



City of Winston-Salem

OFFICE OF THE MAYOR

POST OFFICE BOX 2511 • WINSTON-SALEM, NC 27102

J. ALLEN JOINES
MAYOR

January 18, 2024

Insurance Commissioner Mike Causey
ATTN: Kimberly W. Pearce, Paralegal III
1201 Mail Service Center
Raleigh, NC 27699

RE: NCRB Proposed Rate Increase

Dear Insurance Commissioner Causey:

Please accept this letter as an avenue for respectfully expressing concerns regarding the North Carolina Rate Bureau's proposed average statewide increase of 42.2 percent in homeowners' insurance rates. For Winston-Salem, which is in Territory 310, the rates are proposed to increase by 36.6 percent. The proposed rates, if implemented, could undermine efforts by the City of Winston-Salem to advance affordable housing availability.

This rate filing follows the homeowners' insurance rate filing that the Department of Insurance received from the North Carolina Rate Bureau in November 2020, where the Rate Bureau requested an overall average increase of 24.5 percent. Ultimately, this resulted in a settlement of a 7.9 percent increase. The original proposal was deeply opposed by both the North Carolina Homeowners Alliance and NC Realtors as it came amid the challenges of the COVID-19 pandemic.

Despite being through the pandemic, many of its challenges still hold true through today. And, in some cases, new challenges have also arisen. Winston-Salem, in the last couple of years, has made news for being among the top ten cities in the nation for rent increases. Those increases have also led to a rise in evictions since the pandemic. I am concerned that the proposed rate hike could further affect affordable rental properties and deter future developers' interest. For renters, the cost increases will be passed on from landlords to tenants in the form of additional rent increases. Developers will also be challenged to find additional avenues for affording these new costs without jeopardizing affordability.

In addition to the challenges the hike will present in the rental market, I am concerned about the challenges to be faced by current and future homeowners. For current homeowners, the proposed rate hike could put homeowners at risk of losing housing. We have already received word from constituents noting that the last 7.9 percent increase posed challenges to property owners. Such a hike could also seriously deter new homeowners from entering the already inflated market. All in all, the rate increase will put homeownership even further out of reach for residents that are trying to create and/or build generational wealth.

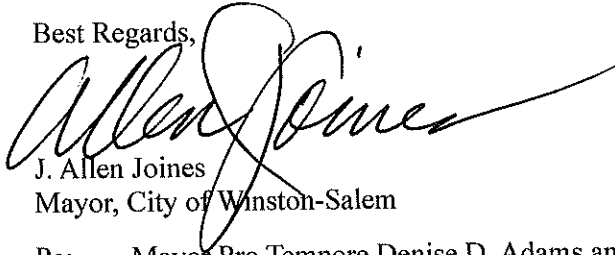
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Based upon the foregoing, I respectfully ask that you deny the NCRB's requested rate and negotiate a more reasonable rate that does not pose such economic hardship to our City's and State's residents. City staff and I welcome the opportunity to share additional thoughts.

Best Regards,

A handwritten signature in black ink, appearing to read "J. Allen Joines". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

J. Allen Joines
Mayor, City of Winston-Salem

Pc: Mayor Pro Tempore Denise D. Adams and City Council Members
W. Patrick Pate, City Manager