

**BULLETIN**

**Number 18-B-08**

**TO: ALL PROPERTY & CASUALTY INSURERS WRITING HOMEOWNERS AND PRIVATE PASSENGER AUTOMOBILE INSURANCE COVERAGE IN NORTH CAROLINA, ALL NORTH CAROLINA INTERESTED AGENTS, AND ALL OTHER INTERESTED PARTIES**

**FROM: MIKE CAUSEY, COMMISSIONER OF INSURANCE**

**DATE: JUNE 29, 2018**

**SUBJECT: CONSENT TO RATE LAWS**

The purpose of this bulletin is to inform your company of the recent changes to Consent to Rate resulting from the passage of House Bill 382 during the 2018 Legislative session. HB 382 contained changes to the Consent to Rate statute, which changes were drafted with the input and agreement of the Department and the insurance industry including companies and agents. The changes, which become effective January 1, 2019 and are applicable to **new, renewal, and endorsements** to the policy, include the following:

- A revision to North Carolina's consent to rate statute (G.S. 58-36-30) for residential property and private passenger auto insurance that removes the requirement that the insurer obtain the written consent of the insured prior to utilizing consent to rate. Because the statute no longer mandates written consent, the CTR form currently in use and the policyholder signatures authorizing consent to rate will no longer be required for new and renewal policies and endorsements effective on or after January 1, 2019.
- A requirement for automobile insurers to include a disclosure statement either on the policy declarations page or on a separate page before the declarations page notifying an insured that the premium being charged exceeds the premium based upon the approved rates in North Carolina. This disclosure statement shall be included on any new, renewal, or endorsement to the policy when the premium charged exceeds the premium based on the approved manual rates.

- A revision to the disclosure statement currently used in residential insurance policies to notify the insured that the rate used to calculate the premium is greater than the approved rate. This disclosure statement shall be included on the policy declarations page or on a separate page before the declarations page and is applicable to all new, renewal, or endorsements to the policy when the premium charged exceeds the premium based on the approved manual rate.
- A requirement for the Commissioner of Insurance to collect and publish annually on the Department's website, residential property insurance consent to rate data aggregated across all insurers for each geographical ratemaking territory. The data will show the percentage of policies for which consent to rate has been used and the average difference between the approved premium and the consented premium. Information identifying individual insurers or insureds will remain confidential and proprietary and not a public record. This data will be published for the first time on the Department's website on July 1, 2019. The Commissioner shall designate the format and manner to collect the data prior to the date the data is to be published.
- A requirement for each insurer to collect consent to rate data for automobile physical damage and residential property and transmit the data for each policy to the Commissioner on a semi-annual basis. The format for collection and transmission of the data will be prescribed and designated by the Commissioner.

The Department regulations contained in 11 NCAC 10.0602 and 10.0606 will be changed in the future to comport with the legislative changes taking effect on January 1, 2019. All regulations concerning the CTR form and the required data contained therein will no longer be enforced for new and renewal policies and endorsements effective on or after January 1, 2019; however, the "not to exceed" cap of 250% for residential property and of 550% for auto physical damage will remain in effect

*Please refer any general questions regarding the bulletin to [P&Cinbox@ncdoi.gov](mailto:P&Cinbox@ncdoi.gov)  
Please refer any questions regarding agent licensure to [ASD@ncdoi.gov](mailto:ASD@ncdoi.gov) FAQs will  
be posted on the DOI website.*

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**Attachment - Overview of the amendments to the Consent to Rate Laws**

**Hyperlink to HB 382 for reference purposes: [HB382](#). See pages 32 - 34 - Edits to NCGS 58-36 30.**

<https://www.ncleg.net/Sessions/2017/Bills/House/PDF/H382v5.pdf>

