

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1201\*  
Committee Substitute Favorable 6/4/96

Short Title: Revise Consent to Rate.

(Public)

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Sponsors:

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Referred to:

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May 16, 1996

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT INSURERS ARE NOT REQUIRED TO OBTAIN WRITTEN CONSENT TO RATE ON EACH POLICY RENEWAL AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION'S COMMITTEE ON INSURANCE AND INSURANCE-RELATED ISSUES.

The General Assembly of North Carolina enacts:

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

**"§ 58-36-30. Deviations.**

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

1 only if the deviation ~~will have~~ has been in effect for a period of six months before the  
2 effective date of the termination and the insurer notifies the Commissioner of the  
3 termination no later than 15 days before the effective date of the termination.

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

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

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

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

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

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