

Agreement set to roll back N.C. auto insurance rates

by AP-News

RALEIGH, N.C. — Some North Carolina drivers will share in \$50 million worth of refunds under an agreement announced Wednesday that will roll back private auto insurance rates to 2006 levels and freeze them for two years.

State Insurance Commissioner Wayne Goodwin said some drivers will be receiving refund checks in the middle of next year. Rate changes go into effect Nov. 1 and are retroactive to Jan. 1 for a total savings of \$545 million.

The settlement with the North Carolina Rate Bureau eliminates the insurance industry's 2008 rate increase of 9.4 percent and denies a request for an extra 1.4 percent increase this year.

"In this economy, every dollar counts, and I am committed to protecting consumers through fair ratemaking," Goodwin said.

Goodwin said the agreement caps auto insurance rates for the period of 2006 to 2011. The rate bureau can't file for another increase until 2011.

Not everyone will get refunds because many policyholders already have multiple-car and safe driver discounts, said insurance department spokeswoman Johanna Royo.

There are 3.8 million policyholders in North Carolina and about 1 million are eligible for refunds of varying amounts, she said.

Higher rates took effect in December while the insurance industry appealed insurance regulators' decision to order a large rate reduction. Companies had wanted a 12.9 percent increase - the largest in 14 years, but former commissioner Jim Long ordered a 16 percent cut, saying the increase wasn't justified.

The rate bureau, which represents more than 100 companies, revamped its request and sought the 9.4 percent increase. The insurers were allowed by law to collect the higher premiums until the case was settled or decided by the courts.

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