

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1696
Committee Substitute Favorable 6/22/00
Committee Substitute #2 Favorable 6/29/00

Short Title: Fire Ins. Public Protection/AB.

(Public)

Sponsors:

Referred to:

May 25, 2000

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE AUTHORITY OF THE COMMISSIONER OF
3 INSURANCE AND STATE FIRE MARSHAL TO ESTABLISH PUBLIC
4 PROTECTION CLASSIFICATIONS FOR FIRE INSURANCE RATING
5 PURPOSES.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 58-36-10(3) reads as rewritten:

8 "(3) In the case of fire-property insurance rates, ~~as are subject to the ratemaking~~
9 ~~authority of the Bureau, rates under this Article,~~ consideration may be
10 given to the experience of such fire-property insurance business during
11 the most recent five-year period for which that experience is available.
12 In the case of fire-property insurance rates ~~that are subject to the~~
13 ~~ratemaking authority of the Bureau, under this Article,~~ consideration shall
14 be given to the insurance public protection classifications of ~~rural fire~~
15 ~~districts based upon standards~~ fire districts established by the
16 Commissioner. ~~To the extent credits are provided for proximity to fire~~
17 ~~hydrants, the Bureau may also provide appropriate credits in public protection~~
18 ~~classifications for optional water sources, such as ponds, lakes, or other bodies~~

1 of water, in accordance with standards and procedures filed with and approved
2 by the Commissioner. The Commissioner shall establish and modify
3 from time to time insurance public protection districts for all rural areas
4 of the State and for cities with populations of 100,000 or fewer,
5 according to the most recent annual population estimates certified by the
6 State Planning Officer. In establishing and modifying these districts, the
7 Commissioner shall use standards at least equivalent to those used by
8 the Insurance Services Office, Inc., or any successor organization."

9 Section 2. G.S. 58-40-25(4) reads as rewritten:

10 "(4) ~~With respect to fire insurance, to the extent credits are provided for~~
11 ~~proximity to fire hydrants, insurers may also provide appropriate credits~~
12 ~~in public protection classifications for optional water sources, such as~~
13 ~~ponds, lakes, or other bodies of water, in accordance with standards and~~
14 ~~procedures filed with and approved by the Commissioner. In the case of~~
15 ~~property insurance rates under this Article, consideration shall be given~~
16 ~~to the insurance public protection classifications of fire districts~~
17 ~~established by the Commissioner. The Commissioner shall establish~~
18 ~~and modify from time to time insurance public protection districts for all~~
19 ~~rural areas of the State and for cities with populations of 100,000 or~~
20 ~~fewer, according to the most recent annual population estimates~~
21 ~~certified by the State Planning Officer. In establishing and modifying~~
22 ~~these districts, the Commissioner shall use standards at least equivalent~~
23 ~~to those used by the Insurance Services Office, Inc., or any successor~~
24 ~~organization."~~

25 Section 3. This act becomes effective July 1, 2000.