



**CALL FOR ACTION**  
**COMMENT NOW ON PROPOSED RATE INCREASES FOR**  
**HOMEOWNERS, RENTERS, CONDO and WIND ONLY POLICIES**

The NC Rate Bureau submitted a filing to the NC Department of Insurance (NCDOI) last month to increase Homeowners Insurance rates as much as 25% in areas in eastern NC. The filing also includes requests to increase tenants (renters) and condo insurance policies as much as 40%. The proposed homeowners insurance rate increase also impacts policyholders with wind only policies such as those written through the NC Insurance Underwriters Association (NCIUA), commonly referred to as the Beach Plan. This filing does not affect policyholders with Dwelling Policies – those that typically cover second homes, vacation rental homes or year-round rental homes. Increase requests in this Homeowners Insurance Rate Filing impacts year-round homeowners, condo owners and renters!

The Rate Bureau is requesting the following Homeowners Insurance rate changes based on \$200,000 dwelling value with a \$1,000 deductible, Protection Class 5/Frame construction to become effective on July 1, 2018:

<b>Territory</b>	<b>Territory Definition</b>	<b>% Rate Change Request</b>	<b>HO Rate July 1, 2018</b>	<b>Wind Only Rate</b>
110	Beach areas of Currituck, Dare & Hyde Counties	25.0%	\$2,823	\$2,256
120	Beach areas of Brunswick, Carteret, New Hanover, Onslow & Pender Counties	25.0%	\$3,310	\$3,016
130	Coastal areas of Currituck, Dare, Hyde & Pamlico Counties	25.0%	\$1,796	\$1,527
140	Eastern areas of Brunswick, Carteret, New Hanover, Onslow & Pender Counties	25.0%	\$2,306	\$1,987
150	Coastal areas of Beaufort, Camden, Chowan, Craven, Jones, Pasquotank, Perquimans, Tyrrell & Washington Counties	8.2%	\$1,312	\$1,042
160	Western Coastal areas of Brunswick, Carteret, New Hanover, Onslow and Pender Counties	23.7%	\$1,612	\$1,311
170	Gates and Hertford Counties	4.2%	\$812	
180	Bertie, Greene, Martin, Pitt, & Wayne Counties	25.0%	\$1,065	
190	Duplin and Lenoir Counties	25.0%	\$1,258	
200	Columbus County	25.0%	\$1,443	
210	Edgecombe and Wilson Counties	25.0%	\$985	
220	Cumberland and Sampson Counties	25.0%	\$1,158	
230	Bladen and Robeson Counties	25.0%	\$1,299	

240	Franklin, Halifax, Johnston, Nash and Northampton Counties	25.0%	\$936
250	Harnett, Hoke and Scotland Counties	15.1%	\$1,008
260	Granville, Person, Vance and Warren Counties	22.0%	\$708
270	Cities of Raleigh & Durham; Durham and Wake Counties	21.9%	\$790
280	Chatham and Orange Counties	16.3%	\$669
290	Lee and Moore Counties	15.3%	\$823
300	Anson, Montgomery and Richmond Counties	-1.1%	\$837
310	Cities of Greensboro and Winston-Salem; Alamance, Caswell, Davie, Forsyth, Guilford, Rockingham, Stokes and Surry Counties	21.5%	\$708
320	Cabarrus, Davis, Randolph and Rowan Counties	8.9%	\$723
330	Yadkin County	7.8%	\$600
340	City of Charlotte; Alexander, Iredell, Mecklenburg, Stanly, Union and Wilkes Counties	23.5%	\$703
350	Cleveland, Gaston, Lincoln and Rutherford Counties	4.8%	\$667
360	Alleghany, Ashe, Buncombe, Burke, Caldwell, Catawba, Henderson, McDowell, Polk, Watauga and Yancey Counties	4.5%	\$578
370	Avery and Mitchell Counties	-3.9%	\$628
380	Haywood, Madison, Swain and Transylvania Counties	-7.1%	\$583
390	Cherokee, Clay, Graham, Jackson and Macon Counties	-3.6%	\$605

**The public comment period is open now through December 29<sup>th</sup>.**

**IT IS IMPORTANT THAT NCDOT HEAR FROM YOU!**

**PLEASE EMAIL YOUR COMMENTS ASAP TO [2017HomeInsurance@ncdot.gov](mailto:2017HomeInsurance@ncdot.gov).**

**Written comments should be mailed to be received by Dec. 29<sup>th</sup> to Tricia Ford, 1201 Mail Service Center, Raleigh, NC 27699-1201**

In addition to sharing your personal opinion regarding the impact of the proposed rate increases and requesting that the Insurance Commissioner deny the filing, it is important to include information specific to the filing.

**TALKING POINTS:**

- Based on the data and information included in the 2017 Homeowners Insurance Rate Filing, the NC Rate Bureau's proposed rate increase requests are unwarranted and unjustified and the Insurance Commissioner should deny the filing.
- The proposed rate increases are excessive and unfairly discriminatory.
- Premium/loss ratios for 2011-2015 do not support rate increases for eastern NC territories.
- The profitability of the NCIUA since 2011 does not support a 25% increase.
- NCIUA Wind only policyholders saw an increase when the Department of Insurance approved forms for a wind only product a few years ago.
- Many policyholders have signed consent to rate (CTR) forms. The NC Department of Insurance should know exactly how many policyholders are rated through CTR and to what extent before there is any consideration of rate increases.
- Proposed rates are heavily weighted on the insurers net cost of reinsurance. In some cases the net cost of reinsurance exceeds base loss costs.
- Current rates are adequate to provide fair and reasonable profit.
- Insurance companies have been applying artificially high inflation rate factors to policy dwelling values that in turn increase deductibles when percentage based. This both lessens the insurers' exposure and increases profitability. This has not been considered in this filing.
- Insurers have added fees to policies, adding to their profit, which are not reflected in this filing.
- There is a NOAA wind overlay zone in the far western portions of NC. The wind portion of the proposed rate for those territories is up to \$473 compared to up to \$2,896 in eastern NC.
- NOAA's 2011 to 2015 severe weather map reports show the majority of severe wind events to be in central and western NC.
- After a lengthy rate filing hearing in 2014, the Department of Insurance found that rates in eastern NC were excessive and ordered a rate decrease of up to 18%. How is it that within 3 years, the NC Rate Bureau's filing indicates the need for a rate increase of up to 80.5% in eastern NC territories?

After the public comment period closes on December 29<sup>th</sup>, the Department of Insurance has 50 days to respond to the Rate Bureau. If the Insurance Commissioner does nothing, the new rates will become effective on July 1, 2018. The Commissioner can negotiate a settlement on the filing which in years past has resulted in less than the Rate Bureau's proposed increases. The NC Insurance Commissioner also has the option to deny the filing which would result in a hearing/trial being held on the filing.

*Contact Willo Kelly, NC 20 President at (252) 202-7927 or [willokelly@gmail.com](mailto:willokelly@gmail.com) for more information.*