

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION

(BEACH AREA)

**STATEMENT OF PARTICIPATION FOR CALENDAR YEAR ENDING DECEMBER 31, 20XX
BASED ON PREMIUM WRITINGS FOR PERIOD JANUARY 1, 20XX TO DECEMBER 31, 20XX**

NAIC GROUP CODE:

NAIC COMPANY CODE:

MEMBER'S VOTING PERCENTAGE 0.000%

SECTION 1 - CALCULATION OF THE VOLUNTARY CREDIT

	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>
1 NON--BEACH AND NON--COASTAL MARKET SHARE:	0.000%	0.000%
2 BEACH VOLUNTARY MARKET SHARE:	0.000%	0.000%
3 CREDIT FACTOR:	1.0	1.0
4 VOLUNTARY CREDITS (Full Coverage Only):	\$ -	\$ -
5 VOLUNTARY CREDITS WITH TIERED CREDITS:	\$ -	\$ -

SECTION 2 - CALCULATION OF THE PERCENTAGE OF PARTICIPATION

	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>
6 TOTAL ASSOCIATION'S PREMIUMS:	\$ -	\$ -
7 TOTAL VOLUNTARY CREDITS (All Companies):	\$ -	\$ -
8 TOTAL ASSOCIATION'S PREMIUMS & VOLUNTARY CREDITS (Item 6 + Item 7):	\$ -	\$ -
9 REQUIRED AMOUNT (Item 1 X Item 8):	\$ -	\$ -
10 VOLUNTARY CREDITS:	\$ -	\$ -
11 EXTRA NEEDED (Item 9 - Item 10):	\$ -	\$ -
12 TOTAL ASSOCIATION'S & EXCESS PREMIUMS:	\$ -	\$ -
Residential (\$ - Assoc. + \$ - Excess = \$ -		
Commercial (\$ - Assoc. + \$ - Excess = \$ -		
13 PERCENTAGE OF PARTICIPATION (Item 11/ Item 12):	0.000%	0.000%

**NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION
EXPLANATION OF BEACH AREA
STATEMENT OF PARTICIPATION**

Members Voting Percentage –

This percentage is used to determine the weight of each company's voting rights in the North Carolina Insurance Underwriting Association. As stated in Section XXII of the North Carolina Insurance Underwriting Association Plan Of Operation).

Statewide Essential Property Premiums, Homeowners Premiums and Property Portion of Commercial Multi-Peril Premiums for Company (Excludes Farm Premiums and Manufacturing Premiums) divided by Total of All Companies Statewide Essential Property Premiums, Homeowners Premiums and Property Portion Of Commercial Multi-Peril Premiums for Company (Excludes Farm Premiums and Manufacturing Premiums).

RESIDENTIAL

Acceptable Premiums - Essential Residential Property and Homeowners Premiums

Section 1 – Calculation Of The Voluntary Credit

Line 1 – Non-Beach and Non-Coastal Residential Market Share –

- a) Statewide Essential Residential Property Premiums and Homeowners Premiums less Beach and Coastal **Full Coverage** Voluntary Residential Premiums equals Non-Beach and Non-Coastal Residential Premiums. Beach and Coastal Voluntary Premiums Includes Full Coverage Policies and **Excludes** Policies Xing The Wind Coverage.
- b) Non-Beach and Non-Coastal Residential Premiums divided by Total of All Companies Non-Beach and Non-Coastal Residential Premiums equals Non-Beach and Non-Residential Market Share.

Line 2 – Beach Voluntary Residential Market Share –

- a) Beach **Full Coverage** Voluntary Residential Premiums divided by Total of All Companies Beach **Full Coverage** Voluntary Premiums equals Beach Voluntary Residential Market Share. Includes full Coverage Policies and **Excludes** Policies Xing The Wind Coverage.

Line 3 – Residential Credit Factor –

- a) Compare the Beach Voluntary Residential Market Share to the Non-Beach and Non-Coastal Residential Market Share.

If the Beach Voluntary Residential Market Share is 70% and Greater of the Non-Beach and Non-Coastal Residential Market Share – 2 times Credit is Given for Beach Full Coverage Voluntary Residential Premiums (No Credit Is Given For Beach Voluntary Writings Xing The Wind Coverage).

If the Beach Voluntary Residential Market Share is 69.9% to 35% of the Non-Beach and Non-Coastal Residential Market Share – 1.5 times Credit is Given for Beach Full Coverage Voluntary Residential Premiums (No Credit Is Given For Beach Voluntary Writings Xing The Wind Coverage).

If the Beach Voluntary Residential Market Share is Less Than 35% of the Non-Beach and Non-Coastal Residential Market Share – 1 times Credit is Given for Beach Full Coverage Voluntary Residential Premiums (No Credit Is Given For Beach Voluntary Writings Xing The Wind Coverage).

Line 4 – Beach Voluntary Residential Credit –

- a) This is The Total of Beach Voluntary Residential Writings for Each Company (Beach Full Coverage Residential Premiums Only. No Credit Given For Policies Xing The Wind).

Line 5 – Beach Voluntary Residential Credit With Tiered Credits –

- a) Multiple Residential Line 4 by Residential Line 3.

Section 2 – Calculation Of The Percentage Of Participation

Line 6 – Total Association’s Residential Premiums –

- a) Total Beach Residential Premiums Written By The Association.

Line 7 – Total Residential Voluntary Credits –

- a) Total Beach Residential Voluntary Credits For All Companies.

Line 8 – Total Beach Association Premiums and Beach Voluntary Credits –

- a) Add Residential Line 6 And Residential Line 7.

Line 9 – Beach Residential Required Amount –

- a) Multiply Residential Line 8 by Residential Line 1. This is the amount of Residential Voluntary Credits the Company needs to write themselves out of the Beach Residential Participation.

Line 10 – Beach Residential Voluntary Credits –

- a) Same As Residential Line 5.

Line 11 – Beach Residential Extra Premiums –

- a) Subtract Residential Line 10 from Residential Line 9. This Will Show The Company How Much More Credit They Needed Or How Much They Exceeded The Required Amount.

Line 12 – Total Association’s Residential and Company’s Excess Premiums –

- a) Add The Total Association’s Premiums And Residential Excess Premiums. Excess Premiums Is The Amount that Each Company Exceeded Their Required Amount.

Line 13 – Residential Percentage Of Participation –

- a) Divide Residential Line 11 By Residential Line 12. This Percentage Will Be Used To Assess Member Companies For Residential Losses In The Beach Area.

COMMERCIAL

Acceptable Premiums - Essential Commercial Property and Property Portion Of Commercial Multi-Peril Premiums (Excludes Manufacturing Premiums).

Section 1 – Calculation Of The Voluntary Credit

Line 1 – Non–Beach and Non–Coastal Commercial Market Share –

- a) Statewide Essential Commercial Property Premiums and Property Portion Of Commercial Multi-Peril Premiums less Beach and Coastal **Full Coverage** Voluntary Commercial Premiums equals Non-Beach and Non-Coastal Commercial Premiums. Beach and Coastal Voluntary Premiums Includes Full Coverage Policies and **Excludes** Policies Xing The Wind Coverage.
- b) Non-Beach and Non-Coastal Commercial Premiums divided by Total of All Companies Non-Beach and Non-Coastal Commercial Premiums equals Non-Beach and Non-Commercial Market Share.

Line 2 – Beach Voluntary Commercial Market Share –

- a) Beach **Full Coverage** Voluntary Commercial Premiums divided by Total of All Companies Beach **Full Coverage** Voluntary Premiums equals Beach Voluntary Commercial Market Share. Includes Full Coverage Policies and **Excludes** Policies Xing The Wind Coverage.

Line 3 – Commercial Credit Factor –

- a) Compare the Beach Voluntary Commercial Market Share to the Non-Beach and Non-Coastal Commercial Market Share.

If the Beach Voluntary Commercial Market Share is 70% and Greater of the Non-Beach and Non-Coastal Commercial Market Share – 2 times Credit is Given for Beach Full Coverage Voluntary Commercial Premiums (No Credit Is Given For Beach Voluntary Writings Xing The Wind Coverage).

If the Beach Voluntary Commercial Market Share is 69.9% to 35% of the Non-Beach and Non-Coastal Commercial Market Share – 1.5 times Credit is Given for Beach Full Coverage Voluntary Commercial Premiums (No Credit Is Given For Beach Voluntary Writings Xing The Wind Coverage).

If the Beach Voluntary Commercial Market Share is Less Than 35% of the Non-Beach and Non-Coastal Commercial Market Share – 1 times Credit is

Given for Beach Full Coverage Voluntary Commercial Premiums (No Credit Is Given For Beach Voluntary Writings Xing The Wind Coverage).

Line 4 – Beach Voluntary Commercial Credit –

- a) This is The Total of Beach Voluntary Commercial Writings for Each Company (Beach Full Coverage Commercial Premiums Only. No Credit Given For Policies Xing The Wind).

Line 5 – Beach Voluntary Commercial Credit With Tiered Credits –

- a) Multiple Commercial Line 4 by Commercial Line 3.

Section 2 – Calculation Of The Percentage Of Participation

Line 6 – Total Association’s Commercial Premiums –

- a) Total Beach Commercial Premiums Written By The Association.

Line 7 – Total Commercial Voluntary Credits –

- a) Total Beach Commercial Voluntary Credits For all Companies.

Line 8 – Total Beach Association Premiums and Beach Voluntary Credits –

- a) Add Commercial Line 6 And Commercial Line 7.

Line 9 – Beach Commercial Required Amount –

- a) Multiply Commercial Line 8 by commercial Line 1. This is the amount of Commercial Voluntary Credits the Company needs to write themselves out of the Beach Commercial Participation.

Line 10 – Beach Commercial Voluntary Credits –

- a) Same As Commercial Line 5.

Line 11 – Beach Commercial Extra Premiums –

- a) Subtract Commercial Line 10 from Commercial Line 9. This Will Show The Company How Much More Credit They Needed Or How Much They Exceeded The Required Amount.

Line 12 – Total Association’s Commercial and Company’s Excess Premiums –

- a) Add The Total Association’s Premiums And Commercial Excess Premiums. Excess Premiums Is The Amount that Each Company Exceeded Their Required Amount.

Line 13 – Commercial Percentage Of Participation –

- a) Divide Commercial Line 11 By Commercial Line 12. This Percentage Will Be Used To Assess Member Companies For Commercial Losses In The Beach Area.