

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL DRS35038-MHz-10 (11/29)

Short Title: DOI to Report Certain CTR Data.

(Public)

Sponsors: Senators Lee, Meredith, and Ford (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE REPORTING BY THE DEPARTMENT OF INSURANCE OF CERTAIN AGGREGATE PROPERTY INSURANCE CONSENT TO RATE DATA, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION COMMITTEE ON REGULATORY AND RATE ISSUES IN INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-36-30(b1), as enacted by Section 1.3(a) of S.L. 2016-78, reads as rewritten:

"(b1) This subsection applies only to insurance against loss to residential real property with not more than four housing units. A rate in excess of that promulgated by the Bureau may be charged by an insurer on any specific risk if the higher rate is charged in accordance with rules adopted by the Commissioner and is charged with the knowledge and written consent of the insured. An insurer shall give reasonable notice to the insured by including the following language on the insured's written consent to rate form in at least 14 point type, bolded, and underlined:

NOTICE: THE PREMIUM USING NORTH CAROLINA RATE BUREAU'S APPROVED RATES FOR THE HOMEOWNER'S INSURANCE COVERAGE I APPLIED FOR IS \$_____. THE PREMIUM FOR THIS COVERAGE IS \$_____. THE TOTAL PERCENTAGE INCREASE ABOVE THE APPROVED RATES IS _____%.

The insurer shall provide the rate information on the disclosure statement above, as applicable, to the insured. The disclosure statement noted above in this subsection shall be included on any renewal of or endorsement to the policy for any subsequent increase above the manual rate following the initial written consent of an insured. However, once an initial written consent to rate is received, the insurer is not required to obtain the written consent of the insured on any renewal of or endorsement to the policy. The insurer shall give at least 30 days' notice to the insured for all written consents to rate and notices required under this subsection on all policy renewals and endorsements. The insurer shall retain the signed consent form and other policy information for each insured and make this information available to the Commissioner, upon request of the Commissioner. Any data identifying individual insurers or insureds obtained by the Commissioner under this subsection is proprietary and confidential and is not a public record under G.S. 132-1 or G.S. 58-2-100. However, the Commissioner shall (i) collect annually from insurers, in a format and manner designated by the Commissioner and (ii) publish on the Department's Web site no later than July 1 the following data aggregated across all insurers for each geographical rate-making territory:

(1) The percentage of policies for which a consent to rate has been obtained.



- 1 (2) The average difference between the manual premium and the consented
2 premium."
3 **SECTION 2.** This act is effective when it becomes law.