

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DUCK, NORTH
CAROLINA, OPPOSING THE NORTH CAROLINA RATE BUREAU'S PROPOSED
HOMEOWNERS' INSURANCE RATE INCREASES

Resolution No. 24-1

WHEREAS, the North Carolina Rate Bureau (NCRB) is a non-profit, unincorporated rating bureau created by the General Assembly of North Carolina under the provisions of Article 36 of Chapter 58 of the General Statutes of North Carolina on September 1, 1977; and

WHEREAS, the purpose of the NCRB is to administer property and casualty rates for the insurance industry based upon loss and other data; and

WHEREAS, the NCRB recently filed, with the North Carolina Department of Insurance, proposed increases to the rates property owners pay for homeowners' insurance that average 42.2% statewide, and reflect increases of 45.1% for beach areas of Dare County, and 33.9% for other portions of Dare County; and

WHEREAS, the NCRB filed a rate increase case in 2020 reflecting an average 24.5% increase statewide, with the case being settled at an average increase of 7.9% and is indicative of the practice of requesting larger than needed increases in order to settle for rates closer to what is actually needed; and

WHEREAS, insurance costs continue to rise, placing an increasing burden on homeowners, which impacts their total cost of ownership and results in impact upon the market value of property and the rental rates charged; and

WHEREAS, the Town of Duck relies upon revenue derived from tourism, especially short-term housing rentals and meals; and

WHEREAS, many working North Carolina property owners, including those in their family generational homes, will be unable to absorb the significant premium increases to insure their homes; and

WHEREAS, North Carolina law states that insurance rates shall not be excessive, inadequate, or unfairly discriminatory, and the requested increase will create excessive rates in an environment that already discriminates against property owners in coastal areas where some insurance carriers are no longer providing coverage and where homeowners' coverage provided by the North Carolina Insurance Underwriters Association (beach plan), charges an additional 15% surcharge that is imposed by NC law; and

WHEREAS, the Town of Duck works to balance providing high-quality public services with a desire to keep the real estate tax burden low for our property owners.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DUCK, NORTH CAROLINA, that the Town Council hereby expresses its strong opposition to the severity of the rate increase being sought by the NCRB; and

BE IT FURTHER RESOLVED that the Town Council hereby implores the North Carolina Department of Insurance to work to reduce the rate increase and the burden such increases will place upon property owners in Duck and throughout North Carolina.

BE IT FURTHER RESOLVED that the Town Council hereby implores the North Carolina Department of Insurance to seek changes to require written notification to policyholders about proposed rate increases and the availability of avenues for public comments.

Adopted this 17th Day of January, 2024.



Mayor

ATTEST:



Deputy Town Clerk