

City Council – Action Request Form

Date: January 22, 2024

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: W. Patrick Pate, City Manager
Tiffany Oliva, Director of Intergovernmental Affairs & Strategic Initiatives

Council Action Requested:

Adoption of a Resolution of the Winston-Salem City Council Opposing the North Carolina Rate Bureau’s Homeowners Insurance Rate Increase Proposal to the North Carolina Department of Insurance.

Strategic Focus Area: Economic Vitality and Diversity
Strategic Objective: No
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

Insurance Commissioner Mike Causey announced that the North Carolina Rate Bureau filed a rate filing with the North Carolina Department of Insurance on Wednesday, January 3, 2024, asking for an average statewide increase in homeowners’ insurance rates of 42.2 percent. The proposed homeowners increase for Territory 310, which includes Winston-Salem, is 36.6 percent; see Exhibit A. The Rate Bureau has asked for the rates to become effective August 1, 2024. The North Carolina Rate Bureau represents companies that write insurance policies in the state and is a separate entity from the North Carolina Department of Insurance.

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. That filing resulted in a settlement between Commissioner Causey and the Rate Bureau for an overall average rate increase of 7.9 percent. The North Carolina Homeowners Alliance and NC Realtors were both in deep opposition to the previous rate increase proposal as it came amid the challenges of the COVID-19 pandemic.

Committee Action:

Committee	_____	Action	_____
For	_____	Against	_____
Remarks:	_____		

A public comment period is required by law to address the proposed rate increase. All public comments provided to the North Carolina Department of Insurance will also be shared with the North Carolina Rate Bureau. If the Department of Insurance officials do not agree with the requested rates, the rates will either be denied or negotiated with the North Carolina Rate Bureau. If a settlement cannot be reached within 50 days, the Commissioner will call for a hearing.

The attached resolution, which is recommended for your approval, formally opposes the North Carolina Rate Bureau's rate increase proposal, for the reasons stated therein, and requests that Commissioner Causey negotiate a more reasonable rate that does not promote such hardship on city and state residents. Upon the adoption of the attached resolution, a copy will be forwarded to the North Carolina Department of Insurance.