NORTH CAROLINA
STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

Year	(1) Written Premium at Manual Level for Standard Business[b]	(2) Standard Written Premium at Manual Level to Total Statewide Written Premium at Manual Level[c]	Deviations[a] (3) Amount Of Deviations[d]	Deviations[a] (4) Average Percentage Deviation on Standard Business Col (3) / Col (1)	Deviations[a] (5) Deviations in Col (3) to Total (Standard and Non-Standard) Written Premium at Manual Level
2018	1,636,585,428	66.8%	225,870,032	13.8%	9.2%
2019	1,739,613,351	65.8%	259,360,203	14.9%	9.8%
2020	1,888,736,946	66.9%	269,774,634	14.3%	9.6%
2021	2,038,319,295	67.1%	313,603,427	15.4%	10.3%
2022	2,350,877,266	69.0%	372,223,945	15.8%	10.9%

Notes:

[a] The Beach and FAIR plans do not report the NCRB Special Call for Homeowners and are therefore are not included in this exhibit. Standard business is all business written at or below manual rate level. Non-standard business is all business written above manual rate level (also referred to as consent-to-rate business).

[b] Estimated premium written at deviated rates is not available. This column reflects the premium at manual rate level for all business written at manual or deviated rates.

[c] The estimated percentage of statewide premium written at deviated rates is not available. This column reflects Column (1) as a percentage of the total reported statewide written premium at manual rate level.

[d] This column reflects the dollar amount of deviations on standard business.

Note: Additional information regarding deviations and consent-to-rate amounts is shown on page D-31 of Exhibit RB-1.

Exhibit (1)(h)(i)

Companies Paying Homeowners Insurance Dividends

2018

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2019

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2020

Affiliated FM Insurance Company
Amica Mutual Insurance Company
United Services Automobile Association

2021

Affiliated FM Insurance Company
United Services Automobile Association

2022

Affiliated FM Insurance Company
United Services Automobile Association

Exhibit (1)(h)(ii-vi)

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

DIVIDENDS

Year	Written Premium Of Companies W/Dividends	Percentage Of Written Premiums Of Companies W/Dividends To Total Written Premiums[a]	Dividends	Percentage Dividends of Companies w/Dividends	Overall Percentage of Dividends
2018	149,075,370	5.60%	11,677,883	7.83%	0.44%
2019	161,561,656	5.71%	17,986,477	11.13%	0.64%
2020	176,635,544	5.80%	15,534,397	8.79%	0.51%
2021	139,821,887	4.29%	14,368,232	10.28%	0.44%
2022	159,980,770	4.39%	14,447,837	9.03%	0.40%

Source: Annual Statements, Statutory Page 14

[a] The total reported statewide written premium excludes the Beach and Fair plans.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

The data required by 11 NCAC 10.1105(1)(i)(i,ii) were not being collected or reported in the experience period. The response to 11 NCAC 10.1105(1), page E-4, provides incurred loss and loss adjustment expense information for property and liability losses. The response to 11 NCAC 10.1105(1)(l) provides non-hurricane incurred loss data by cause-of-loss. Additional information concerning loss development is provided in the response to 11 NCAC 10.1105(3). Additional information concerning loss adjustment expenses is provided in the response to 11 NCAC 10.1105(7). Additional information concerning loss trend is provided in Section D and in the pre-filed testimony of P. Anderson and P. Ericksen.

(iii) to (vi)

	Applied Loss Development Factor		
Year	Owners	Tenants	Condominium Unit Owners
2017	1.000	1.000	1.000
2018	0.999	1.000	1.001
2019	0.998	1.006	1.001
2020	1.004	1.014	1.000
2021	1.046	1.030	1.014

	Loss Adjustment Expense Factor		
	Owners	Tenants	Condominium Unit Owners
Non-Hurricane	1.119	1.140	1.130
Hurricane	1.060	1.060	1.060

	Applied Loss Trend Factor		
Year	Owners	Tenants	Condominium Unit Owners
2017	1.602	1.127	1.427
2018	1.519	1.139	1.366
2019	1.439	1.150	1.307
2020	1.364	1.162	1.251
2021	1.293	1.174	1.197

	Trended Incurred Losses and LAE		
Year	Owners	Tenants	Condominium Unit Owners
2017	$1,905,585,245	$34,822,061	$31,451,079
2018	2,138,189,951	37,857,892	31,534,444
2019	1,934,899,033	33,906,531	29,793,349
2020	1,988,797,688	34,075,338	32,540,351
2021	2,196,412,730	37,496,171	33,106,503

(vii) This information is given in the response to 11 NCAC 10.1105(1), page E-5.

Exhibit (1)(k)

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

See prefiled testimony of P. Anderson, P. Ericksen and M. Mao.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

CAUSE OF LOSS DATA

Non-hurricane loss experience by cause of loss is provided on the attached Exhibit (1)(l).

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	110	Fire, Lightning and Removal	2017	936,212	39	24,005	0.21	50.16
			2018	1,681,024	29	57,966	0.15	86.54
			2019	3,356,979	57	58,894	0.29	173.01
			2020	3,426,948	40	85,674	0.20	172.73
			2021	5,782,073	44	131,411	0.22	294.04
		Wind and Hail	2017	299,138	44	6,799	0.24	16.03
			2018	1,380,050	138	10,000	0.71	71.05
			2019	987,933	106	9,320	0.55	50.92
			2020	1,272,393	136	9,356	0.69	64.13
			2021	829,454	87	9,534	0.44	42.18
		Water Damage and Freezing	2017	2,127,836	155	13,728	0.83	114.00
			2018	4,715,441	224	21,051	1.15	242.75
			2019	2,547,685	137	18,596	0.71	131.30
			2020	2,091,359	146	14,324	0.74	105.41
			2021	2,588,301	140	18,488	0.71	131.63
		Theft	2017	41,947	11	3,813	0.06	2.25
			2018	50,087	8	6,261	0.04	2.58
			2019	14,972	6	2,495	0.03	0.77
			2020	6,490	1	6,490	0.01	0.33
			2021	0	0	0	0.00	0.00
		Other Physical Damage	2017	337,952	32	10,561	0.17	18.11
			2018	252,767	33	7,660	0.17	13.01
			2019	153,768	26	5,914	0.13	7.92
			2020	471,513	34	13,868	0.17	23.77
			2021	117,312	23	5,101	0.12	5.97
		Liability	2017	224,492	11	20,408	0.06	12.03
			2018	382,042	9	42,449	0.05	19.67
			2019	727,942	12	60,662	0.06	37.52
			2020	318,389	7	45,484	0.04	16.05
			2021	225,499	6	37,583	0.03	11.47
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	1,878	2	939	0.01	0.10
			2018	8,902	6	1,484	0.03	0.46
			2019	17,002	7	2,429	0.04	0.88
			2020	2,828	3	943	0.02	0.14
			2021	9,626	4	2,407	0.02	0.49
		Total	2017	3,969,455	294	13,502	1.58	212.67
			2018	8,470,313	447	18,949	2.30	436.05
			2019	7,806,281	351	22,240	1.81	402.32
			2020	7,589,920	367	20,681	1.85	382.56
			2021	9,552,265	304	31,422	1.55	485.77

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	120	Fire, Lightning and Removal	2017	1,990,260	35	56,865	0.18	102.87
			2018	3,158,618	30	105,287	0.15	159.59
			2019	8,873,285	57	155,672	0.26	407.85
			2020	5,091,319	40	127,283	0.18	225.69
			2021	2,812,257	39	72,109	0.20	141.18
		Wind and Hail	2017	920,126	115	8,001	0.59	47.56
			2018	1,375,554	122	11,275	0.62	69.50
			2019	832,851	59	14,116	0.27	38.28
			2020	1,274,023	114	11,176	0.51	56.48
			2021	1,043,047	74	14,095	0.37	52.36
		Water Damage and Freezing	2017	2,753,125	187	14,723	0.97	142.30
			2018	4,400,574	221	19,912	1.12	222.34
			2019	2,731,522	127	21,508	0.58	125.55
			2020	4,053,952	126	32,174	0.56	179.70
			2021	2,354,573	104	22,640	0.52	118.20
		Theft	2017	77,885	16	4,868	0.08	4.03
			2018	19,299	4	4,825	0.02	0.98
			2019	4,211	3	1,404	0.01	0.19
			2020	55,937	10	5,594	0.04	2.48
			2021	18,190	2	9,095	0.01	0.91
		Other Physical Damage	2017	261,012	21	12,429	0.11	13.49
			2018	272,313	50	5,446	0.25	13.76
			2019	486,618	36	13,517	0.17	22.37
			2020	538,845	34	15,848	0.15	23.89
			2021	186,958	23	8,129	0.12	9.39
		Liability	2017	103,149	13	7,935	0.07	5.33
			2018	34,602	8	4,325	0.04	1.75
			2019	38,703	2	19,352	0.01	1.78
			2020	154,662	5	30,932	0.02	6.86
			2021	75,656	4	18,914	0.02	3.80
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	6,041	3	2,014	0.02	0.31
			2018	9,955	4	2,489	0.02	0.50
			2019	604	1	604	0.00	0.03
			2020	6,599	2	3,300	0.01	0.29
			2021	12,293	4	3,073	0.02	0.62
		Total	2017	6,111,598	390	15,671	2.02	315.88
			2018	9,270,915	439	21,118	2.22	468.42
			2019	12,967,794	285	45,501	1.31	596.06
			2020	11,175,337	331	33,762	1.47	495.38
			2021	6,502,974	250	26,012	1.26	326.45

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	130	Fire, Lightning and Removal	2017	2,944,627	43	68,480	0.37	255.68
			2018	1,000,597	39	25,656	0.32	82.54
			2019	2,791,457	56	49,847	0.45	222.69
			2020	2,368,985	39	60,743	0.30	183.30
			2021	3,682,753	45	81,839	0.34	277.02
		Wind and Hail	2017	223,284	38	5,876	0.33	19.39
			2018	820,958	127	6,464	1.05	67.72
			2019	623,184	93	6,701	0.74	49.72
			2020	1,944,073	238	8,168	1.84	150.42
			2021	990,432	86	11,517	0.65	74.50
		Water Damage and Freezing	2017	1,112,660	101	11,016	0.88	96.61
			2018	1,723,903	149	11,570	1.23	142.21
			2019	1,274,903	103	12,378	0.82	101.71
			2020	1,031,904	102	10,117	0.79	79.84
			2021	1,415,917	119	11,898	0.90	106.51
		Theft	2017	69,285	12	5,774	0.10	6.02
			2018	54,831	13	4,218	0.11	4.52
			2019	17,781	8	2,223	0.06	1.42
			2020	85,000	7	12,143	0.05	6.58
			2021	2,194	2	1,097	0.02	0.17
		Other Physical Damage	2017	183,755	27	6,806	0.23	15.96
			2018	222,437	46	4,836	0.38	18.35
			2019	154,368	41	3,765	0.33	12.31
			2020	344,579	36	9,572	0.28	26.66
			2021	175,036	24	7,293	0.18	13.17
		Liability	2017	88,216	8	11,027	0.07	7.66
			2018	189,248	18	10,514	0.15	15.61
			2019	63,436	7	9,062	0.06	5.06
			2020	11,931	8	1,491	0.06	0.92
			2021	223,312	7	31,902	0.05	16.80
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	2,817	3	939	0.03	0.24
			2018	2,397	2	1,199	0.02	0.20
			2019	8,899	4	2,225	0.03	0.71
			2020	943	1	943	0.01	0.07
			2021	5,893	2	2,947	0.02	0.44
		Total	2017	4,624,644	232	19,934	2.01	401.55
			2018	4,014,371	394	10,189	3.25	331.16
			2019	4,934,028	312	15,814	2.49	393.62
			2020	5,787,415	431	13,428	3.33	447.80
			2021	6,495,537	285	22,791	2.14	488.61

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	140	Fire, Lightning and Removal	2017	9,373,565	244	38,416	0.30	115.32
			2018	18,164,076	322	56,410	0.39	217.69
			2019	10,545,455	237	44,496	0.28	124.65
			2020	9,163,985	212	43,226	0.24	102.90
			2021	22,899,102	225	101,774	0.24	240.59
		Wind and Hail	2017	6,926,702	790	8,768	0.97	85.22
			2018	6,342,846	729	8,701	0.87	76.02
			2019	7,610,382	595	12,791	0.70	89.96
			2020	11,441,451	904	12,656	1.02	128.48
			2021	24,833,040	889	27,934	0.93	260.91
		Water Damage and Freezing	2017	8,835,261	764	11,564	0.94	108.70
			2018	10,938,542	964	11,347	1.16	131.09
			2019	14,063,042	802	17,535	0.95	166.23
			2020	11,350,026	800	14,188	0.90	127.45
			2021	12,788,757	844	15,153	0.89	134.36
		Theft	2017	341,499	102	3,348	0.13	4.20
			2018	432,830	110	3,935	0.13	5.19
			2019	540,563	65	8,316	0.08	6.39
			2020	135,021	38	3,553	0.04	1.52
			2021	265,048	44	6,024	0.05	2.78
		Other Physical Damage	2017	1,042,521	177	5,890	0.22	12.83
			2018	2,382,391	418	5,700	0.50	28.55
			2019	1,734,272	205	8,460	0.24	20.50
			2020	2,146,187	273	7,861	0.31	24.10
			2021	2,341,854	206	11,368	0.22	24.60
		Liability	2017	1,059,327	53	19,987	0.07	13.03
			2018	621,434	69	9,006	0.08	7.45
			2019	536,164	28	19,149	0.03	6.34
			2020	805,205	38	21,190	0.04	9.04
			2021	777,195	26	29,892	0.03	8.17
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	38,425	22	1,747	0.03	0.47
			2018	60,114	28	2,147	0.03	0.72
			2019	30,480	20	1,524	0.02	0.36
			2020	52,314	30	1,744	0.03	0.59
			2021	15,503	15	1,034	0.02	0.16
		Total	2017	27,617,300	2,152	12,833	2.65	339.78
			2018	38,942,233	2,640	14,751	3.16	466.71
			2019	35,060,358	1,952	17,961	2.31	414.43
			2020	35,094,189	2,295	15,292	2.58	394.07
			2021	63,920,499	2,249	28,422	2.36	671.57

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	150	Fire, Lightning and Removal	2017	5,456,526	163	33,476	0.36	121.19
			2018	9,203,338	175	52,591	0.38	199.19
			2019	7,645,013	156	49,006	0.33	160.74
			2020	5,774,900	153	37,744	0.31	117.75
			2021	8,333,894	140	59,528	0.28	166.42
		Wind and Hail	2017	1,568,030	306	5,124	0.68	34.83
			2018	2,688,757	581	4,628	1.26	58.19
			2019	3,972,305	531	7,481	1.12	83.52
			2020	7,148,983	1,007	7,099	2.05	145.77
			2021	12,307,499	716	17,189	1.43	245.77
		Water Damage and Freezing	2017	4,607,986	422	10,919	0.94	102.34
			2018	5,897,065	564	10,456	1.22	127.63
			2019	4,080,975	418	9,763	0.88	85.81
			2020	4,683,250	452	10,361	0.92	95.49
			2021	5,046,484	446	11,315	0.89	100.77
		Theft	2017	140,487	51	2,755	0.11	3.12
			2018	164,904	55	2,998	0.12	3.57
			2019	179,463	51	3,519	0.11	3.77
			2020	126,204	28	4,507	0.06	2.57
			2021	174,776	30	5,826	0.06	3.49
		Other Physical Damage	2017	590,712	132	4,475	0.29	13.12
			2018	1,345,533	184	7,313	0.40	29.12
			2019	933,262	155	6,021	0.33	19.62
			2020	365,880	131	2,793	0.27	7.46
			2021	956,538	149	6,420	0.30	19.10
		Liability	2017	293,654	28	10,488	0.06	6.52
			2018	932,353	78	11,953	0.17	20.18
			2019	655,134	28	23,398	0.06	13.77
			2020	421,441	23	18,324	0.05	8.59
			2021	304,187	18	16,899	0.04	6.07
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	11,380	12	948	0.03	0.25
			2018	15,619	8	1,952	0.02	0.34
			2019	18,742	11	1,704	0.02	0.39
			2020	15,460	13	1,189	0.03	0.32
			2021	21,764	11	1,979	0.02	0.43
		Total	2017	12,668,775	1,114	11,372	2.47	281.37
			2018	20,247,569	1,645	12,309	3.56	438.22
			2019	17,484,894	1,350	12,952	2.84	367.63
			2020	18,536,118	1,807	10,258	3.68	377.96
			2021	27,145,142	1,510	17,977	3.02	542.06

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	160	Fire, Lightning and Removal	2017	4,778,241	120	39,819	0.32	128.67
			2018	4,686,626	147	31,882	0.39	124.05
			2019	6,668,629	111	60,078	0.29	176.06
			2020	4,614,079	109	42,331	0.28	118.10
			2021	5,813,510	95	61,195	0.22	136.97
		Wind and Hail	2017	1,876,603	301	6,235	0.81	50.53
			2018	3,362,884	481	6,991	1.27	89.01
			2019	1,199,837	154	7,791	0.41	31.68
			2020	4,803,102	539	8,911	1.38	122.94
			2021	4,007,671	327	12,256	0.77	94.42
		Water Damage and Freezing	2017	4,019,284	326	12,329	0.88	108.23
			2018	4,212,380	449	9,382	1.19	111.50
			2019	3,193,961	335	9,534	0.88	84.32
			2020	4,814,310	412	11,685	1.05	123.23
			2021	6,931,867	500	13,864	1.18	163.32
		Theft	2017	281,179	68	4,135	0.18	7.57
			2018	345,178	49	7,044	0.13	9.14
			2019	198,054	44	4,501	0.12	5.23
			2020	150,603	37	4,070	0.09	3.85
			2021	86,577	23	3,764	0.05	2.04
		Other Physical Damage	2017	744,127	105	7,087	0.28	20.04
			2018	611,978	226	2,708	0.60	16.20
			2019	892,409	127	7,027	0.34	23.56
			2020	882,447	136	6,489	0.35	22.59
			2021	901,035	162	5,562	0.38	21.23
		Liability	2017	798,385	33	24,193	0.09	21.50
			2018	962,815	39	24,688	0.10	25.48
			2019	449,888	15	29,993	0.04	11.88
			2020	367,192	21	17,485	0.05	9.40
			2021	210,484	16	13,155	0.04	4.96
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	24,847	17	1,462	0.05	0.67
			2018	14,660	12	1,222	0.03	0.39
			2019	14,982	9	1,665	0.02	0.40
			2020	18,414	11	1,674	0.03	0.47
			2021	10,490	6	1,748	0.01	0.25
		Total	2017	12,522,666	970	12,910	2.61	337.20
			2018	14,196,521	1,403	10,119	3.71	375.77
			2019	12,617,760	795	15,871	2.10	333.12
			2020	15,650,147	1,265	12,372	3.24	400.58
			2021	17,961,634	1,129	15,909	2.66	423.18

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	170	Fire, Lightning and Removal	2017	1,640,541	34	48,251	0.78	373.96
			2018	654,139	19	34,428	0.44	150.62
			2019	1,007,467	33	30,529	0.77	233.97
			2020	519,807	18	28,878	0.42	121.99
			2021	402,826	13	30,987	0.30	92.03
		Wind and Hail	2017	431,822	62	6,965	1.41	98.43
			2018	708,252	133	5,325	3.06	163.08
			2019	7,515,980	629	11,949	14.61	1,745.47
			2020	1,337,819	210	6,371	4.93	313.97
			2021	481,549	48	10,032	1.10	110.02
		Water Damage and Freezing	2017	189,598	33	5,745	0.75	43.22
			2018	551,725	60	9,195	1.38	127.04
			2019	306,577	43	7,130	1.00	71.20
			2020	250,920	25	10,037	0.59	58.89
			2021	486,459	43	11,313	0.98	111.14
		Theft	2017	71,950	14	5,139	0.32	16.40
			2018	13,005	5	2,601	0.12	2.99
			2019	41,891	7	5,984	0.16	9.73
			2020	56,899	5	11,380	0.12	13.35
			2021	6,903	2	3,452	0.05	1.58
		Other Physical Damage	2017	24,048	15	1,603	0.34	5.48
			2018	43,272	17	2,545	0.39	9.96
			2019	96,297	15	6,420	0.35	22.36
			2020	122,535	25	4,901	0.59	28.76
			2021	59,652	18	3,314	0.41	13.63
		Liability	2017	11,525	6	1,921	0.14	2.63
			2018	8,396	4	2,099	0.09	1.93
			2019	8,660	2	4,330	0.05	2.01
			2020	110,566	4	27,642	0.09	25.95
			2021	0	0	0	0.00	0.00
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	2,811	2	1,406	0.05	0.65
			2020	3,772	3	1,257	0.07	0.89
			2021	1,964	2	982	0.05	0.45
		Total	2017	2,369,484	164	14,448	3.74	540.11
			2018	1,978,789	238	8,314	5.48	455.63
			2019	8,979,683	731	12,284	16.98	2,085.39
			2020	2,402,318	290	8,284	6.81	563.79
			2021	1,439,353	126	11,423	2.88	328.84

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HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	180	Fire, Lightning and Removal	2017	6,142,105	172	35,710	0.34	123.13
			2018	5,334,976	166	32,138	0.33	106.69
			2019	7,590,033	159	47,736	0.32	151.04
			2020	6,055,724	122	49,637	0.24	119.05
			2021	6,804,569	159	42,796	0.31	131.58
		Wind and Hail	2017	2,064,764	376	5,491	0.75	41.39
			2018	3,116,086	570	5,467	1.14	62.31
			2019	10,785,903	918	11,749	1.83	214.64
			2020	14,634,155	1,627	8,995	3.20	287.69
			2021	9,000,816	875	10,287	1.69	174.04
		Water Damage and Freezing	2017	4,453,739	542	8,217	1.09	89.28
			2018	6,124,657	710	8,626	1.42	122.48
			2019	3,790,382	519	7,303	1.03	75.43
			2020	5,198,236	572	9,088	1.12	102.19
			2021	6,096,124	528	11,546	1.02	117.88
		Theft	2017	276,883	97	2,854	0.19	5.55
			2018	238,904	85	2,811	0.17	4.78
			2019	332,184	61	5,446	0.12	6.61
			2020	266,630	51	5,228	0.10	5.24
			2021	212,413	50	4,248	0.10	4.11
		Other Physical Damage	2017	671,978	130	5,169	0.26	13.47
			2018	825,495	164	5,034	0.33	16.51
			2019	764,730	138	5,542	0.27	15.22
			2020	937,803	164	5,718	0.32	18.44
			2021	653,674	167	3,914	0.32	12.64
		Liability	2017	122,983	26	4,730	0.05	2.47
			2018	361,830	30	12,061	0.06	7.24
			2019	1,171,916	25	46,877	0.05	23.32
			2020	383,326	23	16,666	0.05	7.54
			2021	453,123	27	16,782	0.05	8.76
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	14,930	10	1,493	0.02	0.30
			2018	21,776	16	1,361	0.03	0.44
			2019	24,365	14	1,740	0.03	0.48
			2020	18,762	10	1,876	0.02	0.37
			2021	16,241	14	1,160	0.03	0.31
		Total	2017	13,747,382	1,353	10,161	2.71	275.58
			2018	16,023,724	1,741	9,204	3.48	320.44
			2019	24,459,513	1,834	13,337	3.65	486.75
			2020	27,494,636	2,569	10,702	5.05	540.52
			2021	23,236,960	1,820	12,768	3.52	449.32

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HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	190	Fire, Lightning and Removal	2017	1,687,083	53	31,832	0.39	124.72
			2018	3,215,199	47	68,408	0.36	243.52
			2019	742,196	33	22,491	0.26	57.78
			2020	2,460,189	53	46,419	0.42	193.15
			2021	3,528,307	56	63,005	0.44	276.15
		Wind and Hail	2017	808,319	153	5,283	1.13	59.76
			2018	751,043	163	4,608	1.23	56.88
			2019	600,373	83	7,233	0.65	46.74
			2020	2,193,820	309	7,100	2.43	172.24
			2021	1,367,274	160	8,545	1.25	107.01
		Water Damage and Freezing	2017	834,361	148	5,638	1.09	61.68
			2018	2,264,594	224	10,110	1.70	171.52
			2019	912,964	125	7,304	0.97	71.08
			2020	1,112,713	133	8,366	1.04	87.36
			2021	1,193,375	141	8,464	1.10	93.40
		Theft	2017	52,810	17	3,106	0.13	3.90
			2018	127,283	22	5,786	0.17	9.64
			2019	60,100	19	3,163	0.15	4.68
			2020	83,037	19	4,370	0.15	6.52
			2021	63,191	14	4,514	0.11	4.95
		Other Physical Damage	2017	146,998	32	4,594	0.24	10.87
			2018	272,273	53	5,137	0.40	20.62
			2019	395,299	39	10,136	0.30	30.77
			2020	267,556	41	6,526	0.32	21.01
			2021	326,500	34	9,603	0.27	25.55
		Liability	2017	10,078	6	1,680	0.04	0.75
			2018	26,749	7	3,821	0.05	2.03
			2019	165,924	10	16,592	0.08	12.92
			2020	245,941	6	40,990	0.05	19.31
			2021	355,305	9	39,478	0.07	27.81
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	3,755	4	939	0.03	0.28
			2018	6,908	5	1,382	0.04	0.52
			2019	1,874	2	937	0.02	0.15
			2020	6,599	4	1,650	0.03	0.52
			2021	6,552	4	1,638	0.03	0.51
		Total	2017	3,543,404	413	8,580	3.05	261.95
			2018	6,664,049	521	12,791	3.95	504.74
			2019	2,878,730	311	9,256	2.42	224.11
			2020	6,369,855	565	11,274	4.44	500.11
			2021	6,840,504	418	16,365	3.27	535.38

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	200	Fire, Lightning and Removal	2017	2,140,071	49	43,675	0.82	357.45
			2018	2,221,125	39	56,952	0.66	376.65
			2019	1,846,010	27	68,371	0.47	320.21
			2020	828,249	33	25,098	0.58	145.64
			2021	898,999	32	28,094	0.56	157.39
		Wind and Hail	2017	308,335	48	6,424	0.80	51.50
			2018	323,125	58	5,571	0.98	54.79
			2019	217,318	29	7,494	0.50	37.70
			2020	1,013,446	97	10,448	1.71	178.20
			2021	598,696	53	11,296	0.93	104.81
		Water Damage and Freezing	2017	398,323	35	11,381	0.58	66.53
			2018	636,913	69	9,231	1.17	108.01
			2019	449,864	33	13,632	0.57	78.03
			2020	430,685	36	11,963	0.63	75.73
			2021	555,943	59	9,423	1.03	97.33
		Theft	2017	100,023	18	5,557	0.30	16.71
			2018	40,051	12	3,338	0.20	6.79
			2019	36,820	11	3,347	0.19	6.39
			2020	57,823	11	5,257	0.19	10.17
			2021	25,007	6	4,168	0.11	4.38
		Other Physical Damage	2017	19,312	14	1,379	0.23	3.23
			2018	139,716	25	5,589	0.42	23.69
			2019	48,025	15	3,202	0.26	8.33
			2020	62,839	15	4,189	0.26	11.05
			2021	55,449	12	4,621	0.21	9.71
		Liability	2017	1,038	4	260	0.07	0.17
			2018	16,478	5	3,296	0.08	2.79
			2019	341,700	4	85,425	0.07	59.27
			2020	6,690	1	6,690	0.02	1.18
			2021	17,557	2	8,779	0.04	3.07
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	939	1	939	0.02	0.16
			2018	5,628	2	2,814	0.03	0.95
			2019	3,748	3	1,249	0.05	0.65
			2020	59	1	59	0.02	0.01
			2021	5,152	2	2,576	0.04	0.90
		Total	2017	2,968,041	169	17,562	2.82	495.75
			2018	3,383,036	210	16,110	3.56	573.69
			2019	2,943,485	122	24,127	2.12	510.58
			2020	2,399,791	194	12,370	3.41	421.98
			2021	2,156,803	166	12,993	2.91	377.59

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	210	Fire, Lightning and Removal	2017	3,415,224	77	44,354	0.39	174.11
			2018	3,165,521	89	35,568	0.46	162.65
			2019	1,993,668	79	25,236	0.40	100.78
			2020	3,344,542	81	41,291	0.40	165.75
			2021	2,449,544	75	32,661	0.37	120.05
		Wind and Hail	2017	1,294,757	248	5,221	1.26	66.01
			2018	1,197,761	223	5,371	1.15	61.54
			2019	7,825,274	728	10,749	3.68	395.58
			2020	16,392,174	1,563	10,488	7.75	812.38
			2021	4,118,371	414	9,948	2.03	201.83
		Water Damage and Freezing	2017	1,599,093	215	7,438	1.10	81.52
			2018	1,599,081	218	7,335	1.12	82.16
			2019	1,017,372	173	5,881	0.87	51.43
			2020	1,466,420	248	5,913	1.23	72.67
			2021	1,554,591	198	7,851	0.97	76.19
		Theft	2017	140,216	50	2,804	0.25	7.15
			2018	239,029	48	4,980	0.25	12.28
			2019	118,488	35	3,385	0.18	5.99
			2020	110,717	34	3,256	0.17	5.49
			2021	130,649	26	5,025	0.13	6.40
		Other Physical Damage	2017	520,091	58	8,967	0.30	26.51
			2018	279,363	70	3,991	0.36	14.35
			2019	200,232	60	3,337	0.30	10.12
			2020	306,938	93	3,300	0.46	15.21
			2021	435,631	74	5,887	0.36	21.35
		Liability	2017	28,008	13	2,154	0.07	1.43
			2018	95,960	10	9,596	0.05	4.93
			2019	506,037	15	33,736	0.08	25.58
			2020	38,357	13	2,951	0.06	1.90
			2021	169,165	14	12,083	0.07	8.29
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	9,889	6	1,648	0.03	0.50
			2018	2,814	3	938	0.02	0.14
			2019	14,621	11	1,329	0.06	0.74
			2020	1,896	2	948	0.01	0.09
			2021	8,768	6	1,461	0.03	0.43
		Total	2017	7,007,278	667	10,506	3.40	357.24
			2018	6,579,529	661	9,954	3.40	338.07
			2019	11,675,692	1,101	10,605	5.57	590.22
			2020	21,661,044	2,034	10,649	10.08	1,073.50
			2021	8,866,719	807	10,987	3.95	434.54

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	220	Fire, Lightning and Removal	2017	7,671,332	240	31,964	0.45	144.90
			2018	10,109,598	193	52,381	0.37	191.48
			2019	9,381,666	140	67,012	0.26	173.91
			2020	11,436,920	211	54,203	0.38	204.23
			2021	13,239,901	177	74,802	0.30	226.20
		Wind and Hail	2017	5,339,245	738	7,235	1.39	100.85
			2018	5,297,966	820	6,461	1.55	100.35
			2019	3,676,383	497	7,397	0.92	68.15
			2020	12,518,105	1,545	8,102	2.76	223.54
			2021	7,486,349	797	9,393	1.36	127.90
		Water Damage and Freezing	2017	6,974,411	770	9,058	1.45	131.73
			2018	8,184,736	840	9,744	1.59	155.02
			2019	7,062,733	680	10,386	1.26	130.92
			2020	10,553,077	933	11,311	1.67	188.45
			2021	8,438,297	788	10,708	1.35	144.17
		Theft	2017	903,289	251	3,599	0.47	17.06
			2018	557,193	156	3,572	0.30	10.55
			2019	560,571	154	3,640	0.29	10.39
			2020	405,555	106	3,826	0.19	7.24
			2021	388,173	93	4,174	0.16	6.63
		Other Physical Damage	2017	910,954	244	3,733	0.46	17.21
			2018	1,143,840	331	3,456	0.63	21.66
			2019	896,401	256	3,502	0.47	16.62
			2020	1,941,533	307	6,324	0.55	34.67
			2021	1,594,629	306	5,211	0.52	27.24
		Liability	2017	586,151	32	18,317	0.06	11.07
			2018	763,022	87	8,770	0.16	14.45
			2019	309,069	17	18,181	0.03	5.73
			2020	283,647	31	9,150	0.06	5.07
			2021	601,991	26	23,154	0.04	10.28
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	16,254	1	16,254	0.00	0.29
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	18,331	19	965	0.04	0.35
			2018	14,941	12	1,245	0.02	0.28
			2019	15,841	12	1,320	0.02	0.29
			2020	10,670	8	1,334	0.01	0.19
			2021	9,004	9	1,000	0.02	0.15
		Total	2017	22,403,713	2,294	9,766	4.33	423.16
			2018	26,071,296	2,439	10,689	4.62	493.80
			2019	21,902,664	1,756	12,473	3.26	406.02
			2020	37,165,761	3,142	11,829	5.61	663.69
			2021	31,758,344	2,196	14,462	3.75	542.58

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	230	Fire, Lightning and Removal	2017	3,550,408	78	45,518	0.56	254.62
			2018	2,268,673	56	40,512	0.40	163.07
			2019	3,670,874	57	64,401	0.41	264.99
			2020	5,220,162	59	88,477	0.43	378.77
			2021	4,105,187	67	61,271	0.48	294.28
		Wind and Hail	2017	427,351	87	4,912	0.62	30.65
			2018	669,214	128	5,228	0.92	48.10
			2019	1,765,563	129	13,687	0.93	127.45
			2020	1,453,873	213	6,826	1.55	105.49
			2021	7,295,682	521	14,003	3.73	522.99
		Water Damage and Freezing	2017	802,755	85	9,444	0.61	57.57
			2018	741,479	99	7,490	0.71	53.30
			2019	617,255	65	9,496	0.47	44.56
			2020	1,040,798	104	10,008	0.75	75.52
			2021	614,908	76	8,091	0.54	44.08
		Theft	2017	266,077	94	2,831	0.67	19.08
			2018	244,483	66	3,704	0.47	17.57
			2019	246,542	56	4,403	0.40	17.80
			2020	101,140	41	2,467	0.30	7.34
			2021	131,913	33	3,997	0.24	9.46
		Other Physical Damage	2017	414,546	38	10,909	0.27	29.73
			2018	214,634	53	4,050	0.38	15.43
			2019	236,337	41	5,764	0.30	17.06
			2020	133,194	41	3,249	0.30	9.66
			2021	241,271	47	5,133	0.34	17.30
		Liability	2017	80,692	6	13,449	0.04	5.79
			2018	97,601	15	6,507	0.11	7.02
			2019	785,051	11	71,368	0.08	56.67
			2020	72,015	7	10,288	0.05	5.23
			2021	14,450	3	4,817	0.02	1.04
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	7,882	9	876	0.06	0.57
			2018	8,630	6	1,438	0.04	0.62
			2019	7,033	6	1,172	0.04	0.51
			2020	13,198	8	1,650	0.06	0.96
			2021	1,964	2	982	0.01	0.14
		Total	2017	5,549,711	397	13,979	2.85	398.00
			2018	4,244,714	423	10,035	3.04	305.11
			2019	7,328,655	365	20,079	2.63	529.03
			2020	8,034,380	473	16,986	3.43	582.96
			2021	12,405,375	749	16,563	5.37	889.27

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	240	Fire, Lightning and Removal	2017	7,626,575	274	27,834	0.36	101.37
			2018	11,653,152	298	39,105	0.39	154.07
			2019	10,881,294	270	40,301	0.34	138.96
			2020	11,766,011	263	44,738	0.32	143.79
			2021	21,108,008	286	73,804	0.34	249.16
		Wind and Hail	2017	10,574,981	1,306	8,097	1.74	140.55
			2018	11,041,573	1,357	8,137	1.79	145.98
			2019	84,637,058	6,338	13,354	8.09	1,080.82
			2020	37,405,803	3,606	10,373	4.41	457.12
			2021	30,159,301	2,302	13,101	2.72	356.00
		Water Damage and Freezing	2017	7,530,399	727	10,358	0.97	100.09
			2018	8,544,475	840	10,172	1.11	112.97
			2019	7,326,367	757	9,678	0.97	93.56
			2020	9,959,592	887	11,228	1.08	121.71
			2021	9,934,393	816	12,175	0.96	117.27
		Theft	2017	597,454	160	3,734	0.21	7.94
			2018	431,803	126	3,427	0.17	5.71
			2019	515,833	132	3,908	0.17	6.59
			2020	315,705	73	4,325	0.09	3.86
			2021	411,239	82	5,015	0.10	4.85
		Other Physical Damage	2017	1,214,476	206	5,896	0.27	16.14
			2018	1,609,494	259	6,214	0.34	21.28
			2019	1,714,869	273	6,282	0.35	21.90
			2020	2,041,616	346	5,901	0.42	24.95
			2021	1,822,436	296	6,157	0.35	21.51
		Liability	2017	497,539	46	10,816	0.06	6.61
			2018	492,220	44	11,187	0.06	6.51
			2019	810,547	40	20,264	0.05	10.35
			2020	773,435	57	13,569	0.07	9.45
			2021	574,060	38	15,107	0.04	6.78
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	17,444	18	969	0.02	0.23
			2018	35,271	28	1,260	0.04	0.47
			2019	15,425	17	907	0.02	0.20
			2020	30,689	20	1,534	0.02	0.38
			2021	18,929	11	1,721	0.01	0.22
		Total	2017	28,058,868	2,737	10,252	3.64	372.93
			2018	33,807,988	2,952	11,453	3.90	446.99
			2019	105,901,393	7,827	13,530	10.00	1,352.37
			2020	62,292,851	5,252	11,861	6.42	761.25
			2021	64,028,366	3,831	16,713	4.52	755.79

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LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	250	Fire, Lightning and Removal	2017	5,244,163	135	38,846	0.43	167.80
			2018	4,110,700	133	30,908	0.43	132.03
			2019	7,009,669	132	53,104	0.41	219.47
			2020	5,764,386	131	44,003	0.39	172.57
			2021	8,478,736	156	54,351	0.44	241.60
		Wind and Hail	2017	9,237,909	965	9,573	3.09	295.59
			2018	4,357,798	604	7,215	1.94	139.96
			2019	5,329,261	511	10,429	1.60	166.86
			2020	9,677,455	1,039	9,314	3.11	289.71
			2021	10,741,298	942	11,403	2.68	306.07
		Water Damage and Freezing	2017	4,291,489	401	10,702	1.28	137.32
			2018	4,813,491	467	10,307	1.50	154.60
			2019	4,206,255	403	10,437	1.26	131.70
			2020	5,884,108	507	11,606	1.52	176.15
			2021	5,342,126	437	12,225	1.25	152.22
		Theft	2017	415,328	92	4,514	0.29	13.29
			2018	303,389	79	3,840	0.25	9.74
			2019	309,785	74	4,186	0.23	9.70
			2020	293,037	64	4,579	0.19	8.77
			2021	171,458	50	3,429	0.14	4.89
		Other Physical Damage	2017	899,438	137	6,565	0.44	28.78
			2018	527,877	184	2,869	0.59	16.95
			2019	624,308	143	4,366	0.45	19.55
			2020	778,696	201	3,874	0.60	23.31
			2021	810,319	201	4,031	0.57	23.09
		Liability	2017	301,435	35	8,612	0.11	9.65
			2018	324,806	33	9,843	0.11	10.43
			2019	123,589	10	12,359	0.03	3.87
			2020	606,721	19	31,933	0.06	18.16
			2021	115,831	14	8,274	0.04	3.30
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	17,221	1	17,221	0.00	0.49
		Medical Payments	2017	14,109	11	1,283	0.04	0.45
			2018	7,987	9	887	0.03	0.26
			2019	5,766	7	824	0.02	0.18
			2020	6,599	7	943	0.02	0.20
			2021	12,694	6	2,116	0.02	0.36
		Total	2017	20,403,871	1,776	11,489	5.68	652.88
			2018	14,446,048	1,509	9,573	4.85	463.98
			2019	17,608,633	1,280	13,757	4.01	551.32
			2020	23,011,002	1,968	11,693	5.89	688.87
			2021	25,689,683	1,807	14,217	5.15	732.02

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LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	260	Fire, Lightning and Removal	2017	3,970,262	99	40,104	0.38	153.20
			2018	6,035,574	107	56,407	0.41	232.26
			2019	7,051,804	119	59,259	0.45	266.88
			2020	4,933,420	84	58,731	0.31	183.24
			2021	5,493,286	95	57,824	0.35	199.65
		Wind and Hail	2017	1,933,698	299	6,467	1.15	74.61
			2018	2,979,504	443	6,726	1.70	114.66
			2019	4,336,025	455	9,530	1.72	164.10
			2020	14,402,444	1,297	11,104	4.82	534.95
			2021	7,770,323	642	12,103	2.33	282.41
		Water Damage and Freezing	2017	2,137,498	210	10,179	0.81	82.48
			2018	2,782,755	312	8,919	1.20	107.09
			2019	2,083,168	200	10,416	0.76	78.84
			2020	2,143,738	213	10,064	0.79	79.62
			2021	3,737,291	322	11,606	1.17	135.83
		Theft	2017	309,342	75	4,125	0.29	11.94
			2018	221,743	63	3,520	0.24	8.53
			2019	125,892	36	3,497	0.14	4.76
			2020	90,363	28	3,227	0.10	3.36
			2021	102,542	30	3,418	0.11	3.73
		Other Physical Damage	2017	270,819	72	3,761	0.28	10.45
			2018	671,703	135	4,976	0.52	25.85
			2019	369,031	65	5,677	0.25	13.97
			2020	621,189	107	5,806	0.40	23.07
			2021	1,370,342	230	5,958	0.84	49.81
		Liability	2017	362,998	20	18,150	0.08	14.01
			2018	385,542	20	19,277	0.08	14.84
			2019	130,085	17	7,652	0.06	4.92
			2020	340,016	47	7,234	0.17	12.63
			2021	343,442	30	11,448	0.11	12.48
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	5,634	6	939	0.02	0.22
			2018	8,443	8	1,055	0.03	0.32
			2019	12,199	8	1,525	0.03	0.46
			2020	16,425	8	2,053	0.03	0.61
			2021	8,840	8	1,105	0.03	0.32
		Total	2017	8,990,251	781	11,511	3.01	346.90
			2018	13,085,264	1,088	12,027	4.19	503.55
			2019	14,108,204	900	15,676	3.41	533.94
			2020	22,547,595	1,784	12,639	6.63	837.48
			2021	18,826,066	1,357	13,873	4.93	684.24

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LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	270	Fire, Lightning and Removal	2017	25,203,106	551	45,741	0.20	93.67
			2018	28,660,190	604	47,451	0.23	107.56
			2019	28,431,814	574	49,533	0.21	103.73
			2020	28,579,421	550	51,963	0.19	100.53
			2021	32,417,718	549	59,049	0.19	111.79
		Wind and Hail	2017	138,605,812	12,158	11,400	4.52	515.12
			2018	48,191,648	5,397	8,929	2.03	180.86
			2019	184,060,961	14,494	12,699	5.29	671.51
			2020	229,107,293	19,136	11,973	6.73	805.88
			2021	68,014,214	5,347	12,720	1.84	234.55
		Water Damage and Freezing	2017	51,515,576	4,344	11,859	1.61	191.46
			2018	60,050,371	5,075	11,833	1.90	225.37
			2019	49,973,435	4,408	11,337	1.61	182.32
			2020	56,808,553	4,692	12,108	1.65	199.82
			2021	64,736,639	4,390	14,746	1.51	223.25
		Theft	2017	2,294,187	607	3,780	0.23	8.53
			2018	2,214,879	584	3,793	0.22	8.31
			2019	1,506,204	348	4,328	0.13	5.50
			2020	1,100,334	240	4,585	0.08	3.87
			2021	1,084,883	218	4,977	0.08	3.74
		Other Physical Damage	2017	6,052,763	942	6,425	0.35	22.49
			2018	7,141,137	1,120	6,376	0.42	26.80
			2019	7,073,018	1,039	6,808	0.38	25.80
			2020	9,562,498	1,346	7,104	0.47	33.64
			2021	10,771,582	948	11,362	0.33	37.15
		Liability	2017	3,922,929	170	23,076	0.06	14.58
			2018	1,758,756	140	12,563	0.05	6.60
			2019	2,772,420	115	24,108	0.04	10.11
			2020	2,478,098	186	13,323	0.07	8.72
			2021	3,412,297	128	26,659	0.04	11.77
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	85,400	62	1,377	0.02	0.32
			2018	100,946	69	1,463	0.03	0.38
			2019	73,406	45	1,631	0.02	0.27
			2020	80,320	49	1,639	0.02	0.28
			2021	61,477	40	1,537	0.01	0.21
		Total	2017	227,679,773	18,834	12,089	7.00	846.16
			2018	148,117,927	12,989	11,403	4.87	555.88
			2019	273,891,258	21,023	13,028	7.67	999.23
			2020	327,716,517	26,199	12,509	9.22	1,152.73
			2021	180,498,810	11,620	15,533	4.01	622.45

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LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	280	Fire, Lightning and Removal	2017	5,023,824	101	49,741	0.25	122.10
			2018	5,432,312	140	38,802	0.34	131.71
			2019	4,178,357	90	46,426	0.21	97.89
			2020	3,130,235	103	30,391	0.23	70.62
			2021	7,267,515	106	68,561	0.23	160.84
		Wind and Hail	2017	3,739,557	405	9,233	0.98	90.89
			2018	7,171,332	635	11,293	1.54	173.87
			2019	16,031,356	1,124	14,263	2.63	375.56
			2020	23,959,156	1,683	14,236	3.80	540.55
			2021	11,185,002	667	16,769	1.48	247.54
		Water Damage and Freezing	2017	5,542,288	431	12,859	1.05	134.70
			2018	6,352,572	584	10,878	1.42	154.02
			2019	4,772,321	403	11,842	0.94	111.80
			2020	6,244,284	486	12,848	1.10	140.88
			2021	6,896,246	461	14,959	1.02	152.63
		Theft	2017	432,854	108	4,008	0.26	10.52
			2018	319,242	85	3,756	0.21	7.74
			2019	230,500	62	3,718	0.15	5.40
			2020	200,976	46	4,369	0.10	4.53
			2021	137,766	36	3,827	0.08	3.05
		Other Physical Damage	2017	556,617	98	5,680	0.24	13.53
			2018	1,433,484	222	6,457	0.54	34.76
			2019	998,697	132	7,566	0.31	23.40
			2020	976,450	135	7,233	0.30	22.03
			2021	791,823	114	6,946	0.25	17.52
		Liability	2017	334,826	29	11,546	0.07	8.14
			2018	333,649	30	11,122	0.07	8.09
			2019	232,348	24	9,681	0.06	5.44
			2020	1,201,014	100	12,010	0.23	27.10
			2021	669,087	36	18,586	0.08	14.81
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	2,881	1	2,881	0.00	0.06
		Medical Payments	2017	9,372	12	781	0.03	0.23
			2018	16,287	16	1,018	0.04	0.39
			2019	10,264	8	1,283	0.02	0.24
			2020	4,714	5	943	0.01	0.11
			2021	8,574	8	1,072	0.02	0.19
		Total	2017	15,639,338	1,184	13,209	2.88	380.10
			2018	21,058,878	1,712	12,301	4.15	510.58
			2019	26,453,843	1,843	14,354	4.32	619.73
			2020	35,716,829	2,558	13,963	5.77	805.81
			2021	26,958,894	1,429	18,866	3.16	596.65

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LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	290	Fire, Lightning and Removal	2017	2,389,622	116	20,600	0.36	75.11
			2018	4,761,536	134	35,534	0.42	147.60
			2019	3,586,114	112	32,019	0.34	107.78
			2020	4,090,906	117	34,965	0.34	117.91
			2021	6,531,641	105	62,206	0.29	180.79
		Wind and Hail	2017	3,441,165	346	9,946	1.09	108.16
			2018	1,993,196	245	8,135	0.76	61.79
			2019	2,223,893	248	8,967	0.75	66.84
			2020	6,028,765	623	9,677	1.80	173.77
			2021	12,950,365	792	16,351	2.19	358.46
		Water Damage and Freezing	2017	4,012,134	339	11,835	1.07	126.11
			2018	4,179,160	414	10,095	1.28	129.55
			2019	3,404,092	321	10,605	0.96	102.31
			2020	4,006,888	350	11,448	1.01	115.49
			2021	4,859,787	361	13,462	1.00	134.52
		Theft	2017	179,944	52	3,460	0.16	5.66
			2018	170,777	49	3,485	0.15	5.29
			2019	379,259	50	7,585	0.15	11.40
			2020	119,632	35	3,418	0.10	3.45
			2021	106,581	22	4,845	0.06	2.95
		Other Physical Damage	2017	695,522	99	7,025	0.31	21.86
			2018	837,713	127	6,596	0.39	25.97
			2019	801,067	114	7,027	0.34	24.08
			2020	749,819	190	3,946	0.55	21.61
			2021	949,331	122	7,781	0.34	26.28
		Liability	2017	200,079	20	10,004	0.06	6.29
			2018	487,104	17	28,653	0.05	15.10
			2019	219,642	16	13,728	0.05	6.60
			2020	108,297	18	6,017	0.05	3.12
			2021	264,261	17	15,545	0.05	7.31
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	2,982	1	2,982	0.00	0.08
		Medical Payments	2017	8,071	8	1,009	0.03	0.25
			2018	9,779	10	978	0.03	0.30
			2019	4,765	5	953	0.02	0.14
			2020	11,162	8	1,395	0.02	0.32
			2021	8,840	5	1,768	0.01	0.24
		Total	2017	10,926,537	980	11,150	3.08	343.44
			2018	12,439,265	996	12,489	3.09	385.59
			2019	10,618,832	866	12,262	2.60	319.16
			2020	15,115,469	1,341	11,272	3.87	435.68
			2021	25,673,788	1,425	18,017	3.94	710.63

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HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	300	Fire, Lightning and Removal	2017	3,290,196	72	45,697	0.54	244.97
			2018	2,012,785	67	30,042	0.51	154.38
			2019	3,095,059	71	43,592	0.54	234.87
			2020	563,383	49	11,498	0.36	41.62
			2021	3,252,081	69	47,132	0.50	237.22
		Wind and Hail	2017	1,360,441	198	6,871	1.47	101.29
			2018	866,136	135	6,416	1.04	66.43
			2019	1,164,680	164	7,102	1.24	88.38
			2020	4,505,718	515	8,749	3.80	332.87
			2021	1,861,849	139	13,395	1.01	135.81
		Water Damage and Freezing	2017	1,091,837	119	9,175	0.89	81.29
			2018	1,425,123	131	10,879	1.00	109.31
			2019	677,870	86	7,882	0.65	51.44
			2020	1,092,733	108	10,118	0.80	80.73
			2021	770,169	81	9,508	0.59	56.18
		Theft	2017	144,655	43	3,364	0.32	10.77
			2018	181,911	35	5,197	0.27	13.95
			2019	174,417	25	6,977	0.19	13.24
			2020	78,985	19	4,157	0.14	5.84
			2021	135,005	23	5,870	0.17	9.85
		Other Physical Damage	2017	283,297	47	6,028	0.35	21.09
			2018	203,151	40	5,079	0.31	15.58
			2019	342,317	42	8,150	0.32	25.98
			2020	135,390	55	2,462	0.41	10.00
			2021	371,949	42	8,856	0.31	27.13
		Liability	2017	411,704	17	24,218	0.13	30.65
			2018	39,439	9	4,382	0.07	3.02
			2019	64,022	7	9,146	0.05	4.86
			2020	11,053	3	3,684	0.02	0.82
			2021	23,379	6	3,897	0.04	1.71
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	11,002	9	1,222	0.07	0.82
			2018	5,987	5	1,197	0.04	0.46
			2019	2,811	3	937	0.02	0.21
			2020	0	0	0	0.00	0.00
			2021	1,534	2	767	0.01	0.11
		Total	2017	6,593,132	505	13,056	3.76	490.89
			2018	4,734,532	422	11,219	3.24	363.13
			2019	5,521,176	398	13,872	3.02	418.97
			2020	6,387,262	749	8,528	5.53	471.87
			2021	6,415,966	362	17,724	2.64	468.01

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	310	Fire, Lightning and Removal	2017	21,821,206	836	26,102	0.33	85.44
			2018	32,069,474	797	40,238	0.32	126.97
			2019	21,102,937	712	29,639	0.28	81.65
			2020	25,701,921	702	36,612	0.27	97.13
			2021	34,627,443	768	45,088	0.29	128.57
		Wind and Hail	2017	32,855,575	5,066	6,486	1.98	128.65
			2018	43,345,933	5,671	7,643	2.25	171.62
			2019	68,061,419	8,007	8,500	3.10	263.35
			2020	47,374,675	6,104	7,761	2.31	179.04
			2021	46,770,112	4,803	9,738	1.78	173.66
		Water Damage and Freezing	2017	27,309,746	3,009	9,076	1.18	106.93
			2018	34,830,276	3,819	9,120	1.51	137.90
			2019	31,928,231	3,285	9,719	1.27	123.54
			2020	35,177,535	3,500	10,051	1.32	132.94
			2021	37,673,132	3,417	11,025	1.27	139.88
		Theft	2017	2,117,803	606	3,495	0.24	8.29
			2018	1,652,453	471	3,508	0.19	6.54
			2019	1,945,017	491	3,961	0.19	7.53
			2020	1,433,042	336	4,265	0.13	5.42
			2021	1,012,843	247	4,101	0.09	3.76
		Other Physical Damage	2017	5,889,668	939	6,272	0.37	23.06
			2018	9,660,748	1,650	5,855	0.65	38.25
			2019	8,298,100	1,264	6,565	0.49	32.11
			2020	6,702,110	1,052	6,371	0.40	25.33
			2021	9,746,923	1,424	6,845	0.53	36.19
		Liability	2017	1,205,222	178	6,771	0.07	4.72
			2018	2,133,209	198	10,774	0.08	8.45
			2019	1,576,906	150	10,513	0.06	6.10
			2020	2,621,671	264	9,931	0.10	9.91
			2021	2,315,461	184	12,584	0.07	8.60
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	469	1	469	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	2,249	2	1,125	0.00	0.01
		Medical Payments	2017	111,316	78	1,427	0.03	0.44
			2018	85,313	69	1,236	0.03	0.34
			2019	81,730	63	1,297	0.02	0.32
			2020	71,360	65	1,098	0.02	0.27
			2021	79,574	61	1,304	0.02	0.30
		Total	2017	91,310,536	10,712	8,524	4.19	357.53
			2018	123,777,406	12,675	9,765	5.02	490.07
			2019	132,994,809	13,973	9,518	5.41	514.59
			2020	119,082,314	12,023	9,905	4.54	450.04
			2021	132,227,737	10,906	12,124	4.05	490.97

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	320	Fire, Lightning and Removal	2017	13,944,093	462	30,182	0.37	110.22
			2018	17,181,184	466	36,869	0.37	137.32
			2019	12,826,355	334	38,402	0.26	99.72
			2020	15,737,183	376	41,854	0.28	118.27
			2021	17,064,919	420	40,631	0.31	125.15
		Wind and Hail	2017	31,994,806	4,116	7,773	3.25	252.91
			2018	15,019,410	2,061	7,287	1.65	120.04
			2019	36,389,870	3,777	9,635	2.94	282.91
			2020	42,883,433	4,652	9,218	3.50	322.27
			2021	53,089,597	4,293	12,367	3.15	389.36
		Water Damage and Freezing	2017	12,347,380	1,319	9,361	1.04	97.60
			2018	14,956,196	1,654	9,042	1.32	119.53
			2019	13,726,114	1,354	10,137	1.05	106.71
			2020	16,516,671	1,610	10,259	1.21	124.12
			2021	16,926,639	1,306	12,961	0.96	124.14
		Theft	2017	952,160	262	3,634	0.21	7.53
			2018	740,328	230	3,219	0.18	5.92
			2019	666,749	187	3,566	0.15	5.18
			2020	570,467	146	3,907	0.11	4.29
			2021	583,045	126	4,627	0.09	4.28
		Other Physical Damage	2017	1,941,317	388	5,003	0.31	15.35
			2018	3,992,421	628	6,357	0.50	31.91
			2019	2,240,045	426	5,258	0.33	17.42
			2020	2,588,347	484	5,348	0.36	19.45
			2021	3,828,599	495	7,735	0.36	28.08
		Liability	2017	1,858,007	135	13,763	0.11	14.69
			2018	1,431,499	101	14,173	0.08	11.44
			2019	653,957	55	11,890	0.04	5.08
			2020	2,058,642	141	14,600	0.11	15.47
			2021	773,524	69	11,210	0.05	5.67
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	196	1	196	0.00	0.00
		Medical Payments	2017	66,762	46	1,451	0.04	0.53
			2018	67,214	43	1,563	0.03	0.54
			2019	51,839	32	1,620	0.02	0.40
			2020	41,061	31	1,325	0.02	0.31
			2021	24,519	22	1,115	0.02	0.18
		Total	2017	63,104,525	6,728	9,379	5.32	498.82
			2018	53,388,252	5,183	10,301	4.14	426.69
			2019	66,554,929	6,165	10,796	4.79	517.43
			2020	80,395,804	7,440	10,806	5.59	604.18
			2021	92,291,038	6,732	13,709	4.94	676.86

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HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	330	Fire, Lightning and Removal	2017	650,615	27	24,097	0.38	92.55
			2018	1,283,523	36	35,653	0.53	189.53
			2019	750,491	26	28,865	0.37	106.66
			2020	736,570	35	21,045	0.48	101.71
			2021	512,587	24	21,358	0.33	69.66
		Wind and Hail	2017	1,078,089	123	8,765	1.75	153.36
			2018	757,668	130	5,828	1.92	111.88
			2019	974,265	151	6,452	2.15	138.47
			2020	1,124,695	159	7,074	2.20	155.30
			2021	745,422	94	7,930	1.28	101.31
		Water Damage and Freezing	2017	249,885	49	5,100	0.70	35.55
			2018	465,477	56	8,312	0.83	68.74
			2019	521,111	61	8,543	0.87	74.06
			2020	537,378	61	8,809	0.84	74.20
			2021	853,914	64	13,342	0.87	116.05
		Theft	2017	30,110	12	2,509	0.17	4.28
			2018	47,854	15	3,190	0.22	7.07
			2019	53,486	7	7,641	0.10	7.60
			2020	58,981	10	5,898	0.14	8.14
			2021	11,595	6	1,933	0.08	1.58
		Other Physical Damage	2017	111,387	17	6,552	0.24	15.84
			2018	308,333	44	7,008	0.65	45.53
			2019	145,432	28	5,194	0.40	20.67
			2020	262,973	29	9,068	0.40	36.31
			2021	169,741	27	6,287	0.37	23.07
		Liability	2017	9,814	4	2,454	0.06	1.40
			2018	6,764	6	1,127	0.09	1.00
			2019	69,443	7	9,920	0.10	9.87
			2020	40,390	6	6,732	0.08	5.58
			2021	45,929	8	5,741	0.11	6.24
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	2,818	3	939	0.04	0.40
			2018	0	0	0	0.00	0.00
			2019	2,998	3	999	0.04	0.43
			2020	0	0	0	0.00	0.00
			2021	6,875	3	2,292	0.04	0.93
		Total	2017	2,132,718	235	9,075	3.34	303.37
			2018	2,869,619	287	9,999	4.24	423.75
			2019	2,517,226	283	8,895	4.02	357.76
			2020	2,760,987	300	9,203	4.14	381.25
			2021	2,346,063	226	10,381	3.07	318.85

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	340	Fire, Lightning and Removal	2017	29,490,723	998	29,550	0.34	99.27
			2018	35,548,477	930	38,224	0.32	122.72
			2019	38,279,765	805	47,553	0.27	129.55
			2020	37,177,002	853	43,584	0.28	122.12
			2021	63,651,646	781	81,500	0.25	204.52
		Wind and Hail	2017	82,082,020	9,444	8,691	3.18	276.31
			2018	61,173,677	7,029	8,703	2.43	211.19
			2019	64,165,112	6,432	9,976	2.18	217.16
			2020	151,834,407	13,433	11,303	4.41	498.74
			2021	55,682,927	4,568	12,190	1.47	178.92
		Water Damage and Freezing	2017	49,014,060	4,658	10,523	1.57	164.99
			2018	54,242,802	5,210	10,411	1.80	187.26
			2019	55,690,396	4,693	11,867	1.59	188.47
			2020	65,320,824	5,182	12,605	1.70	214.56
			2021	67,409,299	4,527	14,891	1.45	216.59
		Theft	2017	2,904,840	782	3,715	0.26	9.78
			2018	2,491,769	589	4,231	0.20	8.60
			2019	2,429,189	569	4,269	0.19	8.22
			2020	1,608,645	374	4,301	0.12	5.28
			2021	1,457,641	317	4,598	0.10	4.68
		Other Physical Damage	2017	7,302,798	1,284	5,688	0.43	24.58
			2018	12,130,922	1,795	6,758	0.62	41.88
			2019	15,494,895	1,496	10,358	0.51	52.44
			2020	12,374,486	1,797	6,886	0.59	40.65
			2021	10,114,365	1,280	7,902	0.41	32.50
		Liability	2017	2,933,948	257	11,416	0.09	9.88
			2018	3,234,194	237	13,646	0.08	11.17
			2019	2,593,914	176	14,738	0.06	8.78
			2020	2,135,449	178	11,997	0.06	7.01
			2021	2,717,590	131	20,745	0.04	8.73
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	12,208	4	3,052	0.00	0.04
		Medical Payments	2017	103,063	71	1,452	0.02	0.35
			2018	83,487	57	1,465	0.02	0.29
			2019	106,864	72	1,484	0.02	0.36
			2020	93,905	64	1,467	0.02	0.31
			2021	102,590	62	1,655	0.02	0.33
		Total	2017	173,831,452	17,494	9,937	5.89	585.16
			2018	168,905,328	15,847	10,659	5.47	583.10
			2019	178,760,135	14,243	12,551	4.82	604.98
			2020	270,544,718	21,881	12,364	7.19	888.68
			2021	201,148,266	11,670	17,236	3.75	646.32

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HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	350	Fire, Lightning and Removal	2017	12,230,727	343	35,658	0.37	132.65
			2018	10,307,933	372	27,709	0.41	112.93
			2019	10,158,251	318	31,944	0.34	108.91
			2020	12,225,609	343	35,643	0.36	127.90
			2021	13,462,705	276	48,778	0.28	137.70
		Wind and Hail	2017	15,774,650	1,904	8,285	2.06	171.08
			2018	27,005,959	2,913	9,271	3.19	295.87
			2019	11,703,619	1,278	9,158	1.37	125.48
			2020	23,850,707	2,573	9,270	2.69	249.52
			2021	9,516,096	936	10,167	0.96	97.33
		Water Damage and Freezing	2017	9,397,789	1,058	8,883	1.15	101.92
			2018	12,576,971	1,391	9,042	1.52	137.79
			2019	11,778,351	1,131	10,414	1.21	126.28
			2020	14,335,821	1,278	11,217	1.34	149.98
			2021	14,302,053	1,051	13,608	1.07	146.28
		Theft	2017	749,867	206	3,640	0.22	8.13
			2018	621,542	157	3,959	0.17	6.81
			2019	741,495	141	5,259	0.15	7.95
			2020	638,964	132	4,841	0.14	6.68
			2021	509,316	99	5,145	0.10	5.21
		Other Physical Damage	2017	2,033,069	312	6,516	0.34	22.05
			2018	3,197,625	523	6,114	0.57	35.03
			2019	2,219,427	322	6,893	0.35	23.80
			2020	2,391,125	383	6,243	0.40	25.02
			2021	2,559,231	293	8,735	0.30	26.18
		Liability	2017	896,527	85	10,547	0.09	9.72
			2018	830,492	81	10,253	0.09	9.10
			2019	597,303	51	11,712	0.05	6.40
			2020	911,462	55	16,572	0.06	9.54
			2021	887,347	55	16,134	0.06	9.08
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	37,763	30	1,259	0.03	0.41
			2018	45,114	31	1,455	0.03	0.49
			2019	33,475	24	1,395	0.03	0.36
			2020	38,302	27	1,419	0.03	0.40
			2021	24,247	18	1,347	0.02	0.25
		Total	2017	41,120,392	3,938	10,442	4.27	445.97
			2018	54,585,636	5,468	9,983	5.99	598.02
			2019	37,231,921	3,265	11,403	3.50	399.19
			2020	54,391,990	4,791	11,353	5.01	569.04
			2021	41,260,995	2,728	15,125	2.79	422.03

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NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	360	Fire, Lightning and Removal	2017	24,709,543	743	33,256	0.38	127.96
			2018	20,681,906	624	33,144	0.33	109.01
			2019	24,511,033	707	34,669	0.37	126.54
			2020	22,757,114	599	37,992	0.30	114.84
			2021	28,880,308	564	51,206	0.28	142.40
		Wind and Hail	2017	39,582,207	5,087	7,781	2.63	204.98
			2018	20,650,179	2,916	7,082	1.54	108.85
			2019	25,020,692	3,153	7,936	1.63	129.17
			2020	33,355,278	3,810	8,755	1.92	168.33
			2021	19,919,726	2,133	9,339	1.05	98.22
		Water Damage and Freezing	2017	16,012,830	1,821	8,793	0.94	82.92
			2018	24,841,124	2,567	9,677	1.35	130.94
			2019	19,303,932	2,036	9,481	1.05	99.66
			2020	23,713,518	2,165	10,953	1.09	119.67
			2021	26,573,674	2,155	12,331	1.06	131.02
		Theft	2017	1,681,061	364	4,618	0.19	8.71
			2018	1,204,673	289	4,168	0.15	6.35
			2019	1,238,827	302	4,102	0.16	6.40
			2020	866,071	198	4,374	0.10	4.37
			2021	1,051,288	224	4,693	0.11	5.18
		Other Physical Damage	2017	4,707,573	818	5,755	0.42	24.38
			2018	10,814,770	1,396	7,747	0.74	57.00
			2019	5,005,780	753	6,648	0.39	25.84
			2020	5,184,795	735	7,054	0.37	26.16
			2021	7,467,874	644	11,596	0.32	36.82
		Liability	2017	2,235,168	140	15,965	0.07	11.57
			2018	1,276,919	138	9,253	0.07	6.73
			2019	1,301,660	99	13,148	0.05	6.72
			2020	1,758,848	97	18,132	0.05	8.88
			2021	694,253	88	7,889	0.04	3.42
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	118,383	81	1,462	0.04	0.61
			2018	101,366	71	1,428	0.04	0.53
			2019	97,058	61	1,591	0.03	0.50
			2020	103,677	61	1,700	0.03	0.52
			2021	49,318	31	1,591	0.02	0.24
		Total	2017	89,046,765	9,054	9,835	4.69	461.13
			2018	79,570,937	8,001	9,945	4.22	419.41
			2019	76,478,982	7,111	10,755	3.67	394.84
			2020	87,739,301	7,665	11,447	3.87	442.77
			2021	84,636,441	5,839	14,495	2.88	417.31

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	370	Fire, Lightning and Removal	2017	3,233,590	33	97,988	0.31	300.74
			2018	1,941,148	34	57,093	0.31	179.69
			2019	680,585	30	22,686	0.27	61.97
			2020	1,152,170	27	42,673	0.24	102.49
			2021	4,408,807	48	91,850	0.41	373.37
		Wind and Hail	2017	523,880	84	6,237	0.78	48.72
			2018	318,696	61	5,225	0.56	29.50
			2019	563,811	101	5,582	0.92	51.34
			2020	729,677	63	11,582	0.56	64.91
			2021	831,195	101	8,230	0.86	70.39
		Water Damage and Freezing	2017	985,161	100	9,852	0.93	91.63
			2018	1,731,427	129	13,422	1.19	160.27
			2019	955,512	80	11,944	0.73	87.01
			2020	1,403,615	107	13,118	0.95	124.85
			2021	1,334,026	95	14,042	0.80	112.98
		Theft	2017	41,558	8	5,195	0.07	3.87
			2018	14,588	5	2,918	0.05	1.35
			2019	268,530	8	33,566	0.07	24.45
			2020	42,994	8	5,374	0.07	3.82
			2021	17,551	6	2,925	0.05	1.49
		Other Physical Damage	2017	209,432	32	6,545	0.30	19.48
			2018	360,108	56	6,431	0.52	33.33
			2019	307,068	30	10,236	0.27	27.96
			2020	137,142	24	5,714	0.21	12.20
			2021	155,990	35	4,457	0.30	13.21
		Liability	2017	60,873	13	4,683	0.12	5.66
			2018	26,783	9	2,976	0.08	2.48
			2019	48,764	7	6,966	0.06	4.44
			2020	35,818	4	8,955	0.04	3.19
			2021	3,368	4	842	0.03	0.29
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	3,756	4	939	0.04	0.35
			2018	3,456	3	1,152	0.03	0.32
			2019	2,811	3	937	0.03	0.26
			2020	1,886	2	943	0.02	0.17
			2021	6,372	2	3,186	0.02	0.54
		Total	2017	5,058,250	274	18,461	2.55	470.45
			2018	4,396,206	297	14,802	2.75	406.94
			2019	2,827,081	259	10,915	2.36	257.43
			2020	3,503,302	235	14,908	2.09	311.63
			2021	6,757,309	291	23,221	2.46	572.27

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	380	Fire, Lightning and Removal	2017	4,584,750	145	31,619	0.41	130.26
			2018	6,745,517	127	53,114	0.37	194.14
			2019	2,240,878	120	18,674	0.34	62.77
			2020	6,419,930	152	42,236	0.42	175.62
			2021	2,345,032	98	23,929	0.26	62.51
		Wind and Hail	2017	2,372,634	345	6,877	0.98	67.41
			2018	1,746,671	289	6,044	0.83	50.27
			2019	6,451,108	690	9,349	1.93	180.69
			2020	5,336,118	584	9,137	1.60	145.97
			2021	2,954,970	303	9,752	0.81	78.77
		Water Damage and Freezing	2017	2,952,415	300	9,841	0.85	83.88
			2018	4,672,290	428	10,917	1.23	134.47
			2019	3,839,761	336	11,428	0.94	107.55
			2020	3,667,318	304	12,064	0.83	100.32
			2021	4,120,398	299	13,781	0.80	109.84
		Theft	2017	265,589	60	4,426	0.17	7.55
			2018	331,776	50	6,636	0.14	9.55
			2019	180,436	36	5,012	0.10	5.05
			2020	108,017	24	4,501	0.07	2.95
			2021	191,105	34	5,621	0.09	5.09
		Other Physical Damage	2017	642,560	94	6,836	0.27	18.26
			2018	1,857,998	293	6,341	0.84	53.47
			2019	796,246	120	6,635	0.34	22.30
			2020	882,805	119	7,419	0.33	24.15
			2021	998,023	122	8,181	0.33	26.60
		Liability	2017	678,392	20	33,920	0.06	19.27
			2018	707,069	38	18,607	0.11	20.35
			2019	163,686	22	7,440	0.06	4.58
			2020	349,888	20	17,494	0.05	9.57
			2021	88,258	17	5,192	0.05	2.35
		Credit Card	2017	0	0	0	0.00	0.00
			2018	8,287	1	8,287	0.00	0.24
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	21,203	12	1,767	0.03	0.60
			2018	50,841	17	2,991	0.05	1.46
			2019	15,342	9	1,705	0.03	0.43
			2020	20,006	8	2,501	0.02	0.55
			2021	11,786	7	1,684	0.02	0.31
		Total	2017	11,517,543	976	11,801	2.77	327.24
			2018	16,120,449	1,243	12,969	3.58	463.95
			2019	13,687,457	1,333	10,268	3.73	383.38
			2020	16,784,082	1,211	13,860	3.31	459.13
			2021	10,709,572	880	12,170	2.35	285.49

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	390	Fire, Lightning and Removal	2017	9,061,310	168	53,936	0.43	229.93
			2018	6,415,065	164	39,116	0.42	163.60
			2019	10,748,561	210	51,184	0.52	268.15
			2020	8,440,351	171	49,359	0.41	204.79
			2021	11,667,314	174	67,054	0.41	275.89
		Wind and Hail	2017	5,412,373	551	9,823	1.40	137.34
			2018	3,357,191	352	9,537	0.90	85.62
			2019	1,422,765	216	6,587	0.54	35.49
			2020	4,901,690	419	11,699	1.02	118.93
			2021	2,166,463	231	9,379	0.55	51.23
		Water Damage and Freezing	2017	3,620,717	285	12,704	0.72	91.88
			2018	4,993,184	389	12,836	0.99	127.34
			2019	2,605,643	260	10,022	0.65	65.00
			2020	3,295,792	326	10,110	0.79	79.97
			2021	4,341,262	259	16,762	0.61	102.66
		Theft	2017	542,276	95	5,708	0.24	13.76
			2018	509,360	81	6,288	0.21	12.99
			2019	280,964	50	5,619	0.12	7.01
			2020	595,312	63	9,449	0.15	14.44
			2021	297,328	47	6,326	0.11	7.03
		Other Physical Damage	2017	821,518	135	6,085	0.34	20.85
			2018	1,038,170	157	6,613	0.40	26.48
			2019	1,746,618	94	18,581	0.23	43.57
			2020	1,187,095	123	9,651	0.30	28.80
			2021	679,600	116	5,859	0.27	16.07
		Liability	2017	77,788	20	3,889	0.05	1.97
			2018	235,536	18	13,085	0.05	6.01
			2019	423,714	18	23,540	0.04	10.57
			2020	1,185,962	12	98,830	0.03	28.78
			2021	271,303	17	15,959	0.04	6.42
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	30,454	13	2,343	0.03	0.77
			2018	10,761	8	1,345	0.02	0.27
			2019	11,673	7	1,668	0.02	0.29
			2020	27,538	12	2,295	0.03	0.67
			2021	21,980	10	2,198	0.02	0.52
		Total	2017	19,566,436	1,267	15,443	3.22	496.50
			2018	16,559,267	1,169	14,165	2.98	422.30
			2019	17,239,938	855	20,164	2.13	430.10
			2020	19,633,740	1,126	17,437	2.73	476.39
			2021	19,445,250	854	22,770	2.02	459.82

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Owners	Statewide	Fire, Lightning and Removal	2017	224,200,500	6,450	34,760	0.34	116.91
			2018	259,703,986	6,384	40,680	0.34	136.40
			2019	251,645,699	5,832	43,149	0.30	129.20
			2020	249,481,421	5,725	43,578	0.29	124.30
			2021	341,922,668	5,686	60,134	0.28	166.24
		Wind and Hail	2017	403,058,273	45,703	8,819	2.38	210.17
			2018	278,011,067	34,511	8,056	1.81	146.01
			2019	560,149,181	51,690	10,837	2.65	287.59
			2020	713,904,731	68,198	10,468	3.40	355.69
			2021	408,718,740	33,340	12,259	1.62	198.71
		Water Damage and Freezing	2017	236,719,636	22,953	10,313	1.20	123.43
			2018	293,448,784	28,257	10,385	1.48	154.12
			2019	254,841,794	23,374	10,903	1.20	130.84
			2020	298,186,018	25,865	11,529	1.29	148.56
			2021	319,876,644	24,027	13,313	1.17	155.52
		Theft	2017	16,422,558	4,333	3,790	0.23	8.56
			2018	13,985,164	3,541	3,949	0.19	7.35
			2019	13,398,223	3,038	4,410	0.16	6.88
			2020	9,762,581	2,184	4,470	0.11	4.86
			2021	8,786,220	1,892	4,644	0.09	4.27
		Other Physical Damage	2017	39,500,260	6,645	5,944	0.35	20.60
			2018	63,791,666	10,299	6,194	0.54	33.50
			2019	55,168,936	7,495	7,361	0.38	28.33
			2020	55,098,385	8,456	6,516	0.42	27.45
			2021	60,653,667	7,634	7,945	0.37	29.49
		Liability	2017	19,394,947	1,428	13,582	0.07	10.11
			2018	18,196,511	1,498	12,147	0.08	9.56
			2019	17,541,624	990	17,719	0.05	9.01
			2020	19,836,126	1,394	14,230	0.07	9.88
			2021	16,627,314	1,000	16,627	0.05	8.08
		Credit Card	2017	0	0	0	0.00	0.00
			2018	8,287	1	8,287	0.00	0.00
			2019	469	1	469	0.00	0.00
			2020	16,254	1	16,254	0.00	0.01
			2021	37,737	10	3,774	0.00	0.02
		Medical Payments	2017	787,664	572	1,377	0.03	0.41
			2018	804,596	548	1,468	0.03	0.42
			2019	689,428	469	1,470	0.02	0.35
			2020	699,158	463	1,510	0.02	0.35
			2021	573,363	377	1,521	0.02	0.28
		Total	2017	940,083,838	88,084	10,673	4.59	490.19
			2018	927,950,061	85,039	10,912	4.47	487.36
			2019	1,153,435,354	92,889	12,417	4.77	592.20
			2020	1,346,984,674	112,286	11,996	5.59	671.11
			2021	1,157,196,353	73,966	15,645	3.60	562.61

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Tenants	Statewide	Fire, Lightning and Removal	2017	6,776,320	923	7,342	0.23	17.14
			2018	6,120,316	921	6,645	0.23	15.03
			2019	6,103,287	833	7,327	0.20	14.38
			2020	6,289,621	859	7,322	0.19	14.06
			2021	6,951,609	827	8,406	0.18	15.05
		Wind and Hail	2017	464,711	156	2,979	0.04	1.18
			2018	759,605	339	2,241	0.08	1.87
			2019	400,812	156	2,569	0.04	0.94
			2020	757,075	272	2,783	0.06	1.69
			2021	250,634	104	2,410	0.02	0.54
		Water Damage and Freezing	2017	2,876,382	793	3,627	0.20	7.28
			2018	4,484,099	1,170	3,833	0.29	11.01
			2019	2,902,185	836	3,472	0.20	6.84
			2020	3,255,104	865	3,763	0.19	7.28
			2021	3,986,816	998	3,995	0.22	8.63
		Theft	2017	6,708,202	2,560	2,620	0.65	16.97
			2018	6,367,420	2,309	2,758	0.57	15.64
			2019	5,345,429	2,011	2,658	0.47	12.60
			2020	4,319,010	1,653	2,613	0.37	9.65
			2021	4,784,745	1,595	3,000	0.35	10.36
		Other Physical Damage	2017	1,546,930	745	2,076	0.19	3.91
			2018	2,087,152	1,110	1,880	0.27	5.13
			2019	1,661,796	899	1,848	0.21	3.92
			2020	1,656,171	989	1,675	0.22	3.70
			2021	2,139,686	1,076	1,989	0.23	4.63
		Liability	2017	6,125,559	593	10,330	0.15	15.50
			2018	6,763,864	629	10,753	0.15	16.61
			2019	6,873,717	553	12,430	0.13	16.20
			2020	6,812,182	596	11,430	0.13	15.23
			2021	7,221,059	540	13,372	0.12	15.64
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	201	1	201	0.00	0.00
			2021	472	1	472	0.00	0.00
		Medical Payments	2017	66,990	57	1,175	0.01	0.17
			2018	62,391	61	1,023	0.01	0.15
			2019	55,257	51	1,083	0.01	0.13
			2020	66,882	56	1,194	0.01	0.15
			2021	77,506	54	1,435	0.01	0.17
		Total	2017	24,565,094	5,827	4,216	1.47	62.14
			2018	26,644,847	6,539	4,075	1.61	65.45
			2019	23,342,483	5,339	4,372	1.26	55.02
			2020	23,156,246	5,291	4,377	1.18	51.76
			2021	25,412,527	5,195	4,892	1.13	55.03

Exhibit (1)(l)

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSSES BY CAUSE

Form	Territory	Cause of Loss	Year	Incurred Losses	Incurred Claims	Average Loss	Frequency per-100	Pure Premium
Condos	Statewide	Fire, Lightning and Removal	2017	4,198,792	209	20,090	0.26	52.82
			2018	2,033,320	178	11,423	0.23	25.82
			2019	2,106,321	228	9,238	0.28	25.78
			2020	2,462,871	178	13,836	0.21	28.98
			2021	2,081,601	161	12,929	0.19	24.57
		Wind and Hail	2017	271,143	70	3,873	0.09	3.41
			2018	468,672	97	4,832	0.12	5.95
			2019	637,091	126	5,056	0.15	7.80
			2020	635,449	142	4,475	0.17	7.48
			2021	215,113	58	3,709	0.07	2.54
		Water Damage and Freezing	2017	10,775,966	1,793	6,010	2.26	135.55
			2018	13,576,698	2,224	6,105	2.82	172.42
			2019	13,045,918	1,981	6,586	2.42	159.66
			2020	14,561,687	2,091	6,964	2.46	171.36
			2021	17,050,172	2,053	8,305	2.42	201.27
		Theft	2017	476,635	203	2,348	0.26	6.00
			2018	492,223	171	2,878	0.22	6.25
			2019	486,232	181	2,686	0.22	5.95
			2020	458,918	149	3,080	0.18	5.40
			2021	300,744	123	2,445	0.15	3.55
		Other Physical Damage	2017	1,782,877	293	6,085	0.37	22.43
			2018	1,706,894	395	4,321	0.50	21.68
			2019	1,777,822	402	4,422	0.49	21.76
			2020	2,225,055	420	5,298	0.49	26.18
			2021	2,443,364	428	5,709	0.51	28.84
		Liability	2017	863,963	168	5,143	0.21	10.87
			2018	950,323	165	5,760	0.21	12.07
			2019	801,970	156	5,141	0.19	9.81
			2020	1,228,351	191	6,431	0.22	14.46
			2021	852,018	154	5,533	0.18	10.06
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	13,241	11	1,204	0.01	0.17
			2018	17,734	11	1,612	0.01	0.23
			2019	9,724	7	1,389	0.01	0.12
			2020	6,591	6	1,099	0.01	0.08
			2021	4,418	4	1,105	0.00	0.05
		Total	2017	18,382,617	2,747	6,692	3.46	231.23
			2018	19,245,864	3,241	5,938	4.12	244.42
			2019	18,865,078	3,081	6,123	3.77	230.88
			2020	21,578,922	3,177	6,792	3.74	253.94
			2021	22,947,430	2,981	7,698	3.52	270.88

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended loss cost.

The statewide credibility procedure is based on the ‘frequency with severity modification’ model discussed in "Credibility of the Pure Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated using the square root rule:

$$Z_p = \sqrt{\frac{Five\ Year\ House\ Years}{Full\ Credibility\ Standard}}$$ (truncated to one decimal place)

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for Tenant Form, and 190,000 house years for Condo Unit Form.

To distribute the statewide change by territory, a credibility procedure was used on the non-hurricane loss costs. The credibility standard used was based on the same model as statewide credibility. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house years. The full credibility standards are 60,000 for Owners' Forms, 75,000 for Tenant Form and 50,000 for Condo Unit Form. Partial credibility (Z_p) is calculated using the square root rule:

$$Z_p = \sqrt{\frac{Five\ Year\ House\ Years}{Full\ Credibility\ Standard}}$$ (truncated to one decimal place)

The Rate Bureau has not considered alternative credibility procedures in the last three years.

See Section D and prefiled testimony of P. Anderson and P. Ericksen.

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS

(a) See pages D-3-4, pages D-11-13, and prefiled testimony of P. Anderson and P. Ericksen. The Rate Bureau has not considered an alternative loss development methodology in the last three years.

(b) See attached Exhibit (3)(b). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.

(c) See attached Exhibit (3)(c). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.

(d) See attached Exhibit (3)(d). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.

(e) See attached Exhibit (3)(e). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.

(f) The Rate Bureau is advised by ISO that loss and claim development information is not available by cause of loss.

(g) Responses provided in connection with items (3)(g) and (7)(c) are attached as Exhibits (3)(g) and (7)(c).

Exhibit (3)(b)

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Losses, All Forms Combined

Accident	Paid Losses as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2010	395,047,185	433,044,548	438,207,418	439,593,631	440,530,971
2011	850,940,067	904,697,916	911,675,937	915,596,008	915,687,288
2012	390,330,664	436,548,840	444,545,323	447,558,708	447,439,270
2013	322,575,569	354,019,782	358,243,411	359,804,030	360,373,479
2014	377,081,333	413,454,080	419,771,028	421,460,158	421,880,404
2015	354,147,315	388,048,614	393,509,470	395,251,154	395,679,305
2016	515,424,991	582,051,073	594,630,046	596,672,156	597,576,645
2017	439,154,660	495,322,565	505,342,900	507,997,229	508,742,324
2018	1,456,709,569	1,686,742,393	1,729,726,194	1,747,008,221	
2019	576,061,312	640,538,936	654,296,050		
2020	747,565,618	849,363,550			
2021	568,647,270				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2010	1.096	1.012	1.003	1.002
2011	1.063	1.008	1.004	1.000
2012	1.118	1.018	1.007	1.000
2013	1.097	1.012	1.004	1.002
2014	1.096	1.015	1.004	1.001
2015	1.096	1.014	1.004	1.001
2016	1.129	1.022	1.003	1.002
2017	1.128	1.020	1.005	1.001
2018	1.158	1.025	1.010	
2019	1.112	1.021		
2020	1.136			

	27:15	39:27	51:39	63:51
Average	1.112	1.017	1.005	1.001

Loss Development Factors

15:63	27:63	39:63	51:63	63:63
1.138	1.023	1.006	1.001	1.000

Exhibit (3)(b)

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Losses, All Forms Combined

Accident	Paid Losses as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2013	322,575,569	354,019,782	358,243,411	359,804,030	360,373,479
2014	377,081,333	413,454,080	419,771,028	421,460,158	421,880,404
2015	354,147,315	388,048,614	393,509,470	395,251,154	395,679,305
2016	515,424,991	582,051,073	594,630,046	596,672,156	597,576,645
2017	439,154,660	495,322,565	505,342,900	507,997,229	508,742,324
2018	1,456,709,569	1,686,742,393	1,729,726,194	1,747,008,221	
2019	576,061,312	640,538,936	654,296,050		
2020	747,565,618	849,363,550			
2021	568,647,270				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2013	1.097	1.012	1.004	1.002
2014	1.096	1.015	1.004	1.001
2015	1.096	1.014	1.004	1.001
2016	1.129	1.022	1.003	1.002
2017	1.128	1.020	1.005	1.001
2018	1.158	1.025	1.010	
2019	1.112	1.021		
2020	1.136			

5-Year	27:15	39:27	51:39	63:51
Average	1.133	1.020	1.005	1.001

Loss Development Factors

15:63	27:63	39:63	51:63	63:63
1.163	1.026	1.006	1.001	1.000

Exhibit (3)(c)

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Incurred Losses, All Forms Combined

Accident	Incurred Losses as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2010	441,916,709	443,343,311	442,650,746	441,877,852	440,942,144
2011	907,007,796	918,425,175	918,997,261	917,013,001	916,187,770
2012	425,246,075	445,422,525	448,840,846	449,342,221	448,069,143
2013	357,831,596	364,011,098	362,357,456	360,896,525	360,838,554
2014	412,391,841	422,799,230	423,248,597	422,401,550	422,083,837
2015	390,300,780	400,961,127	398,265,690	396,756,822	396,771,944
2016	569,348,211	597,596,001	600,562,918	597,780,181	598,239,202
2017	481,432,059	507,028,361	509,904,665	509,945,825	509,913,621
2018	1,546,008,230	1,718,446,404	1,743,581,245	1,755,775,556	
2019	626,241,507	654,578,809	661,372,155		
2020	807,264,010	866,614,044			
2021	615,988,509				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2010	1.003	0.998	0.998	0.998
2011	1.013	1.001	0.998	0.999
2012	1.047	1.008	1.001	0.997
2013	1.017	0.995	0.996	1.000
2014	1.025	1.001	0.998	0.999
2015	1.027	0.993	0.996	1.000
2016	1.050	1.005	0.995	1.001
2017	1.053	1.006	1.000	1.000
2018	1.112	1.015	1.007	
2019	1.045	1.010		
2020	1.074			

	27:15	39:27	51:39	63:51
Average	1.042	1.003	0.999	0.999

Loss Development Factors

15:63	27:63	39:63	51:63	63:63
1.043	1.001	0.998	0.999	1.000

Exhibit (3)(c)

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Incurred Losses, All Forms Combined

Accident	Incurred Losses as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2013	357,831,596	364,011,098	362,357,456	360,896,525	360,838,554
2014	412,391,841	422,799,230	423,248,597	422,401,550	422,083,837
2015	390,300,780	400,961,127	398,265,690	396,756,822	396,771,944
2016	569,348,211	597,596,001	600,562,918	597,780,181	598,239,202
2017	481,432,059	507,028,361	509,904,665	509,945,825	509,913,621
2018	1,546,008,230	1,718,446,404	1,743,581,245	1,755,775,556	
2019	626,241,507	654,578,809	661,372,155		
2020	807,264,010	866,614,044			
2021	615,988,509				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2013	1.017	0.995	0.996	1.000
2014	1.025	1.001	0.998	0.999
2015	1.027	0.993	0.996	1.000
2016	1.050	1.005	0.995	1.001
2017	1.053	1.006	1.000	1.000
2018	1.112	1.015	1.007	
2019	1.045	1.010		
2020	1.074			
5-Year	27:15	39:27	51:39	63:51
Average	1.067	1.006	0.999	1.000

Loss Development Factors

15:63	27:63	39:63	51:63	63:63
1.072	1.005	0.999	1.000	1.000

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Claims, All Forms Combined

Accident	Paid Claims as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2010	64,032	67,869	68,249	68,355	68,401
2011	118,068	125,932	126,650	126,903	126,969
2012	55,747	62,053	63,042	63,308	63,344
2013	47,983	51,774	52,317	52,486	52,520
2014	49,994	53,945	54,479	54,629	54,679
2015	45,248	48,942	49,384	49,535	49,575
2016	75,607	82,399	83,377	83,689	83,749
2017	46,660	52,061	52,930	53,139	53,172
2018	143,215	154,384	156,731	157,473	
2019	56,032	61,456	62,249		
2020	77,123	84,950			
2021	46,300				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2010	1.060	1.006	1.002	1.001
2011	1.067	1.006	1.002	1.001
2012	1.113	1.016	1.004	1.001
2013	1.079	1.010	1.003	1.001
2014	1.079	1.010	1.003	1.001
2015	1.082	1.009	1.003	1.001
2016	1.090	1.012	1.004	1.001
2017	1.116	1.017	1.004	1.001
2018	1.078	1.015	1.005	
2019	1.097	1.013		
2020	1.101			

	27:15	39:27	51:39	63:51
Average	1.087	1.011	1.003	1.001

Claim Development Factors

15:63	27:63	39:63	51:63	63:63
1.103	1.015	1.004	1.001	1.000

Exhibit (3)(d)

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Claims, All Forms Combined

Accident	Paid Claims as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2013	47,983	51,774	52,317	52,486	52,520
2014	49,994	53,945	54,479	54,629	54,679
2015	45,248	48,942	49,384	49,535	49,575
2016	75,607	82,399	83,377	83,689	83,749
2017	46,660	52,061	52,930	53,139	53,172
2018	143,215	154,384	156,731	157,473	
2019	56,032	61,456	62,249		
2020	77,123	84,950			
2021	46,300				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2013	1.079	1.010	1.003	1.001
2014	1.079	1.010	1.003	1.001
2015	1.082	1.009	1.003	1.001
2016	1.090	1.012	1.004	1.001
2017	1.116	1.017	1.004	1.001
2018	1.078	1.015	1.005	
2019	1.097	1.013		
2020	1.101			

5-Year	27:15	39:27	51:39	63:51
Average	1.096	1.013	1.004	1.001

Claim Development Factors

15:63	27:63	39:63	51:63	63:63
1.116	1.018	1.005	1.001	1.000

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Outstanding Claims, All Forms Combined

Accident	Outstanding Claims as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2010	3,487	301	122	56	23
2011	6,070	528	208	81	53
2012	3,348	520	187	71	29
2013	2,683	423	161	46	21
2014	2,610	395	147	40	13
2015	2,608	457	165	54	27
2016	4,497	690	273	92	75
2017	3,427	611	162	68	47
2018	7,082	1,293	743	366	
2019	2,868	782	489		
2020	4,244	1,429			
2021	2,196				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2010	0.086	0.405	0.459	0.411
2011	0.087	0.394	0.389	0.654
2012	0.155	0.360	0.380	0.408
2013	0.158	0.381	0.286	0.457
2014	0.151	0.372	0.272	0.325
2015	0.175	0.361	0.327	0.500
2016	0.153	0.396	0.337	0.815
2017	0.178	0.265	0.420	0.691
2018	0.183	0.575	0.493	
2019	0.273	0.625		
2020	0.337			

	27:15	39:27	51:39	63:51
Average	0.176	0.413	0.374	0.533

Claim Development Factors

15:63	27:63	39:63	51:63	63:63
0.014	0.082	0.199	0.533	1.000

Exhibit (3)(e)

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Outstanding Claims, All Forms Combined

Accident	Outstanding Claims as of:				
Year	15 Months	27 Months	39 Months	51 Months	63 Months
2013	2,683	423	161	46	21
2014	2,610	395	147	40	13
2015	2,608	457	165	54	27
2016	4,497	690	273	92	75
2017	3,427	611	162	68	47
2018	7,082	1,293	743	366	
2019	2,868	782	489		
2020	4,244	1,429			
2021	2,196				

Accident	Link Ratios			
Year	27:15	39:27	51:39	63:51
2013	0.158	0.381	0.286	0.457
2014	0.151	0.372	0.272	0.325
2015	0.175	0.361	0.327	0.500
2016	0.153	0.396	0.337	0.815
2017	0.178	0.265	0.420	0.691
2018	0.183	0.575	0.493	
2019	0.273	0.625		
2020	0.337			

5-Year	27:15	39:27	51:39	63:51
Average	0.225	0.444	0.370	0.558

Claim Development Factors

15:63	27:63	39:63	51:63	63:63
0.021	0.092	0.206	0.558	1.000

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

The Rate Bureau is advised by ISO that loss and claim development information by cause of loss is not available.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

Responses provided in connection with items (3)(g) and (7)(c) are enclosed herewith.

Homeowners

Reserve Strengthening and Expense Cutting Activities

11/16/23 ko

Allstate
You're in good hands.

Gary Wierzbicki
Senior Actuary, FCAS

November 15th, 2023

Dear Karen,

Included below is Allstate's response to the inquiry regarding reserve strengthening and expense cutting initiatives for the Allstate Indemnity Company Homeowners Program in North Carolina.

With respect to 11 N.C.A.C. 10.1105 (3)(g), which states,

> Statements regarding any changes in reserve adequacy that have occurred in the latest five years from each of the ten largest writers (based on North Carolina written premium) of the line affected by the filing.

Allstate reports there have been **no** material changes with regard to case reserving practices for homeowners insurance in the state of North Carolina over the past five years (2017-2022) for the listed companies.

With respect to 11 N.C.A.C. 10.1105 (7)(c), which states,

> In filings producing an overall rate level change for either homeowners or farmowners policies, provide statements regarding any activities affecting expense or service levels undertaken in the last five years by each of ten largest writers (based on North Carolina written premium) of the line affected by the filing.

There have not been any recent expense cutting activities for the listed companies that would create a material change in expected future expense ratios that exceeds typical year-to-year volatility. In the past 5 years, expense reduction activities have been largely offset by additional investments being made in various initiatives such as technology capabilities, acquisitions, and marketing initiatives.

Please contact me if you have any questions or require further details.

Sincerely,

Gary Wierzbicki

Gary Wierzbicki, FCAS
gwieb@allstate.com

Erie Insurance
Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530 • 814.870.2000
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Kayla M. Robertson, FCAS, MAAA
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Enterprise Risk Management
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100 Erie Insurance Place
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Telephone: (814) 870-6993
kayla.robertson@erieinsurance.com

November 9, 2023

To: Karen Ott
Executive Assistant
North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27619-6010
Telephone: (919) 582-1025

RE: RESERVE STRENGTHENING & EXPENSE CUTTING ACTIVITIES

1. RESERVE STRENGTHENING

The Erie Insurance Group (ERIE) began implementing a claim evaluation software and training program in 2003. These enable adjusters to produce a complete, detailed, and professional dwelling damage estimate in order to establish more accurate case reserves. ERIE changed the software used in the latter part of 2012.

A new claims administration software system for the Homeowners line of business was implemented in December, 2017. The software system is termed ERIE Claim Center (ECC).

The manner in which claims were recorded and case reserves established changed minimally with the implementation of the new claims system in December, 2017. Immediately following the implementation of the new claims system, relative case reserves appeared to be strengthening to a small degree.

The relative adequacy level of case reserves is examined during the quarterly reserve analysis. Since 2020, relative case reserve adequacy has been deteriorating. This can be attributed to staff turnover, adjusters with less experience, and strong inflation in recent years.

2. EXPENSE CUTTING ACTIVITIES

We are not aware of any expense cutting activities over the last five years on the Homeowners line of business that would materially impact the anticipated expense levels in North Carolina. The data in the most recent annual statements (2019 through 2023) is most representative of what to expect in the future.

Sincerely,

Kayla Robertson, FCAS, MAAA

Kayla M. Robertson, FCAS, MAAA

November 14, 2023

Attn: Karen Ott
North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

NCRB Reserve Strengthening and Expense Cutting Activities Response

Dear Karen Ott,

Thank you for the opportunity to respond to your request. Please consider this First Protective Insurance Company d/b/a Frontline Insurance's response to the North Carolina Rate Bureau.

The criteria used by Frontline Insurance in North Carolina for establishing case basis reserves has not changed materially from those used over the last five years. Additionally, Frontline Insurance has not undertaken any expense cutting activities over the last five years on our Homeowners coverages that would materially impact our anticipated expense levels in North Carolina.

It is our sincere hope that the above fully addresses any and all concerns the NCRB may have regarding this request. If the NCRB has any further concerns or questions, please do not hesitate to contact the Compliance Department.

Sincerely,

Melissa Alpuche
Compliance Manager
malpuche@flhi.com
compliancedept@flhi.com

Liberty Mutual Insurance

US Retail Markets
Product Compliance
175 Berkeley Street
Boston, MA 02116
Phone: (617) 357-9500
Fax: (857) 224-8832

November 14, 2023

Karen Ott
North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

Dear Ms. Ott,

This letter is in response to your November 8, 2023 request for statements regarding LM Insurance Corporation's reserve strengthening and expense cutting activities.

Reserve Strengthening
In 2017, Liberty changed its reserve philosophy countrywide. We started estimating reserves at the beginning of the claim process instead of stair-stepping reserve. This resulted in reserves that are more adequate at the time of settlement. We have not engaged in any state specific initiatives for North Carolina over the past five years.

Expense Cutting
As part of our ongoing strategic initiatives, Liberty seeks to reduce its cost base through organizational efficiencies and productivity gains. We are actively managing our expenses holistically and have not engaged in any state specific initiatives for North Carolina over the past five years.

If you have any questions or need any additional information, please feel free to contact me directly. I'll be more than happy to assist you.

Sincerely,

Craig Sanderson

Craig Sanderson
Compliance Analyst
craig.sanderson@libertymutual.com

Nationwide®
is on your side

November 14, 2023

Ms. Karen Ott
Executive Assistant
North Carolina Rate Bureau
2910 Summer Blvd
Raleigh, NC 27616

RE: Reserve Strengthening and Expense Cutting Activities

Dear Ms. Ott,

This letter is in response to your request on November 8, 2023 for statements regarding the reserve strengthening and expense cutting activities for the Nationwide General Insurance Company and the Nationwide Mutual Insurance Company.

Nationwide has not made any significant changes in the past five years (2017-2021) that have a material impact on the reserves for North Carolina.

Additionally, while Nationwide does continually monitor our expense levels, we do not expect any material change to our expenses in 2024.

Thank you for your time.

Sincerely,

Sara Behrend

Sara Behrend
Technical Director, Actuarial – P&C

One Nationwide Plaza
Columbus, Ohio 43215

North Carolina
Farm Bureau Insurance Group

Telephone 919.782.1705 - Post Office Box 27427 - Raleigh, NC 27611

November 16, 2023

North Carolina Rate Bureau
Attn: Karen Ott
2910 Sumner Boulevard
Raleigh, NC 27616

RE: NCRB Reserve Strengthening and Expense Cutting Activities Homeowners

Please be advised, North Carolina Farm Bureau Mutual Insurance Company has undertaken no material changes in reserve strengthening or expense cutting in the last five years on the Homeowners line of business.

Sincerely,

Matt Beamon, ACAS, MAAA
Sr. Executive, Actuarial, Research, & Reinsurance
North Carolina Farm Bureau Mutual Ins Co.
5301 Glenwood Ave.
Raleigh, NC 27612
matt.beamon@ncfbins.com
(919) 783-4347

Jeff Clinch, FCAS, MAAA, CPCU
Actuary and Assistant Secretary-Treasurer

One State Farm Plaza, D4
Bloomington, Illinois 61710
Phone: 309.766.9940
Fax: 309.766.3189
E-mail: jeff.clinch.gfdl@statefarm.com

November 15, 2023

Ms. Karen Ott
Executive Assistant
North Carolina Rate Bureau
2910 Summer Blvd.
Raleigh, NC 27616

Dear Ms. Ott:

RE: Reserve Strengthening and Expense Cutting Activities

Your email dated November 8, 2023 requested two items required from the largest writers of Homeowners insurance in North Carolina.

The first item concerned reserves. In response to your question, State Farm has not made any changes in the past five years (2017 through 2021) that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm continues to review every aspect of our company's operation in an effort to further streamline workflow and processes and to invest in technological advances where appropriate while striving to improve the service provided to our customers. We believe that State Farm's recent expense levels are representative of what we expect for 2024, as we do not anticipate a material change.

Sincerely,

Jeff Clinch

Jeff Clinch
Actuary and Assistant Secretary-Treasurer

9800 Fredericksburg Road
San Antonio, Texas 78288

USAA®

Karen Ott
NCRB
2910 Sumner Boulevard
Raleigh, NC 27616
klo@ncrb.org

November 14, 2023

Reference: NCRB Reserve Strengthening and Expense Cutting Activities Homeowners

Dear Karen Ott,

Below is information regarding any Reserve Strengthening and Expense Cutting Activities for the USAA group of companies. The request we received was for United Services Automobile Association and USAA Casualty Insurance Company, but the changes also apply to USAA General Indemnity Company and Garrison Property and Casualty Company.

Reserve Strengthening:
For less complex claims (based on pre-determined business rules), case reserves are set automatically by our claims system. In 2019, we began to update these defaults on an annual basis to ensure it kept up with trends and inflation and was more adequate going forward.

Expense Cutting Activities:
USAA continuously runs an industry leading expense ratio and is always looking for more efficient processes for the homeowner line of business. Examples would include more virtual dwelling inspections instead of in person vendor inspections and changes in the cadence of ordering consumer reports. However, these changes have not resulted in a material change in USAA's expense provision.

If you need any more information or have any questions, please do not hesitate to reach out.

Sincerely,

Nicholas Kunkle, FCAS
Associate Actuary – Property Pricing
nicholas.kunkle@usaa.com
USAA

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STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

(a) See Section D and pre-filed testimony of P. Anderson and P. Ericksen.

(b) See prefiled testimony of P. Anderson and P. Ericksen.

(c) This information, based on companies reporting to ISO, ISS and NISS, is provided in the response to 11 NCAC 10.1105 (1)(1) and on pages D-14-16 of the filing.

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5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

(a) See Section D and prefiled testimony of P. Anderson and P. Ericksen. The Rate Bureau has not considered an alternative exposure trend methodology in the last three years.

(b) The Rate Bureau is advised by ISO that the exposure and premium distributions by policy term are not available for the latest five years. Past analysis for the years 1992-1996 indicated that 100% of the written premium was for a policy term of one year. No significant change in the policy term distribution is expected.

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6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

   (a) No limitations were applied to the losses.

   (b) Limitations were applied to the rate level change by form. No limitations were applied to the rate level change by coverage, protection class, construction or deductible.

   (c) Limitations were applied to the rate level change by territory.

   (d) No other limitations were applied.

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7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE, OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES

(a) Exhibit (7)(a) provides all information relating to expense provisions contained in the filing. The Rate Bureau has not considered an alternative expense methodology in the last three years.

(b) See Section D for earned premium and unallocated loss adjustment expenses for each of the latest five available calendar years.

(c) See the response to 11 NCAC 10.1105 (3)(g).

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The following provides a description of the derivation of Homeowners expense provisions. The underlying historical expense data are provided by the North Carolina Rate Bureau and are displayed on pages D-24-26.

The filed expense provision methodology makes a distinction between those provisions which require trending and those that do not. For example, since commission and tax expenses vary directly with premium, no additional consideration of trend is needed. In contrast, general expenses, other acquisition expenses, and loss adjustment expenses do not vary directly with premium or losses and, as a percentage of premium or losses, are subject to the effects of trend.

The filed provision for commission and brokerage expenses, 12.0% of written premium, and the provision for taxes, licenses, and fees, 2.8% of written premium, are based on the historical data shown on page D-24 for the latest three years.

Since the general expense and other acquisition expense percentages are relative to earned premiums and the loss adjustment expense percentage is relative to losses, separate trend factors are required for premiums, losses, and expenses. See information provided below, pages D-5-7, pages D-27-28 and the pre-filed testimony of P. Anderson and P. Ericksen.

<u>General Expense and Other Acquisition Expense</u> - Based on the 2020-2022 experience on page D-24, general expense averages 3.9% of earned premium and other acquisition expense averages 5.9% of earned premium. The average date of payment of the 2020-2022 expenses is 7/1/2021. Similarly, the average date represented in the 2020-2022 premiums is 7/1/2021. Since the average date of writing of policies under the proposed rates, and the average date of payment of the expenses on these policies, is six months after the assumed effective date of 8/1/2024, or 2/1/2025, the historical general and other acquisition expense ratios need to be trended to the 2/1/2025 level.

The trend factor for the expenses represented in the numerator is based on the indices displayed on pages D-21-22. This index is constructed by weighting the Compensation Cost Index with the Consumer Price Index. These two sources receive equal weights. Based on these data, an average annual change of 5.0% is selected. This average annual change is projected 43 months (from 7/1/2021 to 2/1/2025).

To trend the premiums in the denominator, the 2021 Premium Trend Factor is applied. The Premium Trend Factors are shown on page D-19.

Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium Unit Owner forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium Unit Owner policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

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Loss Adjustment Expense - Based on the 2018-2022 experience shown on page D-26, loss adjustment expenses (both allocated and unallocated) average 12.7% of incurred losses, after excluding the high- and low-valued years. The average date of loss represented in these data is 7/1/2020. Both the numerator and denominator are therefore trended 61 months, from 7/1/2020 to 8/1/2025 (12 months beyond the anticipated effective date of 8/1/2024).

The trend factor used for expenses in the numerator is determined in a similar way as for general and other acquisition expenses. The 5.0% selected average annual change is projected 61 months (from 7/1/2017 to 8/1/2022).

To trend the losses in the denominator, the 2020 Loss Trend Factor is applied. The Loss Trend Factors are shown on page D-17.

No alternate expense trend methodology has been considered within the last three years.

8. PERCENT RATE CHANGE

The overall statewide rate change and the rate changes by territory are shown on pages A-2-3.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses, fixed expenses, and average rating factors used in the calculation of the rate level indication. The proposed rate changes have been calculated based on an assumed effective date of 8/1/2024.

If the effective date were to be changed, advance notice of one hundred five (105) days is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date and distribute the necessary information to member companies.

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9. FINAL PROPOSED RATES

The proposed rates are shown in Section A.

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STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10)(a), (b) and (c) and the pre-filed testimony of P. Ericksen and G. Zanjani. The experience provides the best estimate of the future.

NORTH CAROLINA

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

A.	Unearned Premium Reserve		
	1.	Direct Earned Premium for Accident Year Ended 12/31/22	$3,418,913,643
	2.	Mean Unearned Premium Reserve, (1) x 0.5285	$1,806,895,860
	3.	Deduction for Prepaid Expenses	
		Commission and Brokerage	11.82%
		Taxes, Licenses and Fees	2.35%
		1/2 General Expenses	1.93%
		1/2 Other Acquisition	3.00%
		Total	19.10%
	4.	(2) × (3)	$345,117,109
	5.	Net Subject to Investment (2) - (4)	$1,461,778,751
B.	Delayed Remission of Premium (Agents' Balances)		
	1.	Direct Earned Premium (A-1)	$3,418,913,643
	2.	Average Agents' Balances	0.146
	3.	Delayed Remission (1) × (2)	$499,161,392
C.	Loss Reserve		
	1.	Direct Earned Premium (A-1)	$3,418,913,643
	2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.4055	$1,386,369,482
	3.	Expected Mean Loss Reserves, (2) x 0.327	$453,342,821
D.	Net Subject to Investment (A-5)-(B-3)+(C-3)		$1,415,960,180
E.	Average Rate of Return		3.24%
F.	Investment Earnings on Net Subject to Investment (D) × (E)		$45,877,110
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)		1.34%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes, (G) x (1 - 0.168)		1.11%

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/22 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/22	$3,418,913,643
2. Unearned Premium Reserve as of 12/31/21	$1,703,096,979
3. Unearned Premium Reserve as of 12/31/22	$1,910,955,876
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	$1,807,026,428
5. Ratio (4) ÷ (1)	0.5285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/22.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1432
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.020
3. Factor for agents' balances (1) × (2)	0.146

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2
The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/22.

Line C-3
The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2022 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2022	$2,316,094,568
2. Loss Reserves as of 12/31/21	$560,103,530
3. Loss Reserves as of 12/31/22	$896,965,689
4. Mean Loss Reserve 2022, 1/2 [(2) + (3)]	$728,534,610
5. Ratio (4) ÷ (1)	0.315
6. Ratio of LAE Reserves to Loss Reserves (a)	0.176
7. Ratio of Incurred LAE to Incurred Losses (a)	0.134
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.327

(a) Based on 2022 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E
The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

Year	Net Investment Income Earned	Mean Cash and Invested Assets	Rate of Return
2022	$72,872,014	$2,252,298,716	3.24%

Exhibit (10)(a)

NORTH CAROLINA

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	3.24%	0.168

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2022 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	$31,344,552	0.210
	Non-Taxable	$6,002,744	
	Sub-Total	$37,347,296	0.176
Stocks	Taxable (a)	$10,535,257	0.105
	Non-Taxable	$3,239,275	
	Sub-Total	$13,774,532	0.080
Mortgage Loans		$1,409,516	
Real Estate		$1,933,525	
Contract Loans		$202	
Cash on Deposit		$1,968,882	
Short Term Investments		$112,071	
All Other		$22,739,012	
Sub-Total		$28,163,208	0.210
Total		$79,285,036	0.171
Investment Deductions		$6,413,018	0.210
Net Investment Income Earned		$72,872,018	0.168

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

Exhibit (10)(a)

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

A.	Unearned Premium Reserve		
	1.	Direct Earned Premium for Accident Year Ended 12/31/21	$3,117,849,262
	2.	Mean Unearned Premium Reserve, (1) x 0.5274	$1,644,353,701
	3.	Deduction for Prepaid Expenses	
		Commission and Brokerage	11.86%
		Taxes, Licenses and Fees	2.35%
		1/2 General Expenses	2.33%
		1/2 Other Acquisition	3.25%
		Total	19.79%
	4.	(2) × (3)	$325,417,597
	5.	Net Subject to Investment (2) - (4)	$1,318,936,104
B.	Delayed Remission of Premium (Agents' Balances)		
	1.	Direct Earned Premium (A-1)	$3,117,849,262
	2.	Average Agents' Balances	0.148
	3.	Delayed Remission (1) × (2)	$461,441,691
C.	Loss Reserve		
	1.	Direct Earned Premium (A-1)	$3,117,849,262
	2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.3917	$1,221,261,556
	3.	Expected Mean Loss Reserves, (2) x 0.371	$453,088,037
D.	Net Subject to Investment (A-5)-(B-3)+(C-3)		$1,310,582,450
E.	Average Rate of Return		2.63%
F.	Investment Earnings on Net Subject to Investment (D) × (E)		$34,468,318
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)		1.11%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes, (G) x (1 - 0.156)		0.94%

Exhibit (10)(a)

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line A-1</u>
Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

<u>Line A-2</u>
The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/21 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/21	$3,117,849,262
2. Unearned Premium Reserve as of 12/31/20	$1,585,491,577
3. Unearned Premium Reserve as of 12/31/21	$1,703,096,979
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	$1,644,294,278
5. Ratio (4) ÷ (1)	0.5274

<u>Line A-3</u>
Deduction for prepaid expenses:
Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/21.

<u>Line B-2</u>
Delayed remission of premium:
This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1448
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) × (2)	0.148

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line C-2</u>
The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/21.

<u>Line C-3</u>
The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2021 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2021	$1,592,119,157
2. Loss Reserves as of 12/31/20	$583,782,316
3. Loss Reserves as of 12/31/21	$560,103,530
4. Mean Loss Reserve 2021, 1/2 [(2) + (3)]	$571,942,923
5. Ratio (4) ÷ (1)	0.359
6. Ratio of LAE Reserves to Loss Reserves (a)	0.172
7. Ratio of Incurred LAE to Incurred Losses (a)	0.135
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.371

(a) Based on 2021 All-Industry Insurance Expense Exhibit (source: A.M. Best)

<u>Line E</u>
The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

Year	Net Investment Income Earned	Mean Cash and Invested Assets	Rate of Return
2021	$56,623,774	$2,156,812,439	2.63%

Exhibit (10)(a)

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	2.63%	0.156

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2021 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	$27,544,890	0.210
	Non-Taxable	$6,758,330	
	Sub-Total	$34,303,220	0.169
Stocks	Taxable (a)	$9,209,605	0.105
	Non-Taxable	$3,215,338	
	Sub-Total	$12,424,943	0.078
Mortgage Loans		$1,149,755	
Real Estate		$1,995,897	
Contract Loans		$91	
Cash on Deposit		$139,788	
Short Term Investments		$46,945	
All Other		$12,669,731	
Sub-Total		$16,002,207	0.210
Total		$62,730,370	0.161
Investment Deductions		$6,106,693	0.210
Net Investment Income Earned		$56,623,677	0.156

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

Exhibit (10)(a)

NORTH CAROLINA

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/20	$2,927,843,779
2.	Mean Unearned Premium Reserve, (1) x 0.5217	$1,527,456,100
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.38%
	Taxes, Licenses and Fees	2.38%
	1/2 General Expenses	2.08%
	1/2 Other Acquisition	3.36%
	Total	20.20%
4.	(2) × (3)	$308,546,132
5.	Net Subject to Investment (2) - (4)	$1,218,909,968

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	$2,927,843,779
2.	Average Agents' Balances	0.155
3.	Delayed Remission (1) × (2)	$453,815,786

C. Loss Reserve

1.	Direct Earned Premium (A-1)	$2,927,843,779
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.3704	$1,084,473,336
3.	Expected Mean Loss Reserves, (2) x 0.311	$337,271,207

D.	Net Subject to Investment (A-5)-(B-3)+(C-3)	$1,102,365,389
E.	Average Rate of Return	2.75%
F.	Investment Earnings on Net Subject to Investment (D) × (E)	$30,315,048
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	1.04%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes, (G) x (1 - 0.156)	0.88%

Exhibit (10)(a)

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line A-1</u>
Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

<u>Line A-2</u>
The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/20 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/20	$2,927,843,779
2. Unearned Premium Reserve as of 12/31/19	$1,469,475,147
3. Unearned Premium Reserve as of 12/31/20	$1,585,491,577
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	$1,527,483,362
5. Ratio (4) ÷ (1)	0.5217

<u>Line A-3</u>
Deduction for prepaid expenses:
Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/20.

<u>Line B-2</u>
Delayed remission of premium:
This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1519
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) × (2)	0.155

NORTH CAROLINA

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line C-2</u>
The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/20.

<u>Line C-3</u>
The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2020 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2020	$1,861,156,269
2. Loss Reserves as of 12/31/19	$526,638,529
3. Loss Reserves as of 12/31/20	$583,782,316
4. Mean Loss Reserve 2020, 1/2 [(2) + (3)]	$555,210,423
5. Ratio (4) ÷ (1)	0.298
6. Ratio of LAE Reserves to Loss Reserves (a)	0.188
7. Ratio of Incurred LAE to Incurred Losses (a)	0.140
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.311

(a) Based on 2020 All-Industry Insurance Expense Exhibit (source: A.M. Best)

<u>Line E</u>
The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

Year	Net Investment Income Earned	Mean Cash and Invested Assets	Rate of Return
2020	$54,400,619	$1,976,949,891	2.75%

Exhibit (10)(a)

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	2.75%	0.156

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2020 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	$28,339,436	0.210
	Non-Taxable	$7,246,012	
	Sub-Total	$35,585,448	0.167
Stocks	Taxable (a)	$8,494,491	0.105
	Non-Taxable	$2,429,550	
	Sub-Total	$10,924,041	0.082
Mortgage Loans		$1,029,624	
Real Estate		$1,999,576	
Contract Loans		$17,597	
Cash on Deposit		$820,107	
Short Term Investments		($183,091)	
All Other		$10,043,526	
Sub-Total		$13,727,339	0.210
Total		$60,236,828	0.161
Investment Deductions		$5,836,159	0.210
Net Investment Income Earned		$54,400,669	0.156

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

Exhibit (10)(a)

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

A.	Unearned Premium Reserve		
	1.	Direct Earned Premium for Accident Year Ended 12/31/19	$2,748,738,904
	2.	Mean Unearned Premium Reserve, (1) x 0.5195	$1,427,969,861
	3.	Deduction for Prepaid Expenses	
		Commission and Brokerage	12.37%
		Taxes, Licenses and Fees	2.33%
		1/2 General Expenses	2.45%
		1/2 Other Acquisition	3.57%
		Total	20.72%
	4.	(2) × (3)	$295,875,355
	5.	Net Subject to Investment (2) - (4)	$1,132,094,506
B.	Delayed Remission of Premium (Agents' Balances)		
	1.	Direct Earned Premium (A-1)	$2,748,738,904
	2.	Average Agents' Balances	0.160
	3.	Delayed Remission (1) × (2)	$439,798,225
C.	Loss Reserve		
	1.	Direct Earned Premium (A-1)	$2,748,738,904
	2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.3581	$984,323,402
	3.	Expected Mean Loss Reserves, (2) x 0.426	$419,321,769
D.	Net Subject to Investment (A-5)-(B-3)+(C-3)		$1,111,618,050
E.	Average Rate of Return		3.14%
F.	Investment Earnings on Net Subject to Investment (D) × (E)		$34,904,807
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)		1.27%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes, (G) x (1 - 0.159)		1.07%

Exhibit (10)(a)

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line A-1</u>
Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

<u>Line A-2</u>
The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/19 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/19	$2,748,738,904
2. Unearned Premium Reserve as of 12/31/18	$1,386,288,967
3. Unearned Premium Reserve as of 12/31/19	$1,469,475,147
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	$1,427,882,057
5. Ratio (4) ÷ (1)	0.5195

<u>Line A-3</u>
Deduction for prepaid expenses:
Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/19.

<u>Line B-2</u>
Delayed remission of premium:
This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1562
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) × (2)	0.160

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2
The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/19.

Line C-3
The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2019 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2019	$1,561,396,362
2. Loss Reserves as of 12/31/18	$732,364,300
3. Loss Reserves as of 12/31/19	$526,638,529
4. Mean Loss Reserve 2019, 1/2 [(2) + (3)]	$629,501,415
5. Ratio (4) ÷ (1)	0.403
6. Ratio of LAE Reserves to Loss Reserves (a)	0.213
7. Ratio of Incurred LAE to Incurred Losses (a)	0.147
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.426

(a) Based on 2019 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E
The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

Year	Net Investment Income Earned	Mean Cash and Invested Assets	Rate of Return
2019	$57,196,091	$1,824,395,370	3.14%

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	3.14%	0.159

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2019 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	$29,410,180	0.210
	Non-Taxable	$7,801,848	
	Sub-Total	$37,212,028	0.166
Stocks	Taxable (a)	$8,917,321	0.105
	Non-Taxable	$1,595,409	
	Sub-Total	$10,512,730	0.089
Mortgage Loans		$996,462	
Real Estate		$2,035,516	
Contract Loans		$202	
Cash on Deposit		$2,501,850	
Short Term Investments		($92,602)	
All Other		$9,880,010	
Sub-Total		$15,321,438	0.210
Total		$63,046,196	0.164
Investment Deductions		$5,850,107	0.210
Net Investment Income Earned		$57,196,089	0.159

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/18	$2,580,906,277
2.	Mean Unearned Premium Reserve, (1) x 0.5217	$1,346,458,805
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.10%
	Taxes, Licenses and Fees	2.31%
	1/2 General Expenses	2.65%
	1/2 Other Acquisition	3.52%
	Total	20.58%
4.	(2) × (3)	$277,101,222
5.	Net Subject to Investment (2) - (4)	$1,069,357,583

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	$2,580,906,277
2.	Average Agents' Balances	0.166
3.	Delayed Remission (1) × (2)	$428,430,442

C. Loss Reserve

1.	Direct Earned Premium (A-1)	$2,580,906,277
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.2888	$745,365,733
3.	Expected Mean Loss Reserves, (2) x 0.254	$189,322,896

D.	Net Subject to Investment (A-5)-(B-3)+(C-3)	$830,250,037
E.	Average Rate of Return	3.33%
F.	Investment Earnings on Net Subject to Investment (D) × (E)	$27,647,326
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	1.07%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes, (G) x (1 - 0.149)	0.91%

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line A-1</u>
Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

<u>Line A-2</u>
The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/18 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/18	$2,580,906,277
2. Unearned Premium Reserve as of 12/31/17	$1,306,548,706
3. Unearned Premium Reserve as of 12/31/18	$1,386,288,967
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	$1,346,418,837
5. Ratio (4) ÷ (1)	0.5217

<u>Line A-3</u>
Deduction for prepaid expenses:
Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/18.

<u>Line B-2</u>
Delayed remission of premium:
This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1625
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) × (2)	0.166

Exhibit (10)(a)

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

<u>Line C-2</u>

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/18.

<u>Line C-3</u>

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2018 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2018	$2,349,919,704
2. Loss Reserves as of 12/31/17	$398,416,653
3. Loss Reserves as of 12/31/18	$732,364,300
4. Mean Loss Reserve 2018, 1/2 [(2) + (3)]	$565,390,477
5. Ratio (4) ÷ (1)	0.241
6. Ratio of LAE Reserves to Loss Reserves (a)	0.187
7. Ratio of Incurred LAE to Incurred Losses (a)	0.127
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.254

(a) Based on 2018 All-Industry Insurance Expense Exhibit (source: A.M. Best)

<u>Line E</u>

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

Year	Net Investment Income Earned	Mean Cash and Invested Assets	Rate of Return
2018	$57,671,849	$1,734,094,329	3.33%

NORTH CAROLINA

HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H
The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	3.33%	0.149

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2018 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	$26,161,755	0.210
	Non-Taxable	$8,708,550	
	Sub-Total	$34,870,305	0.158
Stocks	Taxable (a)	$7,974,536	0.105
	Non-Taxable	$4,005,063	
	Sub-Total	$11,979,599	0.070
Mortgage Loans		$908,739	
Real Estate		$1,937,053	
Contract Loans		$5,854	
Cash on Deposit		$1,985,735	
Short Term Investments		($116,536)	
All Other		$12,020,161	
Sub-Total		$16,741,006	0.210
Total		$63,590,910	0.155
Investment Deductions		$5,919,053	0.210
Net Investment Income Earned		$57,671,857	0.149

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

NORTH CAROLINA

HOMEOWNERS INSURANCE

AVERAGE NUMBER OF MONTHS FROM OCCURRENCE TO CLAIM SETTLEMENT

(Based on ISO North Carolina experience for accident years 2007-2016)

(1) Average Payment Month	(2) Losses Paid	(3) Portion of All Losses Paid =(2)/Total (2)
1.5	2,065,941,364	0.448
4.5	1,480,798,046	0.321
7.5	448,764,455	0.097
10.5	235,219,857	0.051
13.5	144,834,780	0.031
16.5	76,381,788	0.017
19.5	43,787,441	0.009
22.5	28,620,835	0.006
25.5	26,086,471	0.006
28.5	16,754,979	0.004
31.5	10,521,150	0.002
34.5	10,316,608	0.002
37.5	10,128,328	0.002
40.5	5,296,861	0.001
43.5	735,629	0.000
46.5	3,176,774	0.001
49.5	1,346,875	0.000
52.5	1,950,654	0.000
55.5	1,159,077	0.000
58.5	1,940,825	0.000
61.5	128,211	0.000
64.5	442,485	0.000
67.5	89,176	0.000
70.5	348,280	0.000
73.5	337,660	0.000
76.5	140,296	0.000
	4,615,248,905	

The average number of months to payment from the beginning of the accident year is 5.06, i.e., the sum of [Column (1) × Column (3)].

The average number of months to payment from the average date of occurrence is 3.56.

Exhibit (10)(c)(i)

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2021 AGGREGATE ANNUAL STATEMENT DATA
2021 TOP 50 HOMEOWNERS INSURERS

	Net Admitted Assets
1 Bonds (Schedule D)	171,617,267,000
2 Stocks (Schedule D):	
2.1 Preferred stocks	960,688,000
2.2 Common stocks	91,286,800,000
3 Mortgage loans on real estate (Schedule B):	
3.1 First liens	3,627,709,000
3.2 Other than first liens	0
4 Real estate (Schedule A):	
4.1 Properties occupied by the company (less $0 encumbrances)	1,943,297,000
4.2 Properties held for the production of income (less $64,831,000 encumbrances)	251,231,000
4.3 Properties held for sale (less $0 encumbrances)	160,869,000
5 Cash (-$1,819,760,000, Schedule E - Part 1), cash equivalents ($8,949,446,000, Schedule E - Part 2) and short-term investments ($508,465,000, Schedule DA)	7,638,151,000
6 Contract loans (including $0 premium notes)	0
7 Derivatives (Schedule DB)	47,546,000
8 Other invested assets (Schedule BA)	28,153,486,000
9 Receivables for securities	419,946,000
10 Securities lending reinvested collateral assets (Schedule DL)	1,791,283,000
11 Aggregate write-ins for invested assets	15,951,000
12 Subtotals, cash and invested assets (Lines 1 to 11)	307,914,224,000
13 Title plants less $0 charged off (for Title insurers only)	0
14 Investment income due and accrued	1,362,803,000
15 Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in the course of collection	9,688,334,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $37,659,000 earned but unbilled premiums)	28,450,004,000
15.3 Accrued retrospective premiums ($29,736,000) and contracts subject to redetermination ($0)	32,186,000
16 Reinsurance:	
16.1 Amounts recoverable from reinsurers	3,604,411,000
16.2 Funds held by or deposited with reinsured companies	154,383,000
16.3 Other amounts receivable under reinsurance contracts	56,956,000
17 Amounts receivable relating to uninsured plans	4,000
18.1 Current federal and foreign income tax recoverable and interest thereon	1,189,912,000
18.2 Net deferred tax asset	3,641,237,000
19 Guaranty funds receivable or on deposit	27,502,000
20 Electronic data processing equipment and software	1,860,992,000
21 Furniture and equipment, including health care delivery assets ($0)	472,374,000
22 Net adjustment in assets and liabilities due to foreign exchange rates	3,458,000
23 Receivables from parent, subsidiaries and affiliates	3,537,793,000
24 Health care ($0) and other amounts receivable	287,000
25 Aggregate write-ins for other than invested assets	7,388,915,000
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	369,385,772,000
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0
28 Total (Lines 26 and 27)	369,385,772,000

Exhibit (10)(c)(i)

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2022 AGGREGATE ANNUAL STATEMENT DATA
2022 TOP 50 HOMEOWNERS INSURERS

	Net Admitted Assets
1 Bonds (Schedule D)	172,170,089,000
2 Stocks (Schedule D):	
2.1 Preferred stocks	772,380,000
2.2 Common stocks	77,822,343,000
3 Mortgage loans on real estate (Schedule B):	
3.1 First liens	3,658,175,000
3.2 Other than first liens	0
4 Real estate (Schedule A):	
4.1 Properties occupied by the company (less $0 encumbrances)	1,962,740,000
4.2 Properties held for the production of income (less $47,075,000 encumbrances)	223,522,000
4.3 Properties held for sale (less $29,556,000 encumbrances)	86,542,000
5 Cash (-$2,516,267,000, Schedule E - Part 1), cash equivalents ($10,146,436,000, Schedule E - Part 2) and short-term investments ($683,490,000, Schedule DA)	8,313,659,000
6 Contract loans (including $0 premium notes)	0
7 Derivatives (Schedule DB)	47,123,000
8 Other invested assets (Schedule BA)	30,554,967,000
9 Receivables for securities	88,061,000
10 Securities lending reinvested collateral assets (Schedule DL)	1,763,280,000
11 Aggregate write-ins for invested assets	14,865,000
12 Subtotals, cash and invested assets (Lines 1 to 11)	297,477,745,000
13 Title plants less $0 charged off (for Title insurers only)	0
14 Investment income due and accrued	1,523,668,000
15 Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in the course of collection	9,283,056,000
15.2 Deferred premiums, agents’ balances and installments booked but deferred and not yet due (including $78,676,000 earned but unbilled premiums)	32,361,304,000
15.3 Accrued retrospective premiums ($29,755,000) and contracts subject to redetermination ($0)	32,927,000
16 Reinsurance:	
16.1 Amounts recoverable from reinsurers	4,216,542,000
16.2 Funds held by or deposited with reinsured companies	133,832,000
16.3 Other amounts receivable under reinsurance contracts	102,718,000
17 Amounts receivable relating to uninsured plans	30,000
18.1 Current federal and foreign income tax recoverable and interest thereon	1,965,941,000
18.2 Net deferred tax asset	5,105,846,000
19 Guaranty funds receivable or on deposit	71,809,000
20 Electronic data processing equipment and software	2,193,990,000
21 Furniture and equipment, including health care delivery assets ($0)	359,125,000
22 Net adjustment in assets and liabilities due to foreign exchange rates	2,611,000
23 Receivables from parent, subsidiaries and affiliates	4,158,941,000
24 Health care ($0) and other amounts receivable	1,079,000
25 Aggregate write-ins for other than invested assets	7,075,555,000
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	366,066,724,000
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0
28 Total (Lines 26 and 27)	366,066,724,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2021 AGGREGATE ANNUAL STATEMENT DATA
2021 TOP 50 HOMEOWNERS INSURERS

	Liabilities
1 Losses (Part 2A, Line 35, Column 8)	76,128,227,000
2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,835,099,000
3 Loss adjustment expenses (Part 2A, Line 35, Column 9)	16,143,572,000
4 Commissions payable, contingent commissions and other similar charges	1,934,541,000
5 Other expenses (excluding taxes, licenses and fees)	9,116,452,000
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	868,067,000
7.1 Current federal and foreign income taxes (including -$78,062,000) on realized capital gains (losses)	80,080,000
7.2 Net deferred tax liability	1,721,132,000
8 Borrowed money $420,747,000 and interest thereon $533,000	421,280,000
9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $36,994,920,000 and including warranty reserves of $152,716,000 and accrued accident and health experience rating refunds including $0 for medical loss ratio rebate per the Public Health Service Act)	59,474,553,000
10 Advance premium	1,708,111,000
11 Dividends declared and unpaid:	
11.1 Stockholders	100,000,000
11.2 Policyholders	42,190,000
12 Ceded reinsurance premiums payable (net of ceding commissions)	9,314,746,000
13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	554,061,000
14 Amounts withheld or retained by company for account of others	2,428,018,000
15 Remittances and items not allocated	213,315,000
16 Provision for reinsurance (including $24,414,000 certified) (Schedule F, Part 3, Column 78)	152,967,000
17 Net adjustments in assets and liabilities due to foreign exchange rates	43,000
18 Drafts outstanding	1,195,784,000
19 Payable to parent, subsidiaries and affiliates	3,822,496,000
20 Derivatives	13,975,000
21 Payable for securities	1,442,910,000
22 Payable for securities lending	3,206,934,000
23 Liability for amounts held under uninsured plans	0
24 Capital notes $0 and interest thereon $0	0
25 Aggregate write-ins for liabilities	4,940,812,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	197,859,359,000
27 Protected cell liabilities	0
28 Total liabilities (Lines 26 and 27)	197,859,359,000
29 Aggregate write-ins for special surplus funds	7,289,913,000
30 Common capital stock	176,316,000
31 Preferred capital stock	0
32 Aggregate write-ins for other than special surplus funds	18,500,000
33 Surplus notes	4,211,396,000
34 Gross paid in and contributed surplus	15,881,376,000
35 Unassigned funds (surplus)	135,493,487,000
36 Less treasury stock, at cost:	
36.1 0 shares common (value included in Line 30 $0)	0
36.2 0 shares preferred (value included in Line 31 $0)	0
37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	163,070,985,000
38 Totals (Page 2, Line 28, Col. 3)	360,930,349,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2022 AGGREGATE ANNUAL STATEMENT DATA
2022 TOP 50 HOMEOWNERS INSURERS

	Liabilities
1 Losses (Part 2A, Line 35, Column 8)	86,057,421,000
2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,413,680,000
3 Loss adjustment expenses (Part 2A, Line 35, Column 9)	16,804,952,000
4 Commissions payable, contingent commissions and other similar charges	1,842,322,000
5 Other expenses (excluding taxes, licenses and fees)	8,161,987,000
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	1,013,234,000
7.1 Current federal and foreign income taxes (including -$60,156,000) on realized capital gains (losses)	253,498,000
7.2 Net deferred tax liability	1,002,802,000
8 Borrowed money $570,708,000 and interest thereon $1,381,000	572,089,000
9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $42,453,052,000 and including warranty reserves of $146,465,000 and accrued accident and health experience rating refunds including $0 for medical loss ratio rebate per the Public Health Service Act)	64,703,591,000
10 Advance premium	1,886,709,000
11 Dividends declared and unpaid:	
11.1 Stockholders	100,000,000
11.2 Policyholders	39,884,000
12 Ceded reinsurance premiums payable (net of ceding commissions)	10,861,923,000
13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	679,740,000
14 Amounts withheld or retained by company for account of others	2,219,293,000
15 Remittances and items not allocated	186,423,000
16 Provision for reinsurance (including $16,714,000 certified) (Schedule F, Part 3, Column 78)	108,714,000
17 Net adjustments in assets and liabilities due to foreign exchange rates	0
18 Drafts outstanding	1,255,045,000
19 Payable to parent, subsidiaries and affiliates	3,808,868,000
20 Derivatives	38,867,000
21 Payable for securities	1,145,308,000
22 Payable for securities lending	3,750,882,000
23 Liability for amounts held under uninsured plans	0
24 Capital notes $0 and interest thereon $0	0
25 Aggregate write-ins for liabilities	4,039,803,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	212,947,025,000
27 Protected cell liabilities	0
28 Total liabilities (Lines 26 and 27)	212,947,025,000
29 Aggregate write-ins for special surplus funds	6,352,744,000
30 Common capital stock	169,716,000
31 Preferred capital stock	0
32 Aggregate write-ins for other than special surplus funds	18,500,000
33 Surplus notes	4,567,844,000
34 Gross paid in and contributed surplus	16,475,533,000
35 Unassigned funds (surplus)	117,380,069,000
36 Less treasury stock, at cost:	
36.1 0 shares common (value included in Line 30 $0)	0
36.2 0 shares preferred (value included in Line 31 $0)	0
37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	144,964,407,000
38 Totals (Page 2, Line 28, Col. 3)	357,911,440,000

Exhibit (10)(c)(iii)

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2021 AGGREGATE ANNUAL STATEMENT DATA
2021 TOP 50 HOMEOWNERS INSURERS

2021 STATEMENT OF INCOME

UNDERWRITING INCOME	
1 Premiums earned (Part 1, Line 35, Column 4)	136,236,335,000
DEDUCTIONS:	
2 Losses incurred (Part 2, Line 35, Column 7)	88,553,559,000
3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	12,780,481,000
4 Other underwriting expenses incurred (Part 3, Line 25, Column 2)	36,450,391,000
5 Aggregate write-ins for underwriting deductions	1,294,000
6 Total underwriting deductions (Lines 2 through 5)	137,785,723,000
7 Net income of protected cells	0
8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(1,549,386,000)
INVESTMENT INCOME	
9 Net investment income earned (Exhibit of Net Investment Income, Line 17)	10,081,087,000
10 Net realized capital gains (losses) less capital gains tax of $814,358,000 (Exhibit of Capital Gains (Losses))	3,518,245,000
11 Net investment gain (loss) (Lines 9 + 10)	13,599,329,000
OTHER INCOME	
12 Net gain (loss) from agents' or premium balances charged off	
(amount recovered $73,540,000 amount charged off $559,438,000)	(485,902,000)
13 Finance and service charges not included in premiums	749,553,000
14 Aggregate write-ins for miscellaneous income	611,393,000
15 Total other income (Lines 12 through 14)	875,050,000
16 Net income before dividends to policyholders, after capital gains tax and before all other federal	
and foreign income taxes (Lines 8+11+15)	12,924,999,000
17 Dividends to policyholders	1,373,323,000
18 Net income, after dividends to policyholders, after capital gains tax and before all other federal	
and foreign income taxes (Line 16 minus Line 17)	11,551,672,000
19 Federal and foreign income taxes incurred	5,130,000
20 Net income (Line 18 minus Line 19) (to Line 22)	11,546,542,000
CAPITAL AND SURPLUS ACCOUNT	
21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	155,334,424,000
22 Net income (from Line 20)	11,546,542,000
23 Net transfers (to) from Protected Cell accounts	0
24 Change in net unrealized capital gains or (losses) less capital gains tax of $1,379,183,000	4,266,607,000
25 Change in net unrealized foreign exchange capital gain (loss)	(121,819,000)
26 Change in net deferred income tax	(328,783,000)
27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(970,638,000)
28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(17,430,000)
29 Change in surplus notes	316,169,000
30 Surplus (contributed to) withdrawn from protected cells	0
31 Cumulative effect of changes in accounting principles	418,000
32 Capital changes:	
32.1 Paid in	(313,800,000)
32.2 Transferred from surplus (Stock Dividend)	0
32.3 Transferred to surplus	0
33 Surplus adjustments:	
33.1 Paid in	281,998,000
33.2 Transferred to capital (Stock Dividend)	0
33.3 Transferred from capital	0
34 Net remittances from or (to) Home Office	0
35 Dividends to stockholders	(7,381,387,000)
36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0
37 Aggregate write-ins for gains and losses in surplus	458,686,000
38 Change in surplus as regards policyholders for the year (Lines 22 through 37)	7,736,561,000
39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	163,070,985,000

Exhibit (10)(c)(iii)

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2022 AGGREGATE ANNUAL STATEMENT DATA
2022 TOP 50 HOMEOWNERS INSURERS

2022 STATEMENT OF INCOME

UNDERWRITING INCOME	
1 Premiums earned (Part 1, Line 35, Column 4)	144,975,754,000
DEDUCTIONS:	
2 Losses incurred (Part 2, Line 35, Column 7)	104,750,494,000
3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	14,168,374,000
4 Other underwriting expenses incurred (Part 3, Line 25, Column 2)	36,673,375,000
5 Aggregate write-ins for underwriting deductions	2,591,000
6 Total underwriting deductions (Lines 2 through 5)	155,594,837,000
7 Net income of protected cells	0
8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(10,619,084,000)
INVESTMENT INCOME	
9 Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,901,061,000
10 Net realized capital gains (losses) less capital gains tax of $283,597,000 (Exhibit of Capital Gains (Losses))	(469,908,000)
11 Net investment gain (loss) (Lines 9 + 10)	7,431,155,000
OTHER INCOME	
12 Net gain (loss) from agents' or premium balances charged off (amount recovered $50,426,000 amount charged off $585,922,000)	(535,496,000)
13 Finance and service charges not included in premiums	772,534,000
14 Aggregate write-ins for miscellaneous income	404,887,000
15 Total other income (Lines 12 through 14)	641,930,000
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)	(2,546,001,000)
17 Dividends to policyholders	1,236,981,000
18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(3,782,981,000)
19 Federal and foreign income taxes incurred	(842,562,000)
20 Net income (Line 18 minus Line 19) (to Line 22)	(2,940,420,000)
CAPITAL AND SURPLUS ACCOUNT	
21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	163,504,256,000
22 Net income (from Line 20)	(2,940,420,000)
23 Net transfers (to) from Protected Cell accounts	0
24 Change in net unrealized capital gains or (losses) less capital gains tax of -$1,261,904,000	(11,916,955,000)
25 Change in net unrealized foreign exchange capital gain (loss)	(271,926,000)
26 Change in net deferred income tax	881,809,000
27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	354,233,000
28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	44,470,000
29 Change in surplus notes	291,741,000
30 Surplus (contributed to) withdrawn from protected cells	0
31 Cumulative effect of changes in accounting principles	0
32 Capital changes:	
32.1 Paid in	0
32.2 Transferred from surplus (Stock Dividend)	0
32.3 Transferred to surplus	0
33 Surplus adjustments:	
33.1 Paid in	659,707,000
33.2 Transferred to capital (Stock Dividend)	0
33.3 Transferred from capital	0
34 Net remittances from or (to) Home Office	0
35 Dividends to stockholders	(5,834,718,000)
36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0
37 Aggregate write-ins for gains and losses in surplus	192,209,000
38 Change in surplus as regards policyholders for the year (Lines 22 through 37)	(18,539,850,000)
39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	144,964,407,000

Exhibit (10)(c)(iv)

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2021 AGGREGATE ANNUAL STATEMENT DATA
2021 TOP 50 HOMEOWNERS INSURERS

PART II - 2021 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

		Homeowners Multiple Peril
1	Premiums Written	47,780,497,000
2	Premiums Earned	46,033,341,000
3	Dividends to Policyholders	423,782,000
4	Incurred Loss	31,652,249,000
5	Defense and Cost Containment Expenses Incurred	790,225,000
6	Adjusting and Other Expenses Incurred	3,467,179,000
7	Unpaid Losses	13,296,617,000
8	Defense and Cost Containment Expenses Unpaid	1,005,638,000
9	Adjusting and Other Expenses Unpaid	1,854,243,000
10	Unearned Premium Reserves	25,634,377,000
11	Agents' Balances	8,157,478,000
12	Commission and Brokerage Expenses Incurred	4,689,077,000
13	Taxes, Licenses & Fees Incurred	1,367,428,000
14	Other Acquisitions, Field Supervision, and Collection Expenses Incurred	4,245,586,000
15	General Expenses Incurred	2,200,810,000
16	Other Income Less Other Expenses	265,206,000
17	Pre-tax Profit or Loss Excluding All Investment Gain	(2,537,786,000)
18	Investment Gain on Funds Attributable to Insurance Transactions	1,357,715,000
19	Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus	(1,180,074,000)
20	Investment Gain Attributable to Capital and Surplus	2,535,108,000
21	Total Profit or Loss	1,355,035,000

Exhibit (10)(c)(iv)

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2022 AGGREGATE ANNUAL STATEMENT DATA
2022 TOP 50 HOMEOWNERS INSURERS

PART II - 2022 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

		Homeowners Multiple Peril
1	Premiums Written	52,775,773,000
2	Premiums Earned	50,050,610,000
3	Dividends to Policyholders	432,198,000
4	Incurred Loss	34,223,906,000
5	Defense and Cost Containment Expenses Incurred	774,943,000
6	Adjusting and Other Expenses Incurred	3,995,760,000
7	Unpaid Losses	15,262,457,000
8	Defense and Cost Containment Expenses Unpaid	1,032,366,000
9	Adjusting and Other Expenses Unpaid	2,085,397,000
10	Unearned Premium Reserves	28,181,360,000
11	Agents' Balances	9,198,118,000
12	Commission and Brokerage Expenses Incurred	4,895,009,000
13	Taxes, Licenses & Fees Incurred	1,487,798,000
14	Other Acquisitions, Field Supervision, and Collection Expenses Incurred	4,317,716,000
15	General Expenses Incurred	1,940,053,000
16	Other Income Less Other Expenses	114,027,000
17	Pre-tax Profit or Loss Excluding All Investment Gain	(1,902,749,000)
18	Investment Gain on Funds Attributable to Insurance Transactions	849,146,000
19	Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus	(1,053,601,000)
20	Investment Gain Attributable to Capital and Surplus	1,586,608,000
21	Total Profit or Loss	533,002,000

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A CERTIFICATION OF COMPLIANCE WITH THEM

(a) ISO Personal Lines Statistical Plan (Other than Automobile)
ISO Personal Lines Statistical Agent Plan (Other than Automobile)
ISO Call(s) for Homeowners Statistics
ISO Call(s) for Homeowners Statistical Agent Plan Statistics
ISS Personal Lines Statistical Plans - All Coverages
ISS Homeowners Call(s)
AAIS Personal Lines Statistical Plan
AAIS Call(s) for Homeowners Statistics
NISS Statistical Plan - All Coverages - Part IV, North Carolina
NISS Quarterly Call(s)
NISS Financial Reconciliation Call(s)
NAIC Annual Statements
NAIC Insurance Expense Exhibits
NCRB Call(s) for North Carolina Expense Experience

(b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau’s review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of P. Anderson and P. Ericksen.

(c) The attached Exhibit (11)(c) contains general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.

2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).

3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Homeowners, Form 3, checks are made to ascertain that applicable interrelationships are maintained.

4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.

5. The resulting combined data from all the company records are reconciled with Statutory Page 14 Annual Statement data for that company.

6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified, and results are verified by checking back to the source data.

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

ISS Editing Procedures (continued)

Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

   Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Statutory Page 14 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:

   Format and Readability

   Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

   Relational Edits

   The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

   All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

   The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

ISS Editing Procedures (continued)

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:
The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

4. Validation of Aggregate Data
After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This involves balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

NISS Editing Procedures

a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data submitted via the NISS website.

b. Individual company submissions are balanced to the company letter of transmittal to ensure that all data have been received and processed. After all data has been received, the company reports are reconciled to the Annual Statement Statutory Page 14 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.

c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.

d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current year data to the previous year. This comparison is performed and analyzed by grouping data.

e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

AAIS Editing Procedures

The American Association of Insurance Services functions as an official statistical agent in the State of North Carolina for a number of lines of insurance, including Homeowners. In this capacity, it provides for the administration of statistical programs in accordance with approved statistical plans on behalf of the Commissioner of Insurance. These plans, which were filed according to the requirements of the State of North Carolina, serve to ensure a high quality of data reliability.

1. All statistical plans constitute permanent calls for data, which is due at AAIS within 60 days following the close of the period covered by the report.

2. The AAIS data collection procedure consists of several consecutive steps in order to further verify receipt of accurate and complete data from each company and ultimately aggregate the data into the final experience format.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

AAIS Editing Procedures (continued)

3. The data collection procedure begins with the company uploading their data file into the AAIS secure online Statistical Data Management Application (SDMA). The SDMA verifies certain key fields, calculates transmittal totals for verification, and houses the edit program. The key fields are company number, line of insurance, transaction code and report period (quarter and year). All invalid key fields must be corrected before the data proceeds to the next step. Once all key fields have been validated, the data moves on to the edit program.

4. The edit program has several functions and reports. They are:

   a. Data is balanced to transmittal totals and submitting companies are verifying this upon submission of their data using our Statistical Data Management Application (SDMA).
   b. Each statistical field is edited to the valid codes in the statistical plan for the line being processed. Many fields are also cross edited. An example is deductible type and amount. All invalid codes are identified with an asterisk to the right of the code.
   c. Edit reports consist of a listing of invalid records, error summary report, month report, state report and field error detail report.
   d. Data distributions are monitored by the Statistical Reporting staff in conjunction with AAIS Actuaries. Material quality problems are logged by the Data Governance Steering Committee and the offending affiliate is notified of the error.
   e. Along with the edit and distribution reports, there are additional review procedures in place to identify procedural reporting errors that may exist (e.g., cancellations and coverage changes). A great deal of time is spent on this item because of its importance to the validity of the reported data.
   f. The Statistical Data Management Application (SDMA) performs analysis of a company's data and provides the company with a customized letter stating that their data was accepted by AAIS. Throughout the submission and editing process, the SDMA provides a status for the submission indicating the type of action required. Depending on the severity of errors, companies are requested to make corrections or resubmit data.

5. AAIS provides assistance to all of its affiliated companies to ensure a continued high level of data quality. Statistical coding seminars designed to instruct company coders and respond to questions are scheduled annually. In addition to the seminars, AAIS has developed Statistical Training Manuals for some lines and pre-edit programs for company in-house use. Technical Services staff is available to train company personnel in all aspects of data collection, coding, statistical reporting and data processing.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provision contained in the filing, the pro forma statutory return on net worth (equity capital) of 7.43% is shown in the filing and the pre-filed testimony of G. Zanjani. Also shown therein is the ratio of net worth to surplus of 1.122. Accordingly, the corresponding return on statutory capital and surplus would be 8.34% for Homeowners insurance. Based on data from A.M. Best’s Aggregates and Averages, the 5-year average ratio of surplus to assets is .380. Accordingly, the corresponding return on assets would be 3.17% for Homeowners insurance.

See also pre-filed testimony of G. Zanjani.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS WITHOUT ENDANGERING THE SOLVENCY OF MEMBER COMPANIES

(a) The weighted average premium to surplus ratios (weighted by North Carolina Homeowners Direct Premiums Written) for the calendar years 2013-2022 for the company groups which wrote North Carolina Homeowners insurance in each of those years:

Year	Ratio
2022	1.09
2021	0.90
2020	0.93
2019	0.96
2018	1.02
2017	0.98
2016	0.98
2015	0.98
2014	0.98
2013	0.98

Note: These data are based on statutory filings as compiled by the NAIC.

(b) The estimate of the future premium to surplus ratio is based on the 10-year average of the past premium to surplus ratios. See the pre-filed testimony of G. Zanjani.

(c) The necessary level of capital and surplus to support particular coverages varies by line, and the Rate Bureau regards the ratios shown in (a) as indicative of levels typical within the industry for the lines of business covered by this filing. The actual level of capital and surplus needed to support premium writings without endangering the solvency of a company is dependent upon (among others) the financial structure and investments unique to each company, the relationship of the company with affiliated companies as a group (and the experience of the affiliated companies), the mix of business of each company, and the conditions of the economy as they affect each company's individual circumstances. The Rate Bureau is advised that the National Association of Insurance Commissioners, as one of several criteria, generally considers that a premium to surplus ratio for an individual company of 3 to 1 warrants close regulatory attention and monitoring with respect to the company's solvency position.

(d) The Rate Bureau has determined the premium to surplus ratio for Homeowners insurance in North Carolina based on the weighted average premium to surplus ratios for insurance groups writing homeowners insurance in North Carolina, where the weights are the actual premiums written for Homeowners insurance. The premium to surplus ratios of the insurers actually writing this business in North Carolina is representative of the leverage relevant for this line and state. The Rate Bureau has not further allocated surplus within these insurers across lines and states in this or other filings in North Carolina.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

(a) See pre-filed testimony of P. Anderson, P. Ericksen, M. Mao and G. Zanjani.

(b) See attached exhibit 14 (b).

(c) See attached exhibit 14 (c).

(d) See attached exhibit 14 (d).

North Carolina Rate Bureau

Property Rating Subcommittee
Meeting Agenda

Date: May 25, 2023 **Time: 9:00 AM (ET)** **Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):
https://ncrb.zoom.us/j/8644083402
Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402

1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)**
4. **2023 Dwelling Rate Review**
   Aon will present the Net Cost of Reinsurance (NCOR) Review, **Exhibit 4** and **Exhibit 5.**
   ISO will present **Exhibit 6**, which includes the Dwelling Indication summary. **Exhibit 7** is the detailed excel file for the Dwelling Rate Review Package.
   The Committee will be asked to make a recommendation to the Property Committee on the Dwelling review.
5. **Homeowner 2024 Rate Review - Exposure Trend**
   ISO will present **Exhibit 8** on exposure trend.
   The committee will be asked to make selections on the exposure trend.
6. **Report of Staff**
7. **Report of Counsel**
8. **Other Business**
9. **Adjournment**

AM:ko
PRS-23-4
Attachments
5/19/2023

Exhibit 1

NCRB
north carolina
RATE BUREAU

NORTH CAROLINA RATE BUREAU

ANTITRUST COMPLIANCE POLICY AND BOARD RESOLUTION

Whereas, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

Whereas, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

Resolved, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.

Exhibit 2

NORTH CAROLINA RATE BUREAU

CONFLICTS OF INTEREST STATEMENT

Whereas, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

Whereas, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

Now therefore, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.

Exhibit 3

NORTH CAROLINA RATE BUREAU

CODE OF ETHICS AND STANDARDS OF CONDUCT

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau (“Bureau”) (a “member”), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member’s conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau’s mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company’s obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau’s best interest.

Exhibit 8

NORTH CAROLINA

HOMEOWNERS INSURANCE

AVERAGE EXPOSURE PER POLICY ANNUAL RATE OF CHANGE

	Average Exposure Per Policy		
Accident Year	Owners (Coverage A)	Tenants (Coverage C)	Condominium Unit Owners (Coverage C)
2017	260,768	27,810	51,317
2018	269,061	26,998	52,330
2019	281,550	26,254	53,312
2020	292,797	25,623	54,020
2021	306,497	25,440	54,808
Annual Rate of Change			
5-Year Average (2017 - 2021)	+4.2%	-2.3%	+1.6%
4-Year Average (2018 - 2021)	+4.4%	-2.0%	+1.5%
3-Year Average (2019 - 2021)	+4.3%	-1.6%	+1.4%
Selected Annual Rate of Change			

MINUTES OF THE VIRTUAL MEETING OF THE PROPERTY RATING SUBCOMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD MAY 25, 2023

MEMBERS PRESENT	REPRESENTED BY
Allstate Insurance Company	Gary Wierzbicki
American Modern Home Insurance Company	Diana Matalka
	Val Schneider
Foremost Insurance Company	Matthew York
Nationwide Mutual insurance Company	Sara Behrend
NC Farm Bureau Mutual Insurance Company	Matt Beamon
	Rich Phillips
State Farm Mutual Automobile Insurance Company	Jennifer Heizer
The Travelers Insurance Company	Lois Cappellano
United Services Automobile Association	Nick Kunkle

OTHERS PRESENT	REPRESENTED BY
Aon	Angelo Besana
	Minchong Mao
Insurance Services Office	Steve Conover
	Paul Ericksen
	David Markowtiz
Consultant	George Zanjani
Milliman	Paul Anderson
Young Moore and Henderson, P.A.	Brian Beverly
	Mickey Spivey
Staff	David Ball*
	Joanna Biliouris
	Jarred Chappell
	Keri Johnson
	Andy Montano
	Rebecca Williams

*Partial attendance

The meeting commenced at approximately 9:00 A.M., Mr. Wierzbicki presiding. Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2023 Dwelling Rate Level Review
Attention was directed to exhibits prepared by Aon and previously distributed with respect to Net Cost of Reinsurance (NCOR). Mr. Besana reviewed the exhibits in detail, beginning with the methodology for determining the NCOR factor to be used in the preliminary dwelling rate indications, which he noted considers reinsurance model pricing, determines appropriate coverage levels, and optimizes layer structure. Mr. Besana then continued his presentation with a review of pricing options, noting the

coverage levels and layer structure used in the pricing and showing various year over year changes. He noted that the reinsurance market has been hardening, and he described the impact on the NCOR.

Following discussion, a motion was made, seconded and passed to adopt the NCOR analysis as presented and to select the resulting NCOR provision for use in the Dwelling rate review.

Attention was then directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed regarding the preliminary rate level indications, which reflected the various selections made by the subcommittee in previous meetings. Mr. Conover reviewed the exhibit in detail and summarized the 2022 rate filing and 2023 rate review. Mr. Conover continued his review with a comparison of key rating components and trend factors, along with a breakdown of the indications and rate level changes by territory for both fire and extended coverage.

Following discussion, a motion was made, seconded and passed unanimously to recomend the Dwelling indications to the Property Committee.

2. <u>2024 Homeowners – exposure trend selecitons</u>
ISO reviewed the 2024 Homeowner exposure trend information previously distributed with the meeting materials.

Following discussion, a motion was made, seconded and passed unanimously to select the Homeowner exposure trends for use in the Homeowner rate review.

3. <u>Report of Staff</u>
Mr. Montano stated that the voluntary private passenger auto rate filing remains outstanding and that the Rate Bureau has been working on responses to various data requests from the Department of Insurance. Mr. Montano also reported that the property committees will begin reviewing ISO's 2022 Homeowners Multistate program and that this committee will be asked to consider any rating impacts of the program.

4. <u>Report of Counsel</u>
Mr. Beverly stated that there have been no new developments since the previous meeting of the Subcommttee.

5. <u>Adjournment</u>
There being no other business, the meeting was adjourned.

Respectfully Submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-23-4
6/13/2023

Property Rating Subcommittee
Meeting Agenda

Date: October 18, 2023 **Time: 2:00 PM (ET)** **Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):
https://ncrb.zoom.us/j/8644083402
Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402

1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)**
4. **2024 Homeowners Rate Level Review**
   The Committee will review Exposures, Modeled Hurricane Losses, Net Cost of Reinsurance (NCOR), and Compensation for Assessment Risk, **Exhibits 4 and 5.**

   The Committee will be asked to make selections to be used in the Homeowners preliminary rate indication.
5. **Senate Bill 452**
   Staff will review recent legislative changes impacting ratemaking in North Carolina.
6. **Report of Staff**
7. **Report of Counsel**
8. **Other Business**
9. **Adjournment**

AM:ko
PRS-23-6
Attachments
10/11/2023

Exhibit 1

NCRB
north carolina
RATE BUREAU

NORTH CAROLINA RATE BUREAU

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north carolina
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RATE BUREAU

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