

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE DRS15092-MH-37 (02/08)

Short Title: Auto Insurance/Allow Optional Enhancements.

(Public)

Sponsors: Senator Apodaca (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW INSURANCE COMPANIES WRITING PRIVATE AUTOMOBILE  
3 INSURANCE IN NORTH CAROLINA TO OFFER OPTIONAL PROGRAM  
4 ENHANCEMENTS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 36 of Chapter 58 of the General Statutes is amended by  
7 adding a new section to read:

8 "**§ 58-36-43. Private passenger automobile optional program enhancements authorized**  
9 **not altering coverage under Rate Bureau jurisdiction.**

10 (a) Member companies writing private passenger automobile insurance under this  
11 Article may incorporate optional enhancements to their automobile programs as an  
12 endorsement to an automobile policy issued under this Article if the insurer has filed the  
13 proposed enhancement with the Commissioner and if the proposed enhancement is approved by  
14 the Commissioner. Any approved optional enhancements shall be considered outside the  
15 authority of the Rate Bureau. If the proposed enhancement will include an additional premium  
16 charge, the proposed premium charge shall be included with the proposed program  
17 enhancements filed with the Commissioner. The Commissioner shall review the proposed  
18 premium charges to ensure that they are based on sound actuarial principles. Amendments to  
19 private passenger automobile program enhancements are subject to the same requirements as  
20 initial filings. Neither the acceptance, renewal of a policy, nor any underwriting rating criteria  
21 shall be conditioned by a company upon the acceptance by the policyholder of any optional  
22 automobile enhancements. A rate amendment authorized by this section is not a rate deviation  
23 and is not subject to the requirements for rate deviations set forth in G.S. 58-36-30(a).

24 (b) Any premiums, expenses, or losses associated with individual company automobile  
25 program enhancements shall not be submitted by the member companies to their statistical  
26 organization for inclusion with the data required by the Rate Bureau for ratemaking purposes.  
27 Insurers shall utilize a statistical code for reporting premiums and losses resulting from  
28 program enhancements filed under this section and shall advise the Department as to the  
29 location in the annual statement where this code will be reported."

30 SECTION 2. This act becomes effective July 1, 2013.

