

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE BILL 26

Short Title: Stay Beach Plan Rates, Deductible, Surcharges. (Public)

Sponsors: Representatives Spear; Grady, Justice, McElraft, Stiller, and Underhill.

Referred to: Rules, Calendar, and Operations of the House.

February 2, 2009

A BILL TO BE ENTITLED

1 AN ACT TO IMPOSE A TEMPORARY STAY ON INCREASED SURCHARGES AND
2 DEDUCTIBLES FOR CERTAIN POLICIES UNDER THE BEACH PLAN AND ON
3 PROPERTY INSURANCE RATE INCREASES FOR CERTAIN HOMEOWNERS'
4 POLICIES ACROSS THE STATE.
5

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** The increase from fifteen percent (15%) to twenty-five percent
8 (25%) in the North Carolina Insurance Underwriting Association (NCIUA) factor or surcharge
9 for homeowner's coverage approved by the Department of Insurance on November 21, 2008,
10 and designated by the Department as PC121215 shall not apply to homeowner's coverage
11 issued by the NCIUA for a homeowner's or applicant's permanent residence.

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

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

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

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

28 **SECTION 6.** Rate increases resulting from the 2008 Rate Filing approved by the
29 Commissioner of Insurance in the Consolidated Settlement Agreement and Consent Order
30 dated December 18, 2008, shall not apply to homeowner's coverage issued by insurers of one
31 hundred fifty thousand dollars (\$150,000) or less, including coverage for building and contents,
32 for a homeowner's or applicant's permanent residence, nor shall these rate increases be used by
33 the NCIUA when determining rates for coverage of one hundred fifty thousand dollars
34 (\$150,000) or less, including coverage for building and contents, for a homeowner's or
35 applicant's permanent residence. In addition, there shall be no rate increases for coverage as
36 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.