

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1201*

Short Title: Revise Consent to Rate.

(Public)

Sponsors: Representatives Cocklereece and Dockham.

Referred to: Insurance.

May 16, 1996

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT INSURERS ARE NOT REQUIRED TO OBTAIN
2 WRITTEN CONSENT TO RATE ON EACH POLICY RENEWAL AS
3 RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION'S
4 COMMITTEE ON INSURANCE AND INSURANCE-RELATED ISSUES.
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 58-36-30 reads as rewritten:

8 "**§ 58-36-30. Deviations.**

9 (a) No insurer, officer, agent or representative thereof shall knowingly issue or
10 deliver or knowingly permit the issuance or delivery of any policy of insurance in this
11 State which does not conform to the rates, rating plans, classifications, schedules, rules
12 and standards made and filed by the Bureau. However, an insurer may deviate from the
13 rates promulgated by the Bureau provided the insurer has filed the deviation to be applied
14 both with the Bureau and the Commissioner, and provided the ~~said~~ deviation is uniform
15 in its application to all risks in the State of the class to which ~~such~~ the deviation is to
16 apply; and provided such deviation is approved by the Commissioner. The Commissioner
17 shall approve proposed deviations if ~~the same~~ they do not render the rates excessive,
18 inadequate or unfairly discriminatory. If approved, the deviation may thereafter be
19 amended, subject to the provisions of this subsection. The deviation may be terminated
20 only if the deviation ~~will have~~ has been in effect for a period of six months before the

1 effective date of the termination and the insurer notifies the Commissioner of the
2 termination no later than 15 days before the effective date of the termination.

3 (b) A rate in excess of that promulgated by the Bureau may be charged by an
4 insurer on any specific risk provided such if the higher rate is charged in accordance with
5 the approval of rules adopted by the Commissioner and with the knowledge and written
6 consent of the insured. The insurer is not required to obtain the written consent of the
7 insured on each renewal of the policy if each policy renewal states that the rates are
8 greater than those rates that are applicable in the State of North Carolina. The insurer
9 shall retain the signed consent form and other policy information for each insured and
10 make this information available to the Commissioner, upon request of the Commissioner.
11 This subsection may be used to provide motor vehicle liability coverage limits above
12 those required under Article 9A of Chapter 20 of the General Statutes and above those
13 cedable to the Facility under Article 37 of this Chapter to persons whose personal excess
14 liability insurance policies require that they maintain specific higher liability coverage
15 limits. ~~All data filed with~~ Any data obtained by the Commissioner under this subsection are
16 is proprietary and confidential and are not public records is not a public record under G.S.
17 132-1 or G.S. 58-2-100.

18 (c) Any deviation with respect to workers' compensation and employers' liability
19 insurance written in connection therewith as filed under subsection (a) of this section
20 shall apply uniformly to all classifications. Any approved rate under subsection (b) of this
21 section with respect to workers' compensation and employers' liability insurance written
22 in connection therewith shall be furnished to the Bureau.

23 (d) Notwithstanding any other provision of law prohibiting insurance rate
24 differentials based on age, with respect to nonfleet private passenger motor vehicle
25 insurance under the jurisdiction of the Bureau, any member of the Bureau may apply for
26 and use in this State, subject to the Commissioner's approval, a downward deviation in
27 the rates for insureds who are 55 years of age or older."

28 Sec. 2. G.S. 58-40-30(c) reads as rewritten:

29 "(c) Upon written consent of the ~~insured, stating his reasons therefor,~~ insured stating
30 the insured's reasons, a rate or deductible or both in excess of that provided by an
31 otherwise applicable filing may be used on a specific ~~risk, provided that it is filed with the~~
32 Commissioner in accordance with subsection (a) of this section. risk, in accordance with rules
33 adopted by the Commissioner. The insurer is not required to obtain the written consent
34 of the insured on each renewal of the policy if each policy renewal states that the rates or
35 deductible, or both, are greater than those rates or deductibles, or both, that are applicable
36 in the State of North Carolina. The insurer shall retain the signed consent form and other
37 policy information for each insured and make this information available to the
38 Commissioner, upon request of the Commissioner."

39 Sec. 3. This act becomes effective October 1, 1996, and applies to policies
40 issued or renewed on or after that date.