



August 7, 2003

CIRCULAR LETTER TO ALL MEMBER COMPANIES
VIA E-MAIL

Re: Revised Dwelling Fire and Extended Coverage
Insurance Rates - North Carolina

The Rate Bureau filed with the Commissioner of Insurance proposed revised premium rates for dwelling fire and extended coverage insurance subject to the Rate Bureau's jurisdiction. The Rate Bureau's filing proposed (1) statewide average rate level changes of 12.9% for fire insurance and 66.1% for extended coverage insurance; (2) rate levels varying by territory within the state according to the loss experience within the territory; and (3) revised windstorm or hail exclusion credits.

The Commissioner of Insurance and the Rate Bureau have entered a Consent Order which provides for the approval of the filing subject to the following modifications: (1) an overall rate level increase for combined fire insurance and extended coverage insurance of 13.6%; (2) rate levels varying by territory revised to balance to the approved overall rate level increases; and (3) windstorm or hail exclusion credits revised in accordance with the approved territory rate levels.

In addition, by Circular Letter To All Member Companies [P-03-14](#) dated June 19, 2003, the Rate Bureau announced approval of territory changes to become effective concurrently with the implementation of the next dwelling rate level change. With the Commissioner of Insurance and the Rate Bureau entering into a Consent Order regarding the rates, the territory changes previously announced will become effective simultaneously. In that regard, please find attached a copy of the Dwelling Manual Page DP-T-1.

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 effective on or after November 15, 2003.

Since these revised rates have been established by Consent Order and have been approved by the Commissioner of Insurance, no

portion of the premiums on policies to which this Consent Order applies is required to be escrowed. The enclosed exhibits set forth (1) the rate level changes by territory; and (2) new windstorm or hail exclusion credits. These exhibits are intended for your advance information to enable you to make preparations to implement the approved revisions. Reprinted dwelling 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 directed to G.S. 58-36-30(a) which provides in part as follows:

"No insurer, officer, agent or representative thereof shall knowingly issue or deliver or knowingly permit the issuance or delivery of any policy of insurance in this state which does not conform to the rates, rating plans, classifications, schedules, rules and standards made and filed by the Bureau. However, an insurer may deviate from the rates promulgated by the Bureau provided the insurer has filed a deviation to be applied both with the Bureau and the Commissioner, and provided said deviation is uniform in its application to all risks in this state of the class to which such deviation is to apply; and provided such deviation is approved by the Commissioner..."

G.S. 58-36-45 provides in part as follows:

"Whenever an insurer changes the coverage other than at the request of the insured or changes the premium rates, 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..."

It is our opinion that receipt by an insured and agent, at least 15 days in advance of the effective date of a renewal policy, renewal certificate, billing or endorsement showing revised rates, together with a notice such as referred to below, complies with this statutory requirement. A notice should accompany such renewal policies, certificates, endorsements or billings as they become subject to the revised rates which notice may, in our opinion, be in a form at company option (printed notice, stamp notice, stick-on label, etc.), and the suggested language is as follows:

NOTICE OF RATE CHANGE - NORTH CAROLINA

The premium for this policy reflect changes in rates applicable to North Carolina placed into effect under the provisions of Article 36, Chapter 58 of the North Carolina General Statutes.

It is important that each Company establish procedures that will insure continued compliance with the above cited 15 day advance notice requirement.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp

Enclosures

P-03-17

North Carolina
Fire Key Premiums

Territory 5
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	14	7
	F	22	9
5-6	M	18	9
	F	24	10
7	M	20	10
	F	26	11
8	M	22	10
	F	30	13
9, 9e, 9s	M	44	18
	F	59	22
10	M	72	25
	F	89	30

Territory 6
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	15	7
	F	24	10
5-6	M	18	9
	F	26	10
7	M	22	10
	F	29	11
8	M	25	10
	F	33	13
9, 9e, 9s	M	47	18
	F	64	22
10	M	78	26
	F	95	31

Territory 32
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	30	16
	F	48	19
5-6	M	38	18
	F	53	22
7	M	44	20
	F	60	23
8	M	50	22
	F	68	28
9, 9e, 9s	M	97	36
	F	132	46
10	M	160	53
	F	196	64

North Carolina
Fire Key Premiums

Territory 34
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	29	14
	F	46	18
5-6	M	37	17
	F	50	20
7	M	42	19
	F	56	22
8	M	47	20
	F	65	26
9, 9e, 9s	M	92	35
	F	125	43
10	M	151	50
	F	185	61

Territory 36
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	30	14
	F	48	18
5-6	M	38	18
	F	52	20
7	M	43	19
	F	59	23
8	M	49	20
	F	67	26
9, 9e, 9s	M	95	35
	F	130	44
10	M	156	50
	F	192	61

Territory 38
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	29	13
	F	44	17
5-6	M	36	16
	F	49	18
7	M	41	18
	F	55	20
8	M	47	18
	F	62	24
9, 9e, 9s	M	90	31
	F	122	40
10	M	148	46
	F	181	55

North Carolina
Fire Key Premiums

Territory 39
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	25	14
	F	40	17
5-6	M	32	16
	F	43	18
7	M	36	17
	F	50	21
8	M	41	18
	F	56	24
9, 9e, 9s	M	81	32
	F	109	40
10	M	132	46
	F	161	56

Territory 41
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	31	16
	F	49	20
5-6	M	40	19
	F	53	22
7	M	44	20
	F	60	24
8	M	50	22
	F	68	29
9, 9e, 9s	M	98	37
	F	133	47
10	M	161	54
	F	197	66

Territory 42
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	22	13
	F	36	15
5-6	M	28	15
	F	39	17
7	M	33	16
	F	44	19
8	M	37	17
	F	51	22
9, 9e, 9s	M	72	29
	F	97	37
10	M	117	43
	F	144	51

North Carolina
Fire Key Premiums

Territory 43
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	22	12
	F	37	15
5-6	M	29	15
	F	39	17
7	M	34	16
	F	45	19
8	M	37	17
	F	52	22
9, 9e, 9s	M	73	29
	F	99	36
10	M	120	42
	F	147	51

Territory 44
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	23	12
	F	36	15
5-6	M	30	14
	F	40	17
7	M	33	17
	F	44	19
8	M	38	17
	F	51	22
9, 9e, 9s	M	73	30
	F	99	37
10	M	120	42
	F	147	51

Territory 45
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	28	14
	F	44	18
5-6	M	36	17
	F	48	20
7	M	41	19
	F	55	22
8	M	46	20
	F	62	25
9, 9e, 9s	M	90	34
	F	121	43
10	M	146	49
	F	180	60

North Carolina
Fire Key Premiums

Territory 46
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	28	14
	F	44	18
5-6	M	36	17
	F	48	20
7	M	41	19
	F	55	22
8	M	46	20
	F	62	25
9, 9e, 9s	M	90	34
	F	121	43
10	M	146	49
	F	180	60

Territory 47
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	28	14
	F	44	18
5-6	M	36	17
	F	48	20
7	M	41	19
	F	55	22
8	M	46	20
	F	62	25
9, 9e, 9s	M	90	34
	F	121	43
10	M	146	49
	F	180	60

Territory 53
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	24	13
	F	37	15
5-6	M	30	15
	F	41	17
7	M	34	16
	F	45	18
8	M	39	17
	F	52	22
9, 9e, 9s	M	75	29
	F	100	36
10	M	122	42
	F	150	51

North Carolina
Fire Key Premiums

Territory 57
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	28	14
	F	44	18
5-6	M	35	17
	F	48	19
7	M	41	19
	F	54	22
8	M	46	19
	F	62	25
9, 9e, 9s	M	89	34
	F	121	42
10	M	145	49
	F	178	59

Territory 60
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	22	11
	F	35	15
5-6	M	28	13
	F	38	16
7	M	31	16
	F	42	18
8	M	36	16
	F	49	21
9, 9e, 9s	M	69	28
	F	94	35
10	M	114	40
	F	140	48

NORTH CAROLINA
EXTENDED COVERAGE KEY PREMIUMS

Key Premiums *

Terr.	Coverage A			Coverage C		
	Forms DP 00			Forms DP 00		
	01	02	03	01	02	03
05, 06	137	145	226	23	25	49
32	24	30	40	2	3	4
34	28	35	46	2	3	4
36	16	23	26	1	2	2
38	14	20	23	1	2	2
39	16	23	26	1	2	2
41	36	45	59	5	7	11
42, 43	80	89	132	13	15	28
44	22	31	36	2	3	4
45	34	42	56	4	5	9
46	28	35	46	3	4	6
47	32	40	53	3	4	6
53	25	31	41	2	3	4
57	21	29	35	2	3	4
60	20	28	33	2	3	4

*** Rating Notes**

- **DP 00 01**, Key Premiums are Non-Seasonal and Seasonal.
- **DP 00 02** and **DP 00 03**, Key Premiums are Non-Seasonal only and include the charge for E.C. and V.&M.M. perils. To develop the Seasonal BASE PREMIUM, multiply the following factors by the **DP 00 01** E.C. BASE PREMIUM:

	Territory 42,43		Territory 32,34,41,45-47,53	
	DP 00 02	DP 00 03	DP 00 02	DP 00 03
Cov. A	1.495	1.65	1.60	1.65
Cov. C	1.590	2.15	2.10	2.15
	Territory 36,38,39,44,60		Territory 05,06	
	DP 00 02	DP 00 03	DP 00 02	DP 00 03
Cov. A	1.60	1.65	1.263	1.65
Cov. C	2.10	2.15	1.300	2.15
	Territory 57			
	DP 00 02	DP 00 03		
Cov. A	1.60	1.65		
Cov. C	2.10	2.15		

Matter underlined is new, matter in [brackets] is deleted.

DWELLING POLICY PROGRAM MANUAL
RATE PAGES

NORTH CAROLINA (32)

**5.12 WINDSTORM OR HAIL COVERAGE –
MISCELLANEOUS PROPERTIES (Cont'd)**

		Territories		
	05 & 06	42 & 43	32, 34, 41, 45-47, 53	36, 38, 39, 44, 57, 60
8. Outdoor Equipment	\$ 4.80	\$ 2.40	\$ 2.12	\$ 2.03
C. Greenhouses or Hothouses				
Rates per \$1,000				
1. Structures including Glass, Flowers & Plants or	130.60	65.30	61.10	60.60
2. If insured separately:				
a. Structure	11.56	5.78	4.67	4.48
b. Glass	66.20	33.10	31.30	30.80
c. Flowers & Plants	87.80	43.90	40.60	40.10

ADDITIONAL RULE(S)

INSTALLMENT PAYMENT PLAN

C. Additional Charge Per Installment \$3.00

**UNPROTECTED DWELLINGS – PROTECTION CLASS
9, 9S OR 10**

D.1. Additional Rate Per \$1,000 of
Insurance.....\$1.50

**WINDSTORM OR HAIL EXCLUSION –
TERRITORIES 05, 06, 42 AND 43 ONLY**

Territories 05 and 06

B.2. Building Credit [\$86] 124
 Contents Credit..... [\$18] 20

Territories 42 and 43

B.2. Building Credit.....[\$54] 59
 Contents Credit..... [\$11] 10

**DWELLING POLICY PROGRAM MANUAL
TERRITORY PAGES**

NORTH CAROLINA (32)

1. TERRITORY DEFINITIONS – (For all Coverages and Perils Other than Earthquake).

A. Cities

City of	County of	Code
Charlotte	Mecklenburg	38
Durham	Durham	32
Greensboro	Guilford	36
Raleigh	Wake	32
Winston-Salem	Forsyth	36

B. Other Than Cities

County of	Code
Alamance	57 35
Alexander	60 40
Alleghany	60 40
Anson	44 40
Ashe	60 40
Avery	60 40
Beaufort	43
Bertie	45 35
Bladen	41
Brunswick	42
Buncombe	60 40
Burke	60 40
Cabarrus	60 40
Caldwell	60 40
Camden	43
Carteret	43
Caswell	46 35
Catawba	60 40
Chatham	53 35
Cherokee	60 40
Chowan	43
Clay	60 40
Cleveland	60 40
Columbus	41
Craven	43
Cumberland	34
Currituck	43
Dare	43
Davidson	57 37
Davie	60 40
Duplin	45 35
Durham	53 33
Edgecombe	47 35
Forsyth	57 37
Franklin	47 35
Gaston	39
Gates	45 35
Graham	60 40
Granville	46 35
Greene	45 35
Guilford	57 37
Halifax	47 35
Harnett	47 35

County of	Code
Haywood	60 40
Henderson	60 40
Hertford	45 35
Hoke	47 35
Hyde	43
Iredell	60 40
Jackson	60 40
Johnston	47 35
Jones	43
Lee	47 35
Lenoir	45 35
Lincoln	60 40
Macon	60 40
Madison	60 40
Martin	45 35
McDowell	60 40
Mecklenburg	39
Mitchell	60 40
Montgomery	44 40
Moore	47 35
Nash	47 35
New Hanover	42
Northampton	47 35
Onslow	42
Orange	53 33
Pamlico	43
Pasquotank	43
Pender	42
Perquimans	43
Person	46 35
Pitt	45 35
Polk	60 40
Randolph	57 37
Richmond	44 40
Robeson	41
Rockingham	60 40
Rowan	60 40
Rutherford	60 40
Sampson	45 35
Scotland	47 35
Stanly	60 40
Stokes	60 37
Surry	60 40
Swain	60 40
Transylvania	60 40
Tyrrell	43
Union	39
Vance	46 35
Wake	53 33
Warren	46 35
Washington	43
Watauga	60 40
Wayne	45 35
Wilkes	60 40
Wilson	47 35
Yadkin	57 37
Yancey	60 40

Beach Area – Localities south and east of the Inland Waterway from the South Carolina Line to Fort Macon (Beaufort Inlet), thence south and east of Core, Pamlico, Roanoke and Currituck Sounds to the Virginia Line, being those portions of land generally known as the "Outer Bank".

Beach Areas in Carteret, Currituck, Dare and Hyde counties: 05

Beach areas in Brunswick, New Hanover, Onslow and Pender counties: 06