

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1696

Short Title: Fire Ins. Public Protection/AB.

(Public)

Sponsors: Representative Wainwright.

Referred to: Insurance, if favorable, Appropriations.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE AUTHORITY OF THE COMMISSIONER OF INSURANCE AND STATE FIRE MARSHAL TO ESTABLISH PUBLIC PROTECTION CLASSIFICATIONS FOR FIRE INSURANCE RATING PURPOSES AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

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

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

1                   ~~with standards and procedures filed with and approved by the Commissioner.~~  
2                   "

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

4                   "(4) ~~With respect to fire insurance, to the extent credits are provided for~~  
5                   ~~proximity to fire hydrants, insurers may also provide appropriate credits~~  
6                   ~~in public protection classifications for optional water sources, such as~~  
7                   ~~ponds, lakes, or other bodies of water, in accordance with standards and~~  
8                   ~~procedures filed with and approved by the Commissioner.~~ In the case of  
9                   property insurance rates under this Article, consideration shall be given  
10                   to the insurance public protection classifications of fire districts, which  
11                   classifications shall be established and modified from time to time by  
12                   the Commissioner."

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

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