

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER

IN THE MATTER OF THE FILING
DATED OCTOBER 1, 2012 BY THE
NORTH CAROLINA RATE BUREAU
FOR REVISED HOMEOWNERS
INSURANCE RATES.

DOCKET NO. 1656

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On October 1, 2012, the North Carolina Rate Bureau ("Rate Bureau") filed with the North Carolina Department of Insurance ("Department") a proposal for revised homeowners insurance rates (owners, tenants and condominiums) (the "2012 Rate Filing"). This 2012 Rate Filing was assigned Docket No. 1656 and proposes a statewide overall increase in homeowners insurance rates of 17.7%, with changes varying by form and territory.

The Rate Bureau and the Department have agreed to settle the 2012 Rate Filing. The proposed settlement would provide for an overall statewide rate increase of 7.0%, with changes varying by form and territory as set forth on Exhibit A.

It appearing to the Commissioner that the Rate Bureau and the Department have, after consultation with their respective legal, actuarial and economic advisors and subject to approval by the Commissioner and to the conditions hereinafter set forth, entered into a settlement of all matters and things in dispute in connection with the 2012 Rate Filing; and it further appearing to the Commissioner that a settlement under the circumstances set forth herein results in rates that are neither excessive, inadequate, unreasonable, or unfairly discriminatory, that such settlement is in the public interest, that such settlement is fair and reasonable and should be approved and that, to the extent that the current rates and/or the filed rates differ from the rates approved by this order, the current rates and/or the filed rates are either excessive, inadequate, unreasonable or unfairly discriminatory;

NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. The 2012 Rate Filing is approved subject to the modification set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all forms and territories, is 7.0%. The approved territory rate level changes by form are set forth on the attached Exhibit A. The approved windstorm or hail exclusion credits by form are set forth on the attached Exhibit A. The resulting approved territory base class premiums by form (after the effects of rounding to the nearest whole dollar) are set forth on the attached Exhibit B. Exhibits A and B are incorporated herein by reference.

3. The revised rates are to become effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after July 1, 2013.

4. The parties acknowledge that by entering into this Consent Order, neither is condoning, validating, accepting or agreeing to the other's theories, methodologies or calculations regarding or pertaining to profit, dividends and deviations, computer models, catastrophe loadings, territory profit load, territory risk load, and/or any other theory, methodology or calculation not specifically enumerated herein. The parties further acknowledge that by entering into this Consent Order neither is bound or limited in filing, reviewing or contesting any future rate filings in any line of insurance subject to the Bureau's jurisdiction by the theories, methodologies or calculations contained in the 2012 Rate Filing.

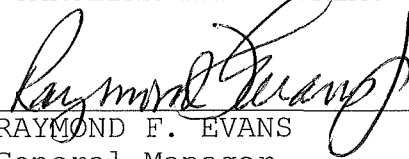
This 5th day of March, 2013.



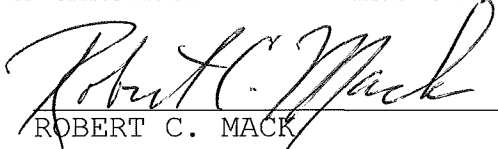
WAYNE GOODWIN
Commissioner of Insurance

WE CONSENT TO THE SIGNING AND ENTRY OF THIS ORDER:

NORTH CAROLINA RATE BUREAU

BY: 
RAYMOND F. EVANS
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY: 
ROBERT C. MACK
Deputy Commissioner, Property and Casualty

3216377

EXHIBIT A

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>
7	17.0%	1.9%	5.0%
8	19.8%	6.7%	11.9%
32	2.8%	11.9%	11.4%
34	8.5%	3.2%	6.1%
36	1.1%	22.2%	14.7%
38	8.4%	25.6%	23.5%
39	9.3%	24.2%	16.7%
41	9.7%	7.7%	15.6%
44	9.6%	8.7%	10.8%
45	7.4%	17.4%	19.5%
46	4.5%	9.5%	10.0%
47	6.8%	18.6%	13.5%
48	3.4%	7.0%	9.2%
49	1.0%	1.4%	2.6%
52	8.6%	6.3%	9.2%
53	2.7%	8.1%	7.1%
57	5.2%	22.2%	21.9%
60	7.7%	15.6%	21.4%
Statewide	6.8%	15.6%	15.6%
Combined Statewide Change for all Forms:			7.0%

Windstorm or Hail Exclusion Credits

	<u>Territory 07</u>	<u>Territory 08</u>	<u>Territory 48</u>	<u>Territory 49</u>	<u>Territory 52</u>
Forms 2, 3, 5, 7, 8	1357	1562	777	633	892
Form 4	48	49	40	38	48
Form 6	62	67	44	41	44

NORTH CAROLINA
 HOMEOWNERS INSURANCE
APPROVED BASE-CLASS PREMIUMS

<u>Territory</u>	<u>Form 3</u>	<u>Form 4</u>	<u>Form 6</u>
7	\$1,613	\$107	\$106
8	\$1,823	\$112	\$113
32	\$443	\$47	\$49
34	\$599	\$65	\$52
36	\$369	\$44	\$39
38	\$373	\$49	\$42
39	\$354	\$41	\$35
41	\$755	\$56	\$52
44	\$481	\$50	\$41
45	\$595	\$54	\$49
46	\$398	\$46	\$44
47	\$486	\$51	\$42
48	\$1,021	\$76	\$83
49	\$871	\$72	\$78
52	\$1,140	\$85	\$83
53	\$417	\$40	\$45
57	\$383	\$44	\$39
60	\$336	\$37	\$34

Approved base-class premiums for Forms 2, 5, 7 and 8 are determined by applying the approved form relativities to the Form 3 base-class premium.