

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H

D

HOUSE DRH70014-MH-13 (1/28)

Short Title: Stay Beach Plan Rates, Deductible, Surcharges.

(Public)

Sponsors: Representative Spear.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO IMPOSE A TEMPORARY STAY ON INCREASED SURCHARGES AND DEDUCTIBLES FOR CERTAIN POLICIES UNDER THE BEACH PLAN AND ON PROPERTY INSURANCE RATE INCREASES FOR CERTAIN HOMEOWNERS' POLICIES ACROSS THE STATE.

The General Assembly of North Carolina enacts:

SECTION 1. The increase from fifteen percent (15%) to twenty-five percent (25%) in the North Carolina Insurance Underwriting Association (NCIUA) factor or surcharge for homeowner's coverage approved by the Department of Insurance on November 21, 2008, and designated by the Department as PC121215 shall not apply to homeowner's coverage issued by the NCIUA for a homeowner's or applicant's permanent residence.

SECTION 2. The increase from five percent (5%) to fifteen percent (15%) in the NCIUA factor or surcharge for homeowner's windstorm and hail only coverage approved by the Department on November 21, 2008, and designated by the Department as PC122445 shall not apply to homeowner's windstorm and hail only coverage issued by the NCIUA for a homeowner's or applicant's permanent residence.

SECTION 3. The residential deductible guidelines submitted by the NCIUA, approved by the Department on November 21, 2008, and designated by the Department as PC122635 shall not apply to homeowner's and dwelling coverage issued by the NCIUA for a homeowner's or applicant's permanent residence.

SECTION 4. The residential deductible guidelines submitted by the North Carolina Joint Underwriting Association (NCJUA) for territories 42 and 43 of coastal North Carolina, approved by the Department on November 21, 2008, and designated by the Department as PC122682 shall not apply to dwelling coverage issued by the NCJUA for a homeowner's or applicant's permanent residence.

SECTION 5. There shall be no surcharge or deductible increases for coverages as specified in Sections 1, 2, 3, and 4 of this act on or after the effective date of this act.

SECTION 6. Rate increases resulting from the 2008 Rate Filing approved by the Commissioner of Insurance in the Consolidated Settlement Agreement and Consent Order dated December 18, 2008, shall not apply to homeowner's coverage issued by insurers of one hundred fifty thousand dollars (\$150,000) or less, including coverage for building and contents, for a homeowner's or applicant's permanent residence, nor shall these rate increases be used by the NCIUA when determining rates for coverage of one hundred fifty thousand dollars (\$150,000) or less, including coverage for building and contents, for a homeowner's or applicant's permanent residence. In addition, there shall be no rate increases for coverage as specified in this section subsequent to the effective date of this act.



1 **SECTION 7.** For the purposes of this act, permanent residence shall mean the
2 policyholder's or applicant's legal residence.

3 **SECTION 8.** Premiums paid in violation of this act shall be refunded by insurers
4 and the NCIUA, as applicable.

5 **SECTION 9.** Sections 1, 2, 3, 4, 5, 6, 7, and 8 of this act are effective when they
6 become law and apply to policies issued or renewed on or after that date. The remainder of this
7 act is effective when it becomes law. This act expires May 1, 2011.