



# SENATE BILL 99: Report Certain CTR Data/Auto Ins. Accuracy.

2017-2018 General Assembly

<b>Committee:</b>	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	April 26, 2017
<b>Introduced by:</b>	Sens. Lee, Meredith, Ford	<b>Prepared by:</b>	Kristen L. Harris
<b>Analysis of:</b>	PCS to First Edition S99-CSTU-13		Committee Co-Counsel

**OVERVIEW:** *The Proposed Committee Substitute to Senate Bill 99 would allow public access to aggregated consent to rate data related to homeowners insurance premiums and require insurance agents to investigate a potential policyholder's accident and driving records prior to charging a premium for automobile insurance coverage.*

*[The PCS would make clarifying changes to Section 1 and change the Department of Insurance's first reporting deadline from July 1, 2017 to October 1, 2017 and add Section 2.]*

## CURRENT LAW:

### CONSENT TO RATE

When an insurer obtains a signed consent to rate form from an insured, the insurer is required to retain the signed form and other policy information and make the information available to the Commissioner of Insurance, upon the Commissioner's request. Any information obtained by the Commissioner is proprietary and confidential and is not a public record.

### INSURANCE UNDERWRITING

An insurer is prohibited from basing an automobile insurance rating plan on a person's age, sex, or race. However, an insurer is allowed to consider where a person lives, his or her driving record, the type of automobile, and vehicle use when determining an applicant's level of risk.

## BILL ANALYSIS:

**Section 1** would require the Commissioner of Insurance to collect and publish annually on the Department's website, homeowners insurance consent to rate data aggregated across all insurers for each geographical ratemaking territory. The data would show the percentage of policies for which consent to rate has been used and the average difference between the approved premium and the consented premium. Information identifying individual insurers or insureds would remain confidential and proprietary and not a public record.

**Section 2** would require an insurance agent to investigate and consider a potential policyholder's accident and driving records as maintained by the North Carolina Division of Motor Vehicles prior to charging, demanding, or receiving a premium for an automobile insurance policy.

**EFFECTIVE DATE:** This act is effective when it becomes law, and the Department of Insurance shall publish the information required by Section 1 of this act by October 1, 2017.

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**BACKGROUND:** The Legislative Research Commission's Committee of Regulatory and Rate Issues in Insurance submitted a report to the members of the 2017 Regular Session of the 2017 General Assembly. The report included findings on the practice of consent to rate. A copy of the Committee's report can be found in the Legislative Library.