <u>119</u> <u>92</u>	\$ <u>163</u> <u>140</u>	\$ <u>78</u> <u>64</u>	\$ <u>103</u> <u>72</u>	\$ <u>60</u> <u>44</u>	\$ <u>63</u> <u>45</u>
Opening Protection	<u>12294</u>	<u>167443</u>	<u>7864</u>	<u>10473</u>	<u>5940</u>	<u>6546</u>
Total Hip Roof and Opening Protection	<u>241486</u>	<u>328222</u>	<u>154420</u>	<u>207445</u>	<u>11880</u>	<u>12894</u>
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	<u>390304</u>	<u>575389</u>	<u>223473</u>	<u>345244</u>	<u>12988</u>	<u>214452</u>
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 1	<u>9473</u>	<u>13088</u>	<u>6248</u>	<u>8257</u>	<u>4732</u>	<u>5136</u>
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 2	<u>146443</u>	<u>204438</u>	<u>8768</u>	<u>12990</u>	<u>5940</u>	<u>7956</u>
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 1	<u>234484</u>	<u>346234</u>	<u>12597</u>	<u>210447</u>	<u>6242</u>	<u>12894</u>
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 2	<u>281247</u>	<u>418283</u>	<u>149446</u>	<u>257480</u>	<u>7148</u>	<u>159443</u>
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 1	<u>299234</u>	<u>440298</u>	<u>167430</u>	<u>262483</u>	<u>9363</u>	<u>162445</u>
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 2	<u>347268</u>	<u>514348</u>	<u>190448</u>	<u>310247</u>	<u>10169</u>	<u>191436</u>

Table A9. Windstorm Loss Mitigation Credit – Frame

Masonry Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ <u>10883</u>	\$ <u>14699</u>	\$ <u>7356</u>	\$ <u>9265</u>	\$ <u>5437</u>	\$ <u>5744</u>
Opening Protection	<u>11085</u>	<u>150402</u>	<u>7356</u>	<u>9466</u>	<u>5236</u>	<u>5842</u>
Total Hip Roof and Opening Protection	<u>217467</u>	<u>296204</u>	<u>145444</u>	<u>186434</u>	<u>10572</u>	<u>11683</u>
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	<u>352274</u>	<u>518354</u>	<u>209460</u>	<u>307246</u>	<u>11579</u>	<u>192438</u>
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 1	<u>8465</u>	<u>11880</u>	<u>5744</u>	<u>7254</u>	<u>4229</u>	<u>4532</u>
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 2	<u>131404</u>	<u>184425</u>	<u>8263</u>	<u>11584</u>	<u>5236</u>	<u>7154</u>
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 1	<u>211463</u>	<u>313242</u>	<u>11890</u>	<u>188432</u>	<u>5538</u>	<u>11683</u>
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 2	<u>253495</u>	<u>377256</u>	<u>140407</u>	<u>229464</u>	<u>6243</u>	<u>142402</u>
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 1	<u>269207</u>	<u>398270</u>	<u>157420</u>	<u>233464</u>	<u>8156</u>	<u>145404</u>
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 2	<u>311240</u>	<u>464345</u>	<u>179437</u>	<u>276494</u>	<u>9062</u>	<u>171423</u>

Table A9. Windstorm Loss Mitigation Credit – Masonry

**RULE 105.
SECONDARY RESIDENCE PREMISES**

B. Premium Adjustment

2. Credit – \$10

**RULE 204.
MULTIPLE COMPANY INSURANCE**

C. Premium

3. Credit – \$10

**RULE 205.
MINIMUM PREMIUM**

- D. Minimum Premium – \$50

**RULE 207.
WAIVER OF PREMIUM**

- B. Amount that may be waived – \$3 or less

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

F. Premium Determination

4. Minimum additional charge – \$20

**RULE 404.
PROTECTIVE DEVICES**

C. Premium Development

Maximum credit allowed – \$75

**RULE 406.
DEDUCTIBLES**

B. ~~Optional Deductibles~~

1. ~~Additional Premium Charge~~

- ~~b. Minimum additional charge – \$30~~

~~Maximum additional charge – \$60~~

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-premises

2. Rate per \$2,500 – \$50

**RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY & COUNTERFEIT
MONEY**

B. Premium

Limit	
\$ 1,000	\$ 1
2,500	3
5,000	4
7,500	5
10,000+	6

+ For limits in excess of \$10,000, refer to company.

Table 504.B. Additional Charge

**HOMEOWNERS POLICY PROGRAM MANUAL
BASE CLASS PREMIUM PAGES**

**RULE 301.
BASE PREMIUM COMPUTATION**

Base Class Premium Table

TERRITORY	HO 00 03	HO 00 04	HO 00 06
110	2,383	118	97
120	2,794	134	119
130	1,516	75	75
140	1,947	91	82
150	1,278	57	56
160	1,375	72	61
170	791	55	51
180	899	57	52
190	1,062	60	55
200	1,218	64	61
210	831	57	50
220	978	88	51
230	1,097	58	54
240	808	60	48
250	924	55	47
260	612	63	49
270	684	48	54
280	607	43	39
290	753	50	48
300	815	55	47
310	615	51	41
320	700	49	42
330	585	51	47
340	600	55	45
350	650	54	44
360	563	37	41
370	612	47	48
380	568	46	45
390	589	46	45

Table 301. Base Class Premium

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

2. Key Factor Table

Cov. A Amt. (In 000)	Factor	
**\$ 10	.258	
50	.453	
75	.556	
100	.644	
150	.822	
200	1.000	
300	1.339	
500	1.972	
750	2.764	
1000	3.556	
1500	5.111	
2000	6.667	
3000	9.778	
4000	12.889	
5000	16.000	
Each Add'l \$1,000	.003	
Minimum Limits Of Liability		
**Section I – Property	HO 00 02, 03 & 05	HO 00 08
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	15,000	10,000
Section II – Liability	All Forms	
Personal Liability	\$ 25,000	
Medical Payments to Others	1,000	

Table 301.A.2. Key Factors

**RULE 406.
DEDUCTIBLES**

Rule 406. is replaced by the following:

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

A Base Deductible of \$1,000 applies to all forms except **HO 00 04** and **HO 00 06**.

A Base Deductible of \$500 applies to forms **HO 00 04** and **HO 00 06**.

B. \$100 All Perils Deductible Options

1. \$100 All Perils Deductible

To compute the premium for this option, multiply the Base Premium by a factor of:

- a. 1.39 for all forms except **HO 00 04** and **HO 00 06**; or
- b. 1.21 for Form **HO 00 04**; or
- c. 1.22 for Form **HO 00 06**.

2. \$100 All Perils/250 Theft Deductible

This option applies to all forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage – North Carolina Endorsement and **HO 00 06** with Unit-owners Coverage C Special Coverage – North Carolina Endorsement.

- a. The \$250 Theft Deductible applies to Coverage C – Personal Property and is available only when:
 - (1) A \$100 deductible applies to All Other Perils; or
 - (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.
- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor of:
 - (1) 1.38 for all forms except **HO 00 04** and **HO 00 06**; or
 - (2) 1.15 for Form **HO 00 04**; or
 - (3) 1.17 for Form **HO 00 06**.
- c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraph **C.3.a.(6)** or **C.3.b.(6)** for policies applicable to a higher Windstorm or Hail deductible.

C. Other Optional Deductibles

1. All Perils Deductibles

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the following table:

All Forms Except HO 00 04 And HO 00 06								
Coverage A Limit	Deductible Amounts							
	\$250	\$500	\$1,000	\$1,500	\$2,500	\$5,000	\$7,500	\$10,000
Up to \$59,999	1.27	1.15	1.00	.92	.78	.72	N/A	N/A
\$60,000 to 99,999	1.27	1.15	1.00	.92	.78	.72	N/A	N/A
100,000 to 200,000	1.27	1.16	1.00	.92	.78	.72	N/A	N/A
200,001 and Over	1.27	1.22	1.13	1.06	.95	.82	.76	.71
HO 00 04								
Coverage C Limit	\$250	\$500	\$1,000	\$1,500	\$2,500			
Up to \$25,000	1.10	1.00	.85	N/A	.65			
\$25,001 and Over	1.10	1.02	.92	N/A	.75			
HO 00 06								
Coverage C Limit	\$250	\$500	\$1,000	\$1,500	\$2,500			
Up to \$40,000	1.11	1.00	.84	N/A	.62			
\$40,001 and Over	1.11	1.02	.90	N/A	.70			

Table 406.C.1. All Perils Deductibles Factors

**RULE 406.
DEDUCTIBLES (Cont'd)**

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft Deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Endorsement

An endorsement is not required.

c. Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

d. Deductible Application

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Use of Factors

The factors for Form **HO 00 04** and Form **HO 00 06** Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

f. Deductible Factors

(1) Form HO 00 04

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$25,000	\$25,001 And over
\$ 1,000	\$ 100	1.02	1.04
	250	.97	1.01
	500	.92	.98
2,500	100	.91	.97
	250	.88	.93
	500	.82	.90
	1000	.76	.85

Table 406.C.2.f.(1) Theft Deductible Factors

(2) Form HO 00 06

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$40,000	\$40,001 And over
\$ 1,000	\$ 100	1.12	1.11
	250	1.06	1.07
	500	.97	1.00
2,500	100	1.08	1.08
	250	1.01	1.02
	500	.92	.96
	1000	.80	.86

Table 406.C.2.f.(2) Theft Deductible Factors

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, and 5% of the Coverage **A** limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

RULE 406.
DEDUCTIBLES (Cont'd)**(2) Endorsement**

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12.**

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

- (a)** Deductible – Windstorm or Hail 1% of Coverage **A** limit and \$250 for All Other Perils.
- (b)** Deductible – Windstorm or Hail 2% of Coverage **A** limit, \$250 for Theft of Personal Property and \$100 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph **(6)** incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Serviced by NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1.** Multiply the Windstorm or Hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2.** Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3.** Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4.** Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5.** Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

RULE 406.
DEDUCTIBLES (Cont'd)

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.33	1.32	1.32	1.32
250	1.22	1.22	1.22	1.22
500	1.13	1.13	1.13	1.18
1,000	—	—	.99	1.11
1,500	—	—	.92	1.06
2,500	—	—	—	.94
5,000	—	—	—	.80
7,500	—	—	—	.73
10,000	—	—	—	.68

Table 406.C.3.a.(6)(b)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.29	1.29	1.29	1.29
250	1.18	1.18	1.19	1.20
500	1.09	1.09	1.10	1.15
1,000	.96	.96	.96	1.08
1,500	—	.90	.90	1.01
2,500	—	—	.76	.91
5,000	—	—	—	.77
7,500	—	—	—	.71
10,000	—	—	—	.67

Table 406.C.3.a.(6)(b)#2 2% Windstorm Or Hail Deductible

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.23	1.23	1.25	1.27
250	1.13	1.13	1.15	1.18
500	1.04	1.04	1.06	1.13
1,000	.91	.91	.92	1.05
1,500	.85	.85	.86	.99
2,500	.75	.75	.75	.89
5,000	—	—	.70	.75
7,500	—	—	—	.70
10,000	—	—	—	.65

Table 406.C.3.a.(6)(b)#3 5% Windstorm Or Hail Deductible

b. Higher Fixed-dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instruction

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$250 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the NCIUA, additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Serviced By NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

- Step 5. Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

\$1,000 Windstorm Or Hail Deductible				
All Other	Coverage A Limit (Expressed In \$)			
Perils Ded. Amount	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.29	1.30	1.33	1.34
250	1.20	1.20	1.23	1.24
500	1.11	1.11	1.14	1.20

Table 406.C.3.b.(6)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other	Coverage A Limit (Expressed In \$)			
Perils Ded. Amount	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.24	1.27	1.30	1.32
250	1.15	1.16	1.20	1.22
500	1.08	1.08	1.11	1.18
1,000	.95	.95	.97	1.11
1,500	.89	.89	.91	1.06

Table 406.C.3.b.(6)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other	Coverage A Limit (Expressed In \$)			
Perils Ded. Amount	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.22	1.23	1.28	1.29
250	1.11	1.13	1.16	1.19
500	1.04	1.04	1.08	1.15
1,000	.91	.91	.95	1.09
1,500	.85	.85	.89	1.04
2,500	.73	.75	.76	.94

Table 406.C.3.b.(6)#3 \$5,000 Windstorm Or Hail Deductible

RULE 406.
DEDUCTIBLES (Cont'd)

D. Named Storm Percentage Deductible – Territories 110, 120, 130, 140, 150 And 160 Only

1. Deductible Amounts

The Named Storm Percentage Deductible option is used in conjunction with a deductible applicable to All Other Section I Perils.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

5. Deductible Factors

The factors displayed below incorporate the factors for the All Perils Deductibles shown in Paragraph **C.1**. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

Additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the named storm deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in: Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium. Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired named storm deductible option.

RULE 406.
DEDUCTIBLES (Cont'd)

Territories 110, 120, 130, 140, 150 And 160				
Named Storm Deductible Percentage	All Other Perils Deductible Amount	HO 00 02, HO 00 03, HO 00 05 And HO 00 08	HO 00 04	HO 00 06
1%	\$ 100	1.34	—	—
	250	1.23	—	—
	500	1.19	1.01	1.01
	1,000	1.13	.91	.89
	1,500	1.08	—	—
	2,500	.95	.74	.69
	5,000	.81	—	—
	7,500	.75	—	—
2%	10,000	.70	—	—
	100	1.30	—	—
	250	1.22	—	—
	500	1.16	1.00	1.00
	1,000	1.09	.90	.88
	1,500	1.03	—	—
	2,500	.92	.73	.68
	5,000	.78	—	—
5%	7,500	.72	—	—
	10,000	.68	—	—
	100	1.28	—	—
	250	1.19	—	—
	500	1.14	.99	.99
	1,000	1.06	.89	.87
	1,500	1.00	—	—
	2,500	.90	.71	.67
5,000	.76	—	—	
7,500	.71	—	—	
10,000	.66	—	—	

Table 406.D.5. Named Storm Percentage Deductible

RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05

Paragraphs C.1.b. and C.1.c. are replaced by the following:

C. Options Available

1. Specified Additional Amount Of Insurance For Coverage A Only

b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.1.b. Additional Amounts Of Insurance Factors

c. Use Specified Additional Amount Of Insurance For Coverage A Endorsement HO 32 20.

Paragraphs C.2.b. and C.2.c. are replaced by the following:

2. Additional Limits Of Liability For Coverages A, B, C, And D

b. The premium is computed by multiplying the Base Premium by a factor of 1.06.

c. Use Additional Limits Of Liability For Coverages A, B, C And D Endorsement HO 32 11.

ADDITIONAL RULE(S)

**RULE A2.
INSTALLMENT PAYMENT PLAN**

C. Charge per installment – \$3

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY**

Frame Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 And HO 00 06	\$ 1,717	\$ 2,389	\$ 1,115	\$ 1,508	\$ 889	\$ 930
HO 00 04	72	84	33	40	12	19
HO 00 06	47	74	29	31	14	14

Table A3.#1 Wind Or Hail Exclusion Credit – Frame

Masonry Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 And HO 00 06	\$ 1,546	\$ 2,155	\$ 1,048	\$ 1,344	\$ 790	\$ 835
HO 00 04	64	75	30	36	10	17
HO 00 06	42	65	26	28	13	12

Table A3.#2 Wind Or Hail Exclusion Credit – Masonry

**RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

B. Premium

Charge per policy – \$14

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

Frame Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ 119	\$ 163	\$ 78	\$ 103	\$ 60	\$ 63
Opening Protection	122	167	78	104	59	65
Total Hip Roof and Opening Protection	241	328	154	207	118	128
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	390	575	223	345	129	214
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 1	94	130	62	82	47	51
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 2	146	204	87	129	59	79
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 1	234	346	125	210	62	128
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 2	281	418	149	257	71	159
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 1	299	440	167	262	93	162
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 2	347	514	190	310	101	191

Table A9. Windstorm Loss Mitigation Credit – Frame

Masonry Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ 108	\$ 146	\$ 73	\$ 92	\$ 54	\$ 57
Opening Protection	110	150	73	94	52	58
Total Hip Roof and Opening Protection	217	296	145	186	105	116
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	352	518	209	307	115	192
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 1	84	118	57	72	42	45
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 2	131	184	82	115	52	71
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 1	211	313	118	188	55	116
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 2	253	377	140	229	62	142
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 1	269	398	157	233	81	145
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 2	311	464	179	276	90	171

Table A9. Windstorm Loss Mitigation Credit – Masonry

**RULE 105.
SECONDARY RESIDENCE PREMISES**

- B. Premium Adjustment**
2. Credit – \$10

**RULE 204.
MULTIPLE COMPANY INSURANCE**

- C. Premium**
3. Credit – \$10

**RULE 205.
MINIMUM PREMIUM**

- D. Minimum Premium – \$50**

**RULE 207.
WAIVER OF PREMIUM**

- B. Amount that may be waived – \$3 or less**

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

- F. Premium Determination**
4. Minimum additional charge – \$20

**RULE 404.
PROTECTIVE DEVICES**

- C. Premium Development**
Maximum credit allowed – \$75

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

- A. On-premises**
2. Rate per \$2,500 – \$50

**RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY & COUNTERFEIT
MONEY**

B. Premium

Limit	
\$ 1,000	\$ 1
2,500	3
5,000	4
7,500	5
10,000+	6
+ For limits in excess of \$10,000, refer to company.	

Table 504.B. Additional Charge

**RULE 2.
HISTORIC HOME PROGRAM (Cont'd)**

F. Deductibles

The Historic Home policy is subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule 505. in the standard Homeowners manual.

1. \$2501,000 Deductible

This amount is the base deductible for a historic home policy and the minimum amount available is \$250 for a historic home policy.

2. Higher-Optional Deductibles

Higher and lower deductible amounts are optionally available. See Rule H.1.b. below for the amounts and rating instructions.

G. Optional Coverages

1. Other Structures On The Residence Premises (Section I – Property Coverages)

a. Other Structures on the residence premises may be insured under a historic home policy. Separately identify each structure insured in the endorsement noted in b. below.

b. Use Historic Home Other Structures Endorsement HH 32 11.

2. Public Viewing Of Residence Premises (Section II – Liability)

a. The Coverages E and F exclusion pertaining to loss arising out of the public viewing of the residence premises may be deleted for an additional premium.

Public viewing means the charging of admission fees for viewing all or part of the home during regularly scheduled viewing hours announced to the public.

b. Use Historic Home Special Endorsement HH 32 03.

H. Premiums

1. Base Premium Computation

a. Base Deductible

(1) In accordance with Rule 301. Base Premium Computation in the standard Homeowners manual, develop the Base Premium for Form HO 00 03 for the Coverage A – Dwelling limit that contemplates 80% of the dwelling's replacement cost.

(2) Multiply the premium developed in (1) above by the factor for the Full Reproduction Cost percentage amount desired:

Percentage Of Full Reproduction Cost Amount	80%	70%	60%	50%
Historic Home Rating Factor	.90	.88	.86	.84

Table 2. H.1.a. Historic Home Factors

b. Higher-Optional Deductibles

Multiply the Base Premium developed in a. above by the factor for the deductible amount desired.

Coverage A Limit	Deductible Amount			
	\$250	\$500	\$1,000	\$2,500
Up to \$59,999	1.14	.941. 03	.83.9 4	.75.85
\$ 60,000 to \$ 99,999	1.14	.931. 06	.85.9 7	.75.85
100,000 to 200,000	1.14	.951. 08	.881. 00	.75.85
200,000 to 250,000*	1.14	.951. 08	.881. 00	.85.97

*Refer to Co. for credits for higher limits.

Table 2. H.1.b. Higher-Optional Deductible

Factors

2. Scheduled Building Features (Coverage A – Dwelling)

a. Develop the rate per \$1,000 of insurance as follows:

(1) Select the Key Premium used to compute the Base Premium;

(2) Develop the Key Factor as follows: .115 x .10 x the rating factor from 1.a. above; and

(3) Multiply the result computed in (2) above by the Key Premium determined in (1) above.

b. Multiply the rate per \$1,000 computed in a. (3) above by the total amount of insurance for all building features that are scheduled.

3. Coverage B – Other Structures

Rate per \$1,000 - \$2.00

4. Waiver Of Public Viewing Exclusion (Section II – Liability)

a. Coverages E (\$100,000) And F (\$1,000)

Tours Per Year	Premium
Less Than 4	\$12
4 to 10	17
11 or more	32

Table 2.H.4.a. Public Viewing Basic Limits Premium

b. Increased Limit – Coverage E

Multiply the premium selected in a. above by the factor for the desired limit of liability:

Limit Of Liability	Factor
\$200,000	1.14
300,000	1.26

Table 2.H.4.b. Public Viewing Increased Limit Factors

c. Increased Limit – Coverage F

To increase the limit of liability from \$1,000 to \$2,000, add \$3.00.

**RULE 3.
HOMEOWNERS ENHANCEMENT PROGRAM**

The following rules are in addition to, modify or replace the rules in the standard Homeowners manual and apply only to the Homeowners Enhancement Program.

For rules not accommodated below, refer to the standard Homeowners manual.

A. Introduction

The North Carolina Homeowners Enhancement Program provides enhanced property and liability coverages using the form and endorsements specified in **C.** below.

B. Eligibility

Each Company shall determine which changes, if any, to Eligibility Rule **104.** in the standard Homeowners manual are necessary to accommodate the class of risk eligible for an enhancement policy.

C. Available Form and Endorsements

1. Enhancement Coverage Form HE 00 07

Attach this form to all enhancement policies.

This form is based on the latest edition of Homeowners Comprehensive Form **HO 00 05** of the Insurance Services Office, Inc. The enhancements made to Form **HO 00 05** are described in Rule **F.**

2. Expanded Enhancement Coverage Endorsements HE 32 20

This endorsement adds more enhancements to the policy. The coverage enhancements are outlined in **F.** below.

3. Extended Enhancement Coverage Endorsements HE 32 21

This endorsement includes the enhancements in **HE 32 20** plus other enhancements. The extended enhancements are also outlined in **F.** below.

4. Optional Coverages

The endorsements noted below add to or modify the enhancements in the form or endorsements noted above. Refer to Rule **G.** for coverage details.

HE 32 22	Specified Additional Amount Of Insurance For Coverage A
HE 32 30	Debris Removal–Broadened Tree Removal Coverage
HE 32 40	Blanket Property Limit Coverage
HE 32 45	Property Coverage Enhancement

Table 3. C.4. Other Coverage Endorsements

D. Deductibles

The Homeowners Enhancement policy is subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule **505.** in the standard Homeowners manual

This Section I All Perils Deductible is waived when a covered loss exceeds \$50,000 for all covered perils except Windstorm or Hail.

1. \$2501,000 Deductible

This amount is the base deductible for an enhancement policy and The minimum amount available is \$250 for an enhancement policy.

2. Higher-Optional Deductibles

The higher-optional deductible options amounts in the standard Homeowners manual are available for an enhancement policy, subject to the minimum deductible amount of \$250.

E. Limits Of Liability And Coverage Relationships

The limits of liability required for an enhancement policy are as follows:

1. Section I – Property Damage

a. Coverage A – Dwelling

Refer to Company.

- b. Coverage B – Other Structures**
- Coverage C – Personal Property**
- Coverage D – Loss Of Use**

Number Of Families	Percent Of Coverage A Limit		
	Cov. B	Cov. C	Cov. D
1 or 2	10%	70%	20%
3	5%	50%	20%
4	5%	45%	20%

Table 3. E.1.b. Cov. B & C Limit Of Liability

2. Section II – Liability

a. Coverage E – Personal Liability

\$100,000 Each Occurrence

b. Coverage F – Medical Payments

\$1,000 Each Person

3. Optional Higher Limits

a. Coverages C, D, E and F

The limit of liability for these coverages may be increased.

b. Coverage B

An additional amount of insurance may be written on a specific structure.

**RULE 4.
BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

(2) Forms HO 00 04 And HO 00 06 – Additional Premium

(a) From the Key Factor and Key Premium tables used to develop the Blanket Property Limit Base Premium for Form **HO 00 04** or **HO 00 06**, multiply the Key Factor for "Each Add'l \$1,000 Of Insurance" by the Key Premium.

The result is the premium per \$1,000 of insurance.

(b) Multiply the amount of increase by the premium per \$1,000 of insurance developed in (a) above.

b. Building Additions and Alterations Increased Limit - Form HO 00 04 Only

The limit of liability of 8.5% may be increased.

To develop the additional premium, follow the instructions in 2.a.(2) above.

c. Special Coverage - Coverage A Form HO 00 06 Only

Multiply the amount of increase by the following premium per \$1,000 of insurance: **\$7.00**

G. Windstorm Or Hail Percentage Deductibles - Forms HO 00 03 And HO 00 05 Only

In Territories ~~07, 08, 48, 49 and 52~~110, 120, 130, 140, 150 and 160, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

1. Property NOT Located in Area Serviced by the NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

2. Property IS located in Area Serviced by the NCIUA

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories ~~07, 08, 48, 49 and 52~~110, 120, 130, 140, 150 and 160 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in: Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium. Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

3. Windstorm or Hail Percentage Deductible Rating Factor Tables

0.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.0533	1.0432	1.0432	1.0432
	250	.961.22	.961.22	.961.22	.961.22
	500	.891.13	.891.13	.891.13	.931.18
	1,000	–	–	.7899	.881.11
	2,500	–	–	–	.7494

Table 4.G.3.#1 0.5% Windstorm or Hail Deductible

1% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.0229	1.0229	1.0229	1.0229
	250	.931.18	.931.18	.941.19	.951.20
	500	.861.09	.861.09	.871.10	.911.15
	1,000	.7696	.7696	.7696	.851.08
	2,500	–	–	.6976	.7291

Table 4.G.3.#2 1% Windstorm or Hail Deductible

**RULE 4.
BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

2.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	<u>.971.2</u> <u>3</u>	<u>.971.23</u>	<u>.991.25</u>	<u>1.0027</u>
	250	<u>.891.1</u> <u>3</u>	<u>.891.13</u>	<u>.941.15</u>	<u>.931.18</u>
	500	<u>.821.0</u> <u>4</u>	<u>.821.04</u>	<u>.841.06</u>	<u>.891.13</u>
	1,000	<u>.7291</u>	<u>.7291</u>	<u>.7392</u>	<u>.831.05</u>
	2,500	<u>.5975</u>	<u>.5975</u>	<u>.5975</u>	<u>.7089</u>

Table 4.G.3.#3 2.5% Windstorm or Hail Deductible

H. Windstorm Or Hail Higher Fixed-Dollar Deductibles - Forms HO 00 03 and HO 00 05 Only

In Territories 07, 08, 48, 49 and 52110, 120, 130, 140, 150 and 160, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

1. Property NOT Located in Area Serviced by the NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

2. Property IS located in Area Serviced by the NCIUA

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 07, 08, 48, 49 and 52110, 120, 130, 140, 150 and 160 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

3. Windstorm or Hail Higher Fixed Dollar Deductible Rating Factor Tables

\$1,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	<u>1.0229</u>	<u>1.0330</u>	<u>1.0533</u>	<u>1.0634</u>
	250	<u>.951.20</u>	<u>.951.20</u>	<u>.971.23</u>	<u>.981.24</u>
	500	<u>.881.11</u>	<u>.881.11</u>	<u>.901.14</u>	<u>.951.20</u>
	1,000	-	-	-	-
	2,500	-	-	-	-

Table 4.H.3.#1 \$1,000 Windstorm or Hail Deductible

\$2,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	<u>.981.24</u>	<u>1.0027</u>	<u>1.0330</u>	<u>1.0432</u>
	250	<u>.941.15</u>	<u>.921.16</u>	<u>.951.20</u>	<u>.961.22</u>
	500	<u>.851.08</u>	<u>.851.08</u>	<u>.881.11</u>	<u>.931.18</u>
	1,000	<u>.7595</u>	<u>.7595</u>	<u>.7797</u>	<u>.881.11</u>
	1,500	<u>.7089</u>	<u>.7089</u>	<u>.7291</u>	<u>.841.06</u>

Table 4.H.3.#2 \$2,000 Windstorm or Hail Deductible

\$5,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	<u>.961.22</u>	<u>.971.23</u>	<u>1.0428</u>	<u>1.0229</u>
	250	<u>.881.11</u>	<u>.891.13</u>	<u>.921.16</u>	<u>.941.19</u>
	500	<u>.821.04</u>	<u>.821.04</u>	<u>.851.08</u>	<u>.911.15</u>
	1,000	<u>.7291</u>	<u>.7291</u>	<u>.7595</u>	<u>.861.09</u>
	1,500	<u>.6785</u>	<u>.6785</u>	<u>.7089</u>	<u>.821.04</u>
2,500	<u>.5873</u>	<u>.5975</u>	<u>.6076</u>	<u>.7494</u>	

Table 4.H.3.#3 \$5,000 Windstorm or Hail Deductible

**RULE 2.
HISTORIC HOME PROGRAM (Cont'd)**

F. Deductibles

The Historic Home policy is subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule 505. in the standard Homeowners manual.

1. \$1,000 Deductible

This amount is the base deductible for a historic home policy. The minimum amount available is \$250.

2. Optional Deductibles

Higher and lower deductible amounts are optionally available. See Rule H.1.b. below for the amounts and rating instructions.

G. Optional Coverages

1. Other Structures On The Residence Premises (Section I – Property Coverages)

a. Other Structures on the residence premises may be insured under a historic home policy. Separately identify each structure insured in the endorsement noted in b. below.

b. Use Historic Home Other Structures Endorsement **HH 32 11**.

2. Public Viewing Of Residence Premises (Section II – Liability)

a. The Coverages E and F exclusion pertaining to loss arising out of the public viewing of the residence premises may be deleted for an additional premium.

Public viewing means the charging of admission fees for viewing all or part of the home during regularly scheduled viewing hours announced to the public.

b. Use Historic Home Special Endorsement **HH 32 03**.

H. Premiums

1. Base Premium Computation

a. Base Deductible

(1) In accordance with Rule 301. Base Premium Computation in the standard Homeowners manual, develop the Base Premium for Form **HO 00 03** for the Coverage A – Dwelling limit that contemplates 80% of the dwelling's replacement cost.

(2) Multiply the premium developed in (1) above by the factor for the **Full Reproduction Cost** percentage amount desired:

Percentage Of Full Reproduction Cost Amount	80%	70%	60%	50%
Historic Home Rating Factor	.90	.88	.86	.84

Table 2. H.1.a. Historic Home Factors

b. Optional Deductibles

Multiply the Base Premium developed in a. above by the factor for the deductible amount desired.

Coverage A Limit	Deductible Amount			
	\$250	\$500	\$1,000	\$2,500
Up to \$59,999	1.14	1.03	.94	.85
\$ 60,000 to \$ 99,999	1.14	1.06	.97	.85
100,000 to 200,000	1.14	1.08	1.00	.85
200,000 to 250,000*	1.14	1.08	1.00	.97

*Refer to Co. for credits for higher limits.

Table 2. H.1.b. Optional Deductible Factors

2. Scheduled Building Features (Coverage A – Dwelling)

a. Develop the rate per \$1,000 of insurance as follows:

(1) Select the Key Premium used to compute the Base Premium;

(2) Develop the Key Factor as follows:
.115 x .10 x the rating factor from 1.a. above; and

(3) Multiply the result computed in (2) above by the Key Premium determined in (1) above.

b. Multiply the rate per \$1,000 computed in a. (3) above by the total amount of insurance for all building features that are scheduled.

3. Coverage B – Other Structures

Rate per \$1,000 - **\$2.00**

4. Waiver Of Public Viewing Exclusion (Section II – Liability)

a. Coverages E (\$100,000) And F (\$1,000)

Tours Per Year	Premium
Less Than 4	\$12
4 to 10	17
11 or more	32

Table 2.H.4.a. Public Viewing Basic Limits Premium

b. Increased Limit – Coverage E

Multiply the premium selected in a. above by the factor for the desired limit of liability:

Limit Of Liability	Factor
\$200,000	1.14
300,000	1.26

Table 2.H.4.b. Public Viewing Increased Limit Factors

c. Increased Limit – Coverage F

To increase the limit of liability from \$1,000 to \$2,000, add **\$3.00**.

**RULE 3.
HOMEOWNERS ENHANCEMENT PROGRAM**

The following rules are in addition to, modify or replace the rules in the standard Homeowners manual and apply only to the Homeowners Enhancement Program.

For rules not accommodated below, refer to the standard Homeowners manual.

A. Introduction

The North Carolina Homeowners Enhancement Program provides enhanced property and liability coverages using the form and endorsements specified in **C.** below.

B. Eligibility

Each Company shall determine which changes, if any, to Eligibility Rule **104.** in the standard Homeowners manual are necessary to accommodate the class of risk eligible for an enhancement policy.

C. Available Form and Endorsements

1. Enhancement Coverage Form HE 00 07

Attach this form to all enhancement policies.

This form is based on the latest edition of Homeowners Comprehensive Form **HO 00 05** of the Insurance Services Office, Inc. The enhancements made to Form **HO 00 05** are described in Rule **F.**

2. Expanded Enhancement Coverage Endorsements HE 32 20

This endorsement adds more enhancements to the policy. The coverage enhancements are outlined in **F.** below.

3. Extended Enhancement Coverage Endorsements HE 32 21

This endorsement includes the enhancements in **HE 32 20** plus other enhancements. The extended enhancements are also outlined in **F.** below.

4. Optional Coverages

The endorsements noted below add to or modify the enhancements in the form or endorsements noted above. Refer to Rule **G.** for coverage details.

HE 32 22	Specified Additional Amount Of Insurance For Coverage A
HE 32 30	Debris Removal–Broadened Tree Removal Coverage
HE 32 40	Blanket Property Limit Coverage
HE 32 45	Property Coverage Enhancement

Table 3. C.4. Other Coverage Endorsements

D. Deductibles

The Homeowners Enhancement policy is subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule **505.** in the standard Homeowners manual

This Section I All Perils Deductible is waived when a covered loss exceeds \$50,000 for all covered perils except Windstorm or Hail.

1. \$1,000 Deductible

This amount is the base deductible for an enhancement policy. The minimum amount available is \$250.

2. Optional Deductibles

The optional deductible amounts in the standard Homeowners manual are available for an enhancement policy, subject to the minimum deductible amount of \$250.

E. Limits Of Liability And Coverage Relationships

The limits of liability required for an enhancement policy are as follows:

1. Section I – Property Damage

a. Coverage A – Dwelling

Refer to Company.

- b. Coverage B – Other Structures**
- Coverage C – Personal Property**
- Coverage D – Loss Of Use**

Number Of Families	Percent Of Coverage A Limit		
	Cov. B	Cov. C	Cov. D
1 or 2	10%	70%	20%
3	5%	50%	20%
4	5%	45%	20%

Table 3. E.1.b. Cov. B & C Limit Of Liability

2. Section II – Liability

a. Coverage E – Personal Liability

\$100,000 Each Occurrence

b. Coverage F – Medical Payments

\$1,000 Each Person

3. Optional Higher Limits

a. Coverages C, D, E and F

The limit of liability for these coverages may be increased.

b. Coverage B

An additional amount of insurance may be written on a specific structure.

**RULE 4.
BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

(2) Forms HO 00 04 And HO 00 06 – Additional Premium

(a) From the Key Factor and Key Premium tables used to develop the Blanket Property Limit Base Premium for Form **HO 00 04** or **HO 00 06**, multiply the Key Factor for "Each Add'l \$1,000 Of Insurance" by the Key Premium.

The result is the premium per \$1,000 of insurance.

(b) Multiply the amount of increase by the premium per \$1,000 of insurance developed in (a) above.

b. Building Additions and Alterations Increased Limit - Form HO 00 04 Only

The limit of liability of 8.5% may be increased.

To develop the additional premium, follow the instructions in 2.a.(2) above.

c. Special Coverage - Coverage A Form HO 00 06 Only

Multiply the amount of increase by the following premium per \$1,000 of insurance: **\$7.00**

G. Windstorm Or Hail Percentage Deductibles - Forms HO 00 03 And HO 00 05 Only

In Territories 110, 120, 130, 140, 150 and 160, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

1. Property NOT Located in Area Serviced by the NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

2. Property IS located in Area Serviced by the NCIUA

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 and 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in: Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium. Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

3. Windstorm or Hail Percentage Deductible Rating Factor Tables

0.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.33	1.32	1.32	1.32
	250	1.22	1.22	1.22	1.22
	500	1.13	1.13	1.13	1.18
	1,000	–	–	.99	1.11
	2,500	–	–	–	.94

Table 4.G.3.#1 0.5% Windstorm or Hail Deductible

1% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.29	1.29	1.29	1.29
	250	1.18	1.18	1.19	1.20
	500	1.09	1.09	1.10	1.15
	1,000	.96	.96	.96	1.08
	2,500	–	–	.76	.91

Table 4.G.3.#2 1% Windstorm or Hail Deductible

**RULE 4.
BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

2.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.23	1.23	1.25	1.27
	250	1.13	1.13	1.15	1.18
	500	1.04	1.04	1.06	1.13
	1,000	.91	.91	.92	1.05
	2,500	.75	.75	.75	.89

Table 4.G.3.#3 2.5% Windstorm or Hail Deductible

H. Windstorm Or Hail Higher Fixed-Dollar Deductibles - Forms HO 00 03 and HO 00 05 Only

In Territories 110, 120, 130, 140, 150 and 160, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

1. Property NOT Located in Area Serviced by the NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

2. Property IS located in Area Serviced by the NCIUA

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 and 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

- Step 5. Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

3. Windstorm or Hail Higher Fixed Dollar Deductible Rating Factor Tables

\$1,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.29	1.30	1.33	1.34
	250	1.20	1.20	1.23	1.24
	500	1.11	1.11	1.14	1.20
	1,000	-	-	-	-
	2,500	-	-	-	-

Table 4.H.3.#1 \$1,000 Windstorm or Hail Deductible

\$2,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.24	1.27	1.30	1.32
	250	1.15	1.16	1.20	1.22
	500	1.08	1.08	1.11	1.18
	1,000	.95	.95	.97	1.11
	1,500	.89	.89	.91	1.06

Table 4.H.3.#2 \$2,000 Windstorm or Hail Deductible

\$5,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
Factors					
All Other Perils Ded. Amt.	\$ 100	1.22	1.23	1.28	1.29
	250	1.11	1.13	1.16	1.19
	500	1.04	1.04	1.08	1.15
	1,000	.91	.91	.95	1.09
	2,500	.73	.75	.76	.94

Table 4.H.3.#3 \$5,000 Windstorm or Hail Deductible

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

**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
Frame Construction						
HS 00 03	\$1826 4382	\$2506 4674	\$1223 945	\$1629 4415	\$1015 668	\$1073 726
HS 00 04	93	108407	5253	6567	3438	44
HS 00 06	6167	8889	4148	4555	2534	2735
Masonry Construction						
HS 00 03	\$1655 4247	\$2272 4549	\$1156 854	\$1465 4007	\$916 607	\$978 664
HS 00 04	8584	9997	49	6162	3235	4244
HS 00 06	5662	7984	3843	4254	2429	2532

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

Key Factor Table

Cov. A Amt. (In 000)	Factor	
**\$ 10	.258-464	
50	.453-816	
75	.5564-000	
100	.6441-160	
150	.8224-480	
200	1.0004-800	
300	1.3392-440	
500	1.9723-550	
750	2.7644-975	
1000	3.5566-400	
1500	5.1119-200	
2000	6.6674-2.000	
3000	9.7784-7.600	
4000	12.8892-3.200	
5000	16.0002-8.800	
Each Add'l \$1,000	0.003-005	
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

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

NORTH CAROLINA

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

~~\$250 Deductible.~~

A Base Deductible of \$1,000 applies to all forms except HS 00 04 and HS 00 06.

A Base Deductible of \$500 applies to forms

HS 00 04 and HS 00 06.

B. Optional ~~Higher Windstorm Or Hail~~ Deductibles – All Forms Except HS 00 04 And HS 00 06

The following deductible options may be used:

1. Percentage Deductibles

a. Deductible Amounts

The option provides for ~~higher~~ percentage deductibles of 1%, 2%, and 5% of the Coverage A limit of liability.

b. Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 32 12.**

c. Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail. For example:

(i) Deductible – Windstorm or Hail 1% of Coverage A limit.

(ii) Deductible – Windstorm or Hail 2% of Coverage A limit.

d. Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

2. Higher-Fixed-dollar Deductibles

a. Deductible Amounts

This option provides for fixed-dollar deductible amounts of \$250, \$500, \$1,000, \$2,000 and \$5,000.

b. Endorsement

An endorsement is not required.

c. Declarations Instruction

Separately enter, on the policy Declarations, the deductible amount that applies. For example: \$1,000 for Windstorm or Hail.

d. Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Fixed-dollar Windstorm Or Hail Deductible				
Deductible Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 250	1.27	1.27	1.27	1.27
500	.971.15	.971.15	.981.16	.991.22
1,000	.951.00	.951.00	.971.00	.981.13
2,000	.945	.925	.957	.961.11
5,000	.8891	.8991	.925	.941.09

Table 406.B.2.d. Fixed-dollar Deductible

Percentage Windstorm Or Hail Deductible				
Deductible Percent Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
1%	.969	.969	.969	.961.11
2%	.936	.936	.946	.951.08
5%	.8991	.8991	.942	.931.05

Table 406.B.1.d. Percentage Deductible

NORTH CAROLINA

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

**RULE 406.
DEDUCTIBLES (Cont'd)**

C. Named Storm Percentage Deductible

1. Deductible Amounts

The Named Storm Percentage Deductible option may be used, when an Optional Higher Windstorm Or Hail Deductible is not selected.

A percentage amount of 1%, 2% or 5% of the Coverage A or C limit of liability, whichever is greater, is available.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Named Storm Deductible Percentage	HS 00 02, HS 00 03 And HS 00 08	HS 00 04	HS 00 06
1%	.971.13	.961.01	.951.01
2%	.961.09	.951.00	.941.00
5%	.941.06	.949	.939

Table 406.C.4. Named Storm Percentage Deductible

**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HS 00 02 And HS 00 03**

The title of Rule 407. Additional Amounts Of Insurance – Forms **HO 00 02** And **HO 00 03**, is replaced by the preceding title.

A. Introduction

The policy provides loss settlement for buildings insured under Coverage A or B on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage A only or for Coverages A, B, C, and D when loss, to property insured under Coverage A – Dwelling, exceeds the limit of liability shown in the policy Declarations.

C. Specified Additional Amount Of Insurance For Coverage A Only

When the following option is selected, the Coverage A limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage A at policy inception or at the time the endorsement is added to the policy:

1. An additional amount of insurance equal to 25% or 50% of the Coverage A limit of liability may be selected. This additional amount is available when loss to property insured under Coverage A – Dwelling exceeds the Coverage A limit of liability shown in the Declarations.
2. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.2. Additional Amounts Of Insurance Factors

3. Use specified additional amount Of Insurance For Coverage A Endorsement **HO 32 20**.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING –
ALL FORMS EXCEPT HS 00 04**

The title of Rule 408. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except **HO 00 04**, is replaced by the preceding title.

Paragraph **D. Endorsement** is replaced by the following:

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HS 00 04**) Endorsement **HS 04 93**.

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

**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.

Key Factor Table

Cov. A Amt. (In 000)	Factor
**\$ 10	.258
50	.453
75	.556
100	.644
150	.822
200	1.000
300	1.339
500	1.972
750	2.764
1000	3.556
1500	5.111
2000	6.667
3000	9.778
4000	12.889
5000	16.000
Each Add'l \$1,000	0.003

	Territory					
	110	120	130	140	150	160
Frame Construction						
HS 00 03	\$1826	\$2506	\$1223	\$1629	\$1015	\$1073
HS 00 04	93	108	52	65	34	44
HS 00 06	61	88	41	45	25	27
Masonry Construction						
HS 00 03	\$1655	\$2272	\$1156	\$1465	\$916	\$978
HS 00 04	85	99	49	61	32	42
HS 00 06	56	79	38	42	24	25

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

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

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

NORTH CAROLINA

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

A Base Deductible of \$1,000 applies to all forms except **HS 00 04** and **HS 00 06**.

A Base Deductible of \$500 applies to forms **HS 00 04** and **HS 00 06**.

B. Optional Windstorm Or Hail Deductibles – All Forms Except HS 00 04 And HS 00 06

The following deductible options may be used:

1. Percentage Deductibles

a. Deductible Amounts

The option provides for percentage deductibles of 1%, 2%, and 5% of the Coverage A limit of liability.

b. Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 32 12**.

c. Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail. For example:

- (i) Deductible – Windstorm or Hail 1% of Coverage A limit.
- (ii) Deductible – Windstorm or Hail 2% of Coverage A limit.

d. Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Percentage Windstorm Or Hail Deductible				
Deductible Percent Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
1%	.99	.99	.99	1.11
2%	.96	.96	.96	1.08
5%	.91	.91	.92	1.05

Table 406.B.1.d. Percentage Deductible

2. Fixed-dollar Deductibles

a. Deductible Amounts

This option provides for fixed-dollar deductible amounts of \$250, \$500, \$1,000, \$2,000 and \$5,000.

b. Endorsement

An endorsement is not required.

c. Declarations Instruction

Separately enter, on the policy Declarations, the deductible amount that applies. For example: \$1,000 for Windstorm or Hail.

d. Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Fixed-dollar Windstorm Or Hail Deductible				
Deductible Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 250	1.27	1.27	1.27	1.27
500	1.15	1.15	1.16	1.22
1,000	1.00	1.00	1.00	1.13
2,000	.95	.95	.97	1.11
5,000	.91	.91	.95	1.09

Table 406.B.2.d. Fixed-dollar Deductible

NORTH CAROLINA

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

**RULE 406.
DEDUCTIBLES (Cont'd)**

C. Named Storm Percentage Deductible

1. Deductible Amounts

The Named Storm Percentage Deductible option may be used, when an Optional Windstorm Or Hail Deductible is not selected.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Named Storm Deductible Percentage	HS 00 02, HS 00 03 And HS 00 08	HS 00 04	HS 00 06
1%	1.13	1.01	1.01
2%	1.09	1.00	1.00
5%	1.06	.99	.99

Table 406.C.4. Named Storm Percentage Deductible

**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HS 00 02 And HS 00 03**

The title of Rule **407**. Additional Amounts Of Insurance – Forms **HO 00 02** And **HO 00 03**, is replaced by the preceding title.

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverages **A**, **B**, **C**, and **D** when loss, to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy Declarations.

C. Specified Additional Amount Of Insurance For Coverage A Only

When the following option is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. An additional amount of insurance equal to 25% or 50% of the Coverage A limit of liability may be selected. This additional amount is available when loss to property insured under Coverage A – Dwelling exceeds the Coverage A limit of liability shown in the Declarations.
2. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.2. Additional Amounts Of Insurance Factors

3. Use specified additional amount Of Insurance For Coverage **A** Endorsement **HO 32 20**.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING –
ALL FORMS EXCEPT HS 00 04**

The title of Rule **408**. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except **HO 00 04**, is replaced by the preceding title.

Paragraph **D. Endorsement** is replaced by the following:

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HS 00 04**) Endorsement **HS 04 93**.