

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER

IN THE MATTER OF THE FILING
DATED DECEMBER 31, 2014 BY THE
NORTH CAROLINA RATE BUREAU
FOR REVISED MOBILE HOME MH(C)
INSURANCE RATES.

DOCKET NO. 1763

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On December 31, 2014, the North Carolina Rate Bureau ("Rate Bureau") filed with the North Carolina Department of Insurance ("Department") a proposal for revised Mobile Home MH(C) insurance rates (owners and tenants) (the "2014 MH(C) Filing"). The 2014 MH(C) Filing proposed a statewide overall decrease in MH(C) insurance rates of -0.8% with changes varying by form and territory. It also proposed territory definition changes and revisions to the policy amount relativities. The 2014 MH(C) Filing was assigned Docket No. 1763.

The Rate Bureau and the Department have agreed to settle the 2014 MH(C) Filing. The proposed settlement would provide for an overall statewide rate decrease of -0.8%, with changes varying by form and territory as set forth on Exhibit A. The settlement would approve the territory definition changes and revisions to the policy amount 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 2014 MH(C) 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 2014 MH(C) Filing is approved subject to the modification set forth in paragraph 2, below.
2. The approved overall statewide rate level decrease, considering all forms and territories, is -0.8%. The approved territory rate level, relativity and territory definition changes are set forth on the attached Exhibit A. The resulting approved territory base class premiums (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 and other changes 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 October 1, 2015.

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 2014 MH(C) Filing.

This ^{22nd} day of April, 2015.

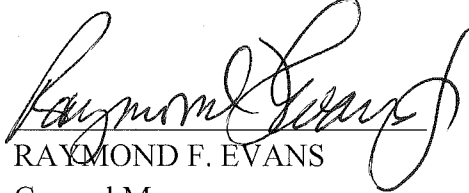
Joni O. Seb
on behalf of

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

NORTH CAROLINA
MOBILEHOMES INSURANCE - MH(C) PROGRAM

RATE LEVEL CHANGES

<u>Territory Group*</u>	<u>STRUCTURES</u>	<u>ADJACENT STRUCTURES</u>	<u>PERSONAL EFFECTS</u>	<u>LIABILITY</u>
1	34.2%	22.8%	19.7%	45.7%
2	5.3%	-11.5%	-13.7%	45.7%
3	-6.3%	-25.1%	-26.9%	45.7%
SW	3.1%	-14.0%	-16.1%	45.7%
		<u>ALL COVERAGES COMBINED</u>		
SW		-0.8%		

*Territory Group 1: Territory 5, 6, 42, 43

*Territory Group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

*Territory Group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA
MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

1.	TERRITORY GROUP* 1 SURCHARGE	TERRITORY GROUP* 3 DISCOUNT
	Mobilehome Adjacent Structure Personal Effects	71.1% 86.5% 87.8%
		-9.0% -15.4% -15.3%

2. TERRITORY GROUP* 2
COMPREHENSIVE MOBILEHOME COVERAGE;\$100 DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Primary Residence	Rental
\$ 0 - 3,999	\$176.44	\$302.25
4,000 - 4,999	188.58	323.05
5,000 - 5,999	200.35	343.20
6,000 - 6,999	212.49	364.00
7,000 - 7,999	224.25	384.15
8,000 - 8,999	236.39	404.95
9,000 - 9,999	248.16	425.10
10,000 - 10,999	259.92	445.25
11,000 - 11,999	272.06	466.05
12,000 - 12,999	283.83	486.20
13,000 - 13,999	295.97	507.00
14,000 - 14,999	307.73	527.15
15,000 - 15,999	319.87	547.95
16,000 - 16,999	331.64	568.10
17,000 - 17,999	343.78	588.90
18,000 - 18,999	355.54	609.05
19,000 - 19,999	367.68	629.85
20,000 - 20,999	379.45	650.00
21,000 - 21,999	391.21	670.15
22,000 - 22,999	403.35	690.95
23,000 - 23,999	415.11	711.10
24,000 - 24,999	427.26	731.90
25,000 - 25,999	439.02	752.05
26,000 - 26,999	451.16	772.85
27,000 - 27,999	462.92	793.00
28,000 - 28,999	475.07	813.80
29,000 - 29,999	486.83	833.95
30,000 - 30,999	498.97	854.75

If value is in excess of \$30,999 increase the premium by the following amount for each \$1,000 of excess or any part thereof:

11.93	20.44
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*Territory Group 1: Territory 5, 6, 42, 43
 *Territory Group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53
 *Territory Group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA
MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

3. TERRITORY GROUP* 2
NAMED PERILS MOBILEHOME COVERAGE; NO DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Primary Residence	Rental
\$ 0 - 3,999	\$157.26	\$283.07
4,000 - 4,999	168.09	302.55
5,000 - 5,999	178.57	321.42
6,000 - 6,999	189.39	340.90
7,000 - 7,999	199.88	359.77
8,000 - 8,999	210.70	379.26
9,000 - 9,999	221.19	398.13
10,000 - 10,999	231.67	417.00
11,000 - 11,999	242.49	436.48
12,000 - 12,999	252.98	455.35
13,000 - 13,999	263.80	474.83
14,000 - 14,999	274.28	493.70
15,000 - 15,999	285.11	513.18
16,000 - 16,999	295.59	532.05
17,000 - 17,999	306.41	551.53
18,000 - 18,999	316.90	570.40
19,000 - 19,999	327.72	589.88
20,000 - 20,999	338.20	608.76
21,000 - 21,999	348.69	627.63
22,000 - 22,999	359.51	647.11
23,000 - 23,999	369.99	665.98
24,000 - 24,999	380.82	685.46
25,000 - 25,999	391.30	704.33
26,000 - 26,999	402.12	723.81
27,000 - 27,999	412.61	742.68
28,000 - 28,999	423.43	762.16
29,000 - 29,999	433.92	781.03
30,000 - 30,999	444.74	800.51

If value is in excess of \$30,999 increase the premium by the following amount for each \$1,000 of excess or any part thereof:

10.64	19.15
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*Territory Group 1: Territory 5, 6, 42, 43

*Territory Group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

*Territory Group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA
MOBILEHOMES INSURANCE - MH(C) PROGRAM
REVISED RATING

4. TERRITORY GROUP* 2
SEASONAL/VACATION; \$250 DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Comprehensive Coverage	Named Perils Coverage
\$ 0 - 3,999	\$176.44	\$157.26
4,000 - 4,999	188.58	168.09
5,000 - 5,999	200.35	178.57
6,000 - 6,999	212.49	189.39
7,000 - 7,999	224.25	199.88
8,000 - 8,999	236.39	210.70
9,000 - 9,999	248.16	221.19
10,000 - 10,999	259.92	231.67
11,000 - 11,999	272.06	242.49
12,000 - 12,999	283.83	252.98
13,000 - 13,999	295.97	263.80
14,000 - 14,999	307.73	274.28
15,000 - 15,999	319.87	285.11
16,000 - 16,999	331.64	295.59
17,000 - 17,999	343.78	306.41
18,000 - 18,999	355.54	316.90
19,000 - 19,999	367.68	327.72
20,000 - 20,999	379.45	338.20
21,000 - 21,999	391.21	348.69
22,000 - 22,999	403.35	359.51
23,000 - 23,999	415.11	369.99
24,000 - 24,999	427.26	380.82
25,000 - 25,999	439.02	391.30
26,000 - 26,999	451.16	402.12
27,000 - 27,999	462.92	412.61
28,000 - 28,999	475.07	423.43
29,000 - 29,999	486.83	433.92
30,000 - 30,999	498.97	444.74

If value is in excess of \$30,999 increase the premium by the following amount for each \$1,000 of excess or any part thereof:

11.93	10.64
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*Territory Group 1: Territory 5, 6, 42, 43
*Territory Group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53
*Territory Group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA
 MOBILEHOMES INSURANCE - MH(C) PROGRAM
 REVISED RATING

5. ADJACENT STRUCTURES COVERAGE--TERRITORY GROUP* 2

Amount of	Comprehensive	Amount of	Named Perils
\$300	\$3.87	\$100	\$1.11

Increment per \$100 of Insurance:

	<u>Deductible</u>	<u>Comprehensive</u>	<u>Deductible</u>	<u>Named Perils</u>
Primary Residence	\$100	\$1.29	None	\$1.11
Seasonal/Vacation	\$250	\$1.29	\$250	\$1.11
Tenants	\$100	\$1.29	None	\$1.11

6. COMPREHENSIVE PERSONAL EFFECTS COVERAGE--TERRITORY GROUP* 2

Amount of Insurance	Premium
\$500	\$15.30

Increment per \$100 of Insurance:

	<u>Deductible</u>	
Primary Residence	\$100	\$0.74
Seasonal/Vacation	\$250	\$0.74
Tenants	\$100	\$0.74

7. PERSONAL LIABILITY COVERAGE-- All Territories

	<u>Limits</u>	
\$	25,000	\$21.86
	50,000	\$24.04
	100,000	\$28.41
	200,000	\$30.60
	250,000	\$32.78
	300,000	\$34.97

*Territory Group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

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REVISED RATING

8. DEDUCTIBLE--COMPREHENSIVE COVERAGE-- TERRITORY GROUP* 1

Deductible Amount		Residence		Seasonal/Vacation Residence	
None	Mobile Home	Add	\$22.58		
	Adjacent Structures	Add	\$1.50		
	Personal Effects	Add	\$9.19		
\$50	Mobile Home	Add	\$10.27		
	Adjacent Structures	Add	\$0.75		
	Personal Effects	Add	\$4.60		
\$100	Mobile Home	Included			
	Adjacent Structures	Included			
	Personal Effects	Included			
\$250	Mobile Home	Subtract	\$18.48		
	Adjacent Structures	Subtract	\$1.50		
	Personal Effects	Subtract	\$9.19		
\$500	Mobile Home	Subtract	\$47.22	Subtract	\$28.75
	Adjacent Structures	Subtract	\$12.01	Subtract	\$10.50
	Personal Effects	Subtract	\$13.79	Subtract	\$4.60

DEDUCTIBLE--COMPREHENSIVE COVERAGE-- TERRITORY GROUP* 2

Deductible Amount		Residence		Seasonal/Vacation Residence	
None	Mobile Home	Add	\$14.51		
	Adjacent Structures	Add	\$0.89		
	Personal Effects	Add	\$5.38		
\$50	Mobile Home	Add	\$6.61		
	Adjacent Structures	Add	\$0.44		
	Personal Effects	Add	\$2.69		
\$100	Mobile Home	Included			
	Adjacent Structures	Included			
	Personal Effects	Included			
\$250	Mobile Home	Subtract	\$11.88		
	Adjacent Structures	Subtract	\$0.89		
	Personal Effects	Subtract	\$5.38		
\$500	Mobile Home	Subtract	\$30.36	Subtract	\$18.47
	Adjacent Structures	Subtract	\$7.08	Subtract	\$6.20
	Personal Effects	Subtract	\$8.07	Subtract	\$2.69

DEDUCTIBLE--COMPREHENSIVE COVERAGE-- TERRITORY GROUP* 3

Deductible Amount		Residence		Seasonal/Vacation Residence	
None	Mobile Home	Add	\$13.21		
	Adjacent Structures	Add	\$0.75		
	Personal Effects	Add	\$4.56		
\$50	Mobile Home	Add	\$6.01		
	Adjacent Structures	Add	\$0.37		
	Personal Effects	Add	\$2.28		
\$100	Mobile Home	Included			
	Adjacent Structures	Included			
	Personal Effects	Included			
\$250	Mobile Home	Subtract	\$10.81		
	Adjacent Structures	Subtract	\$0.75		
	Personal Effects	Subtract	\$4.56		
\$500	Mobile Home	Subtract	\$27.63	Subtract	\$16.81
	Adjacent Structures	Subtract	\$5.99	Subtract	\$5.24
	Personal Effects	Subtract	\$6.84	Subtract	\$2.28

*Territory Group 1: Territory 5, 6, 42, 43

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*Territory Group 3: Territory 36, 38, 39, 57, 60

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REVISED RATING

9. DEDUCTIBLE--NAMED PERILS COVERAGE-- TERRITORY GROUP* 1

Deductible Amount

None	Mobile Home	Included	
	Adjacent Structures	Included	
	Personal Effects	Included	
\$50	Mobile Home	Subtract	\$10.27
	Adjacent Structures	Subtract	\$0.75
	Personal Effects	Subtract	\$3.83
\$100	Mobile Home	Subtract	\$19.51
	Adjacent Structures	Subtract	\$1.50
	Personal Effects	Subtract	\$7.66
\$250	Mobile Home	Subtract	\$34.90
	Adjacent Structures	Subtract	\$2.25
	Personal Effects	Subtract	\$15.32

DEDUCTIBLE--NAMED PERILS COVERAGE-- TERRITORY GROUP* 2

Deductible Amount

None	Mobile Home	Included	
	Adjacent Structures	Included	
	Personal Effects	Included	
\$50	Mobile Home	Subtract	\$6.61
	Adjacent Structures	Subtract	\$0.44
	Personal Effects	Subtract	\$2.24
\$100	Mobile Home	Subtract	\$12.53
	Adjacent Structures	Subtract	\$0.89
	Personal Effects	Subtract	\$4.49
\$250	Mobile Home	Subtract	\$22.44
	Adjacent Structures	Subtract	\$1.33
	Personal Effects	Subtract	\$8.97

DEDUCTIBLE--NAMED PERILS COVERAGE-- TERRITORY GROUP* 3

Deductible Amount

None	Mobile Home	Included	
	Adjacent Structures	Included	
	Personal Effects	Included	
\$50	Mobile Home	Subtract	\$6.01
	Adjacent Structures	Subtract	\$0.37
	Personal Effects	Subtract	\$1.90
\$100	Mobile Home	Subtract	\$11.41
	Adjacent Structures	Subtract	\$0.75
	Personal Effects	Subtract	\$3.81
\$250	Mobile Home	Subtract	\$20.42
	Adjacent Structures	Subtract	\$1.12
	Personal Effects	Subtract	\$7.60

10. WINDSTORM OR HAIL EXCLUSION -- TERRITORY GROUP* 1 ONLY

Mobile Home (Comprehensive and Named Perils)	59.6%
Adjacent Structures	37.9%
Personal Effects	38.9%

*Territory Group 1: Territory 5, 6, 42, 43

*Territory Group 2: Territory 32, 34, 41, 44, 45, 46, 47, 53

*Territory Group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA
MOBILEHOMES INSURANCE - MH(C) PROGRAM
REVISED RATING

11. OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLE COMPREHENSIVE COVERAGE -- TERRITORY GROUP* 1 ONLY

Deductible - Comprehensive Coverage

All Other Perils Deductible Amount			Primary Residence Surcharge/Credit		Seasonal/Vacation Residence Credit
None	Mobile Home	Add	\$15.86		
	Adjacent Structures	Add	\$1.01		
	Personal Effects	Add	\$8.19		
\$50	Mobile Home	Add	\$3.68		
	Adjacent Structures	Add	\$0.26		
	Personal Effects	Add	\$3.64		
\$100	Mobile Home	Subtract	\$6.49		
	Adjacent Structures	Subtract	\$0.48		
	Personal Effects	Subtract	\$0.91		
\$250	Mobile Home	Subtract	\$24.79	Subtract	\$6.49
	Adjacent Structures	Subtract	\$1.96	Subtract	\$0.48
	Personal Effects	Subtract	\$10.01	Subtract	\$0.91
\$500	Mobile Home	Subtract	\$53.24	Subtract	\$34.96
	Adjacent Structures	Subtract	\$12.37	Subtract	\$10.87
	Personal Effects	Subtract	\$14.56	Subtract	\$5.47

12. OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLE NAMED PERILS COVERAGE -- TERRITORY GROUP* 1 ONLY

Deductible - Named Perils Coverage

All Other Perils Deductible Amount			Primary Residence Surcharge/Credit
None	Mobile Home	Subtract	\$11.57
	Adjacent Structures	Subtract	\$0.82
	Personal Effects	Subtract	\$1.83
\$50	Mobile Home	Subtract	\$21.65
	Adjacent Structures	Subtract	\$1.56
	Personal Effects	Subtract	\$5.58
\$100	Mobile Home	Subtract	\$30.69
	Adjacent Structures	Subtract	\$2.30
	Personal Effects	Subtract	\$9.34
\$250	Mobile Home	Subtract	\$45.78
	Adjacent Structures	Subtract	\$3.03
	Personal Effects	Subtract	\$16.83

*Territory Group 1: Territory 5, 6, 42, 43
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*Territory Group 3: Territory 36, 38, 39, 57, 60

NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

13. WINDSTORM OR HAIL DEDUCTIBLES
COMPREHENSIVE COVERAGE -- TERRITORY GROUP* 1 ONLY

The Maximum \$1,000 Windstorm or Hail Deductible Credit is \$513.66

The Maximum \$2,000 Windstorm or Hail Deductible Credit is \$1,027.33

The Maximum \$5,000 Windstorm or Hail Deductible Credit is \$1,643.73

14. WINDSTORM OR HAIL DEDUCTIBLES
NAMED PERILS COVERAGE -- TERRITORY GROUP* 1 ONLY

The Maximum \$1,000 Windstorm or Hail Deductible Credit is \$513.66

The Maximum \$2,000 Windstorm or Hail Deductible Credit is \$1,027.33

The Maximum \$5,000 Windstorm or Hail Deductible Credit is \$1,643.73