

## Group: Rates in east too high

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Insurance rates are higher for homeowners in eastern North Carolina than elsewhere in the state — unfairly so, says a coalition of coastal counties seeking insurance reform.

NC-20, an organization of 20 counties including Currituck, Camden, Pasquotank, Perquimans and Chowan, presented its case for lower rates east of Interstate 95 to local officials Friday at a symposium in Barco. NC-20 Chairman Tom Thompson said getting the word out about insurance disparities could help the non-profit organization improve its chances of changing state policy.

The insurance rates for coastal counties are close to three times higher than farther west, said Willo Kelly, president of NC-20, and a former president of the Currituck Chamber of Commerce.

For example, a homeowner's policy for a \$150,000 house in Charlotte costs \$529 under the state's rate system set in 2009.

Take that same home in Camden, Chowan, Pasquotank and Perquimans, and the rate would be \$1,327. In mainland Currituck, a property owner would pay \$1,529. The rates set by the state are the maximum insurance companies can charge customers.

The argument that counties in the east should pay more because of increased risk of hurricanes is based on a false assumption, said Kelly.

A hurricane tracking chart indicates the storms hit inland as well. And when they do, the damage to more populated areas is greater than in the east, Thompson said.

Statistics also indicate that the east is not making more claims, said Kelly.

In 2001-05, six cents in insurance claims were paid for every dollar of insurance spent in three barrier island counties including Currituck That's much higher than four counties in the western part of the state where 21 cents was paid in claims for every dollar spent on insurance during the same time period., she said.

State Insurance Commissioner Wayne Goodwin acknowledged in a telephone interview Thursday that insurance rates are higher for coastal counties.

He said NC-20 has raised questions that could affect possible reform to a rate chart Goodwin inherited from his predecessor, the late Jim Long.

"I am trying to help every way I can to insure whatever rates that are set in the coast and beach areas are the fairest rates possible," said Goodwin.

He said he's pushing for gradual, targeted reform that strikes a balance between satisfying customers and insurance companies to make sure they keep offering policies to homeowners. More competition helps ensure that homeowners rates will stay as low as possible, he said.

A couple participants at Friday's symposium said higher insurance rates are noticed by local residents and businessmen.

Josh Bass, president of the Currituck Chamber of Commerce, said the county has to compete with lower insurance rates across the state line in Virginia. Taxes may be lower in Currituck than in Chesapeake, Va., but higher insurance rates offset that benefit to homeowners, he said.

"It's harder and harder to lure homeowners to Moyock. It makes it very hard to compete," said Bass.

Mary Krawiec, administrative assistant at the Chamber, said she noticed the difference shortly after moving to Crown Point in South Mills six years ago.

Protests over rates date back to 2008 when Long approved rates shortly before he left office.

Dare County Manager Bobby Outen led a grass-roots effort to overturn the state-set insurance rates. Outen charged coastal counties were unfairly singled out for higher rates. NC-20 sprang out of that protest, and a lawsuit was filed charging that the state insurance commissioner and the North Carolina Rate Bureau, comprised of insurance companies, had unfairly set rates.

The N.C. Court of Appeals ruled in the state's favor, saying protesters did not have a right to challenge the commissioner's decision.

Despite that setback, NC-20 enlarged its support base and began working with lawmakers toward reform on several coastal issues, including insurance rates.

A new law went into effect in July that now requires public comment before insurance rates are approved. Under Long's tenure, public hearings were not part of the process.

NC-20 officials have said the mystery over how rates were approved under Long's leadership is part of their objection.

No one has explained what formula Long and insurance companies that make up the rate bureau used for the rate chart, said Kelly.

Goodwin said he welcomed the new law requiring public hearings on rate changes.

He voluntarily held a hearing last year on a rate filing for second homes that was denied, he said. So far, the rate filing is the only one since he came into office in 2008.