

COASTAL HAZARDS MITIGATION PROGRAM

AN ACT TO create a Coastal Hazards Mitigation Program to acquire conservation easements or fee simple properties in floodplains, beach and inlet hazard areas and other high risk areas within the 18 coastal counties covered by the Beach Plan to protect the public, prevent property damage and lower risks before sea level rises and storms occur; and to levy a surcharge of x percent upon the premiums of the Beach Plan administered by the North Carolina Insurance Underwriting Association to provide a revenue source for the Coastal Hazards Avoidance Program.

The General Assembly of North Carolina enacts:

Section I - Article 45 of Chapter 58 of the General Statutes is amended by adding a new section to read

§ 58-45-100 Coastal Hazards Mitigation Program

- (a) The Commissioner shall establish a Coastal Hazards Mitigation Program within the Department.
- (b) The Program shall operate within the 18 coastal counties that are covered by the Beach Plan.
- (c) The Program shall acquire conservation easements or fee simple properties that are located in high risk areas that are subject to wind damage, storm surge, and flooding, including properties that are located in
 - a. 100-year floodplains,
 - b. Beach and inlet hazard area as delineated by the Division of Coastal Management,
 - c. Other high risk areas as determined by the commissioner.
- (d) Funds from the Program may be combined with funds from the U.S. Department of Homeland Security and other state agencies.

Section II Surcharge on Beach Plan – G.S. 58-45-45 reads as rewritten

§ 58-45-45. Rates, rating plans, rating rules, and forms applicable.

- (a) Except as provided in subsection (b) of this section, the rates, rating plans, rating rules, and forms applicable to the insurance written by the Association shall be in accordance with the most recent manual rates or adjusted loss costs and forms that are legally in effect in the State. Except as provided in subsection (c) of this section, no special surcharge, other than those

presently in effect, may be applied to the property insurance rates of properties located in the beach and coastal areas.

(b) The rates, rating plans, and rating rules for the separate policies of windstorm and hail insurance described in G.S. 58-45-35(b) shall be filed by the Association with the Commissioner for the Commissioner's approval, disapproval, or modification. The provisions of Articles 40 and 41 of this Chapter shall govern the filings. Policy deductible plans, consistent with G.S. 58-45-1(b), may be filed by the Association with the Commissioner for the Commissioner's approval, disapproval, or modification.

(c) Notwithstanding subsection (a) of this section, the Association may, subject to the prior approval of the Commissioner, adopt a schedule of special surcharges relating to homeowners' insurance policies issued by the Association pursuant to G.S. 58-45-30(d). Such schedule may reflect any differences in risk that can be demonstrated to have a probable effect on losses or expenses. Notwithstanding subsections (a) and (b) of this section, the provisions of G.S. 58-36-10(1), 36-15(a), 58-36-20, and 58-36-25 shall apply to such filings.

(d) The Association shall levy a surcharge of x percent upon the premiums assessed under this section to fund the Coastal Hazards Mitigation Program.