11 NCAC 10 .0602 CONSENT TO RATE PROCEDURES: RATE BUREAU COVERAGES

(a) This Rule applies to automobile physical damage, excess motor vehicle liability coverage and residential property with not more than four housing units. Insurers may charge a premium in excess of that promulgated by the North Carolina Rate Bureau by instituting a consent to rate procedure that meets the requirements of G.S. 58-36-30(b), (b1) and this Rule.

(b) Residential Property With Not More than Four Housing Units:

(1) The premium to be charged against loss to residential property with not more than four housing units shall be presumed reasonable if it does not exceed 250 percent of the premium based upon the approved rates in North Carolina.

(2) Any proposed premium in excess of 250 percent of the premium based upon the approved rates in North Carolina shall be filed with the Commissioner for his or her review and approval in accordance with the procedures set forth in G.S. 58-36-30(a).

(c) Workers' Compensation and Employers' Liability Insurance. An initial (first time) application to effect consent to rate, pursuant to G.S. 58-36-30(c), for workers' compensation or employers' liability insurance in excess of the rate promulgated by the North Carolina Rate Bureau, shall contain the following:

(1) a description of the insurance proposed, including primary and excess limits, the amount of coverage, the deductible, and any other factor used for rating, where applicable;

(2) the rate and premium that would be charged without application of consent to rate;

(3) the proposed rate and premium;

(4) the percent increase. The rate to be charged shall be presumed reasonable if it does not exceed 250 percent of the rate that would be charged without application of consent to rate. Any proposed rate in excess of 250 percent shall be explained and shall be subject to review and approval of the Commissioner;

(5) the names and addresses of the insurer, the writing agent, and the insured;

(6) the effective date of the proposed rate;

(7) the policy period;

(8) the policy number; and

(9) a letter signed by the insured acknowledging and consenting to the proposed rate. If coverage for the specific risk written on consent to rate is available through a residual market, North Carolina Workers Compensation Insurance Plan, a statement signed by the insured acknowledging that fact shall also be executed. This letter shall be retained in the insurer's office and be made available to the Commissioner upon request.

The insurer is not required to obtain the written consent of the insured on any renewal of or endorsement to the policy if the policy renewal or endorsement states that the rates are greater than those rates that are applicable in the State of North Carolina.

(d) All records generated under G.S. 58-36-30(b), (b1), (c), and this Rule shall be maintained in accordance with the requirements of 11 NCAC 19 .0100.

History Note: *Authority G.S. 58-2-40(1); 58-36-30(b);*
Eff. February 1, 1976;
Readopted Eff. July 11, 1978;
Amended Eff. August 3, 1992; February 1, 1990; January 1, 1989;
Temporary Amendment Eff. November 8, 1996;
Amended Eff. July 1, 1998;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest January 3, 2017;
Amended Eff. April 1, 2020; December 1, 2018.