

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(F)  
INSURANCE RATES.

DOCKET NO. 1763

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SETTLEMENT AGREEMENT  
AND CONSENT ORDER

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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(F) insurance rates (owners and tenants) (the “2014 MH(F) Filing”). The 2014 MH(F) Filing proposed a statewide overall increase in MH(F) insurance rates of 20.5% with changes varying by form and territory. It also proposed territory definition changes and revisions to the policy amount relativities. The 2014 MH(F) Filing was assigned Docket No. 1763.

The Rate Bureau and the Department have agreed to settle the 2014 MH(F) Filing. The proposed settlement would provide for an overall statewide rate increase of 6.7%, 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(F) 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;

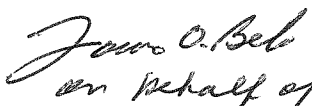
NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. The 2014 MH(F) 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 6.7%. 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(F) Filing.

This <sup>21<sup>nd</sup></sup>~~22~~ day of April, 2015.

  
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  
MOBILE HOMES INSURANCE- MH(F) PROGRAM

RATE LEVEL CHANGES

<u>TERRITORY GROUP*</u>	<u>OWNERS</u>	<u>TENANTS</u>
1	29.6%	30.1%
2	12.0%	12.0%
3	-3.5%	-4.0%
SW	6.7%	7.0%
	<u>ALL FORMS COMBINED</u>	
SW	6.7%	

\*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

MOBILE HOMES INSURANCE- MH(F) PROGRAM

REVISED RATING

	TERRITORY GROUP* 1 <u>SURCHARGE</u>	TERRITORY GROUP* 3 DISCOUNT
1. OWNERS FORMS	38.1%	-17.8%
TENANT FORM	40.9%	-14.3%

2. OWNERS FORMS; NO DEDUCTIBLE--TERRITORY GROUP\* 2

-----Amount of Insurance-----					
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	MH(F)-2	MH(F)-3
\$2,000	\$200	\$600	\$200	\$263.00	\$300.00
3,000	300	900	300	273.00	312.00
4,000	400	1,200	400	283.00	324.00
5,000	500	1,500	500	294.00	336.00
6,000	600	1,800	600	304.00	347.00
7,000	700	2,100	700	315.00	359.00
8,000	800	2,400	800	325.00	372.00
9,000	900	2,700	900	336.00	384.00
10,000	1,000	3,000	1,000	346.00	395.00
11,000	1,100	3,300	1,100	356.00	407.00
12,000	1,200	3,600	1,200	367.00	419.00
13,000	1,300	3,900	1,300	377.00	431.00
14,000	1,400	4,200	1,400	387.00	443.00
15,000	1,500	4,500	1,500	394.00	451.00
each Add'l.					
\$1,000 - Add				10.00	12

3. TENANT FORM;NO DEDUCTIBLE--TERRITORY GROUP\* 2

-----Amount of Insurance----		
<u>C</u>	<u>D</u>	MH(F)-4
\$2,000	\$200	\$50.00
3,000	300	61.00
4,000	400	73.00
5,000	500	84.00
6,000	600	96.00
7,000	700	108.00
8,000	800	118.00
9,000	900	131.00
10,000	1,000	142.00
Each Add'l.		
\$1,000 - Add		11.00

\*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

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MOBILE HOMES INSURANCE- MH(F) PROGRAM

REVISED RATING

4. DEDUCTIBLE CREDITS- MAXIMUM DOLLAR AMOUNTS

<u>Owners- Section 1 Deductible</u>				
Deductible Amount	\$100	\$250	\$500	\$1,000
Percentage Credit	10%	20%	27%	34%
Maximum Credit:				
--Territory Group* 1	\$53.80	\$107.59	\$215.19	\$537.97
--Territory Group* 2	\$38.95	\$77.90	\$155.81	\$389.51
--Territory Group* 3	\$32.02	\$64.04	\$128.08	\$320.20

<u>Tenant- Section 1 Deductible</u>				
Deductible Amount	\$100	\$250	\$500	\$1,000
Percentage Credit	10%	20%	27%	34%
Maximum Credit:				
--Territory Group* 1	\$39.46	\$78.91	\$157.82	\$394.55
--Territory Group* 2	\$28.00	\$56.00	\$112.00	\$280.00
--Territory Group* 3	\$24.00	\$48.00	\$96.00	\$240.00

	<u>Owners</u>		<u>Tenant</u>	
	<u>Theft Deductible</u>		<u>Theft Deductible</u>	
Deductible Amount	\$100	\$250	\$100	\$250
Percentage of Credit	3%	5%	3%	5%
Maximum Credit:				
--Territory Group* 1	\$21.52	\$32.28	\$15.78	\$23.67
--Territory Group* 2	\$15.58	\$23.37	\$11.20	\$16.80
--Territory Group* 3	\$12.81	\$19.21	\$9.60	\$14.40

5. WINDSTORM OR HAIL EXCLUSION CREDIT -- Territory Group\* 1 only

	<u>Owners</u>	<u>Tenant</u>
Filed	73.9%	61.3%

\*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

MOBILE HOMES INSURANCE- MH(F) PROGRAM

REVISED RATING

6. OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLES -- Territory Group\* 1

Section 1 Deductible - Owners

<u>All Other Perils Deductible</u>					
<u>Amount</u>	<u>\$50</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>
Percentage Credit:	5%	14%	24%	31%	37%
Maximum Credit:	\$28.32	\$56.62	\$113.26	\$226.52	\$566.29

Section 1 Deductible - Tenants

<u>All Other Perils Deductible</u>					
<u>Amount</u>	<u>\$50</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>
Percentage Credit:	5%	14%	24%	31%	37%
Maximum Credit:	\$20.76	\$41.54	\$83.06	\$166.13	\$415.31

7. OPTIONAL WINDSTORM OR HAIL DEDUCTIBLES -- Territory Group\* 1

The Maximum \$1,000 Windstorm or Hail Deductible Credit is \$537.97

The Maximum \$2,000 Windstorm or Hail Deductible Credit is \$1,075.94

The Maximum \$5,000 Windstorm or Hail Deductible Credit is \$1,721.51