

**BULLETIN**

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**Number 18-B-17**

**TO: ALL PROPERTY & CASUALTY INSURERS WRITING NONFLEET PRIVATE PASSENGER MOTOR VEHICLE PHYSICAL DAMAGE AND HOMEOWNERS INSURANCE COVERAGE IN NORTH CAROLINA**

**FROM: PROPERTY AND CASUALTY DIVISION**

**DATE: DECEMBER 11, 2018**

**SUBJECT: CONSENT TO RATE REGULATION CHANGES**

As a result of legislation passed during the 2018 legislative session, the handling of Consent to Rate (CTR) policies has changed. The changes in the CTR laws, which will become effective on January 1, 2019, were explained in Bulletin Number 18-B-08, issued June 29, 2018. As noted in the previous Bulletin, the Department has proposed changes to the CTR Regulations found in 11 NCAC 10.0602 – 10.0603 and 10.0605 – 10.0606. The proposed administrative rule changes have now been formally approved effective December 1, 2018. The new CTR administrative rules are attached.

Please note that most of the changes are either a repeal of existing rules or administrative in nature. However, there is one substantive change of note: the 550% cap on CTR rates for nonfleet private passenger motor vehicle physical damage insurance has been repealed. While there is no longer a cap on nonfleet private passenger motor vehicle physical damage insurance, the 250% cap on residential property insurance remains.

In addition, it should be noted that while the CTR administrative rules governing the content of the CTR forms has been repealed effective December 1, the statutory requirement regarding written consent is still in effect until January 1, 2019. Companies should plan to continue their current CTR procedures through December 31, 2018.

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