

NORTH CAROLINA DEPARTMENT OF INSURANCE

RALEIGH, NORTH CAROLINA

IN THE MATTER OF THE FILING )  
DATED SEPTEMBER 16, 2019 BY THE ) Docket No. 1997  
NORTH CAROLINA RATE BUREAU )  
FOR FLOOD INSURANCE RATES )

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SETTLEMENT AGREEMENT  
AND CONSENT ORDER

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On September 16, 2019, which date was later amended by agreement to November 5, 2019, then to December 12, 2019, and then to January 10, 2020, the North Carolina Rate Bureau ("Rate Bureau") filed with the North Carolina Commissioner of Insurance ("Commissioner") a proposal for flood insurance rates (the "2019 Flood Filing"). This 2019 Flood Filing is part of a new private residential flood insurance program filed by the Rate Bureau for use in North Carolina and has been reviewed extensively by the North Carolina Department of Insurance ("Department").

The Rate Bureau and the Department have agreed to settle the 2019 Flood Filing. The proposed settlement would provide for revisions to certain of the filed minimum premium

amounts and loss cost multipliers and would approve all other filed rating factors and relativities.

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 2019 Flood 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;

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

1. The 2019 Flood Filing is approved subject to the modifications set forth in paragraph 2, below.
2. The approved minimum premium for "All Other One- to Four- Family" is \$175, and the approved loss cost multiplier (LCM) for Inland Flood (IF) is 3.600.
3. The approved minimum premiums, approved loss cost multipliers, and all other aspects of the approved rates and rating factors and relativities become effective in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after February 28, 2020.

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, 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 2019 Flood Filing.

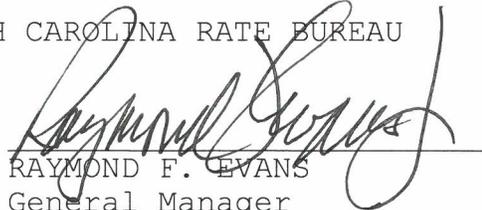
This 28<sup>th</sup> day of February, 2020.

  
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MIKE CAUSEY  
Commissioner of Insurance for the  
State of North Carolina

WE CONSENT TO THE SIGNING AND ENTRY OF THIS ORDER:

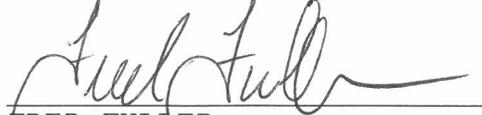
NORTH CAROLINA RATE BUREAU

BY:

  
\_\_\_\_\_  
RAYMOND F. EVANS  
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY:

  
\_\_\_\_\_  
FRED FULLER  
Deputy Commissioner, Property and Casualty

