



North Carolina Rate Bureau

Presentation to the
Joint Legislative Transportation
Oversight Committee
January 27, 2015

Creation of the Rate Bureau

- NCGS 58-36-1
 - “There is hereby created a Bureau to be known as the “North Carolina Rate Bureau,”...



What is the North Carolina Rate Bureau?

- Created by statute in 1977
- Unincorporated legal entity
- Partnership of all insurance companies doing business in North Carolina
 - Total of 753 companies
 - 660 Automobile members
 - 637 Residential property members
 - 532 Workers compensation members
- Responsibility for proposing rates and forms for:
 - Non-fleet Private Passenger Motor Vehicle Insurance
 - Residential Real Property
 - Workers Compensation and Employers Liability Insurance

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NCRB-NCRF-NCIGA



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

North Carolina Reinsurance Facility

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North Carolina Reinsurance Facility

- Statutorily created in 1973
- Mechanism to ensure that auto liability coverage is available to drivers that companies are not otherwise willing to insure
- All companies writing auto liability in state are required by law to be members of the Facility
- Eligibility defined by statute



North Carolina Reinsurance Facility

- Reinsure approximately 25% of the auto liability market in NC
- Approximately \$850 million in written premium for CY 2013
- 93% Private Passenger, 7% All Other risks

North Carolina Rate Bureau

Moped Insurance In North Carolina

Moped Insurance In NC

- Liability insurance is not required for mopeds and, therefore, companies do not have to write the coverage
- If a moped liability policy is written:
 - Policy must be written by an individual company
 - Premium is the same as a small motorcycle
 - Rates are approximately 17% of the Private Passenger auto liability premium

Moped Insurance In NC

- Current moped liability insurance premiums in North Carolina at minimum limits for an experienced operator range from \$68 (no points) to \$450 (12 Points)
- An inexperienced operator could be charged up to 325% more

Moped Insurance In NC

- Rates from a few insurance companies writing moped insurance in Virginia and South Carolina
- Liability premium at minimum limits range from \$51 to \$215
- Depends on underwriting requirements of the individual company