

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1696
Committee Substitute Favorable 6/22/00

Short Title: Fire Ins. Public Protection/AB.

(Public)

Sponsors:

Referred to:

May 25, 2000

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE AUTHORITY OF THE COMMISSIONER OF
3 INSURANCE AND STATE FIRE MARSHAL TO ESTABLISH PUBLIC
4 PROTECTION CLASSIFICATIONS FOR FIRE INSURANCE RATING
5 PURPOSES AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 58-36-10(3) reads as rewritten:

8 "(3) In the case of fire-property insurance rates, as ~~are subject to the ratemaking~~
9 ~~authority of the Bureau, rates under this Article,~~ consideration may be
10 given to the experience of such fire-property insurance business during
11 the most recent five-year period for which that experience is available.
12 In the case of fire-property insurance rates ~~that are subject to the~~
13 ~~ratemaking authority of the Bureau, under this Article,~~ consideration shall
14 be given to the insurance public protection classifications of rural fire
15 ~~districts based upon standards~~ fire districts established by the
16 Commissioner. ~~To the extent credits are provided for proximity to fire~~
17 ~~hydrants, the Bureau may also provide appropriate credits in public protection~~
18 ~~classifications for optional water sources, such as ponds, lakes, or other bodies~~
19 ~~of water, in accordance with standards and procedures filed with and approved~~

1 ~~by the Commissioner.~~ The Commissioner shall establish and modify
2 from time to time insurance public protection districts for all rural areas
3 of the State and for cities with populations of 100,000 or fewer,
4 according to the most recent annual population estimates certified by the
5 State Planning Officer. In establishing and modifying these districts, the
6 Commissioner shall use standards at least equivalent to those used by
7 the Insurance Services Office, Inc., or any successor organization."

8 Section 2. G.S. 58-40-25(4) reads as rewritten:

9 "(4) ~~With respect to fire insurance, to the extent credits are provided for~~
10 ~~proximity to fire hydrants, insurers may also provide appropriate credits~~
11 ~~in public protection classifications for optional water sources, such as~~
12 ~~ponds, lakes, or other bodies of water, in accordance with standards and~~
13 ~~procedures filed with and approved by the Commissioner.~~ In the case of
14 property insurance rates under this Article, consideration shall be given
15 to the insurance public protection classifications of fire districts
16 established by the Commissioner. The Commissioner shall establish
17 and modify from time to time insurance public protection districts for all
18 rural areas of the State and for cities with populations of 100,000 or
19 fewer, according to the most recent annual population estimates
20 certified by the State Planning Officer. In establishing and modifying
21 these districts, the Commissioner shall use standards at least equivalent
22 to those used by the Insurance Services Office, Inc., or any successor
23 organization."

24 Section 3. There is appropriated from the Department of Insurance Fund
25 established in G.S. 58-6-25 to the Department of Insurance the sum of one hundred fifty
26 thousand dollars (\$150,000) for the 2000-2001 fiscal year for the expenses of establishing
27 and modifying the insurance public protection classifications of fire districts as provided
28 in G.S. 58-36-10(3) and G.S. 58-40-25(4).

29 Section 4. This act becomes effective July 1, 2000.