



Nice Matters!

**Town of Emerald Isle**

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Eddie Barber

**Mayor Pro-Tem**

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**Board of Commissioners**

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Steve Finch  
Jim Normile  
Mark Taylor

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December 22, 2017

Commissioner Mike Causey  
NC Department of Insurance  
c/o Ms. Tricia Ford

Via email at: [2017homeinsurance@ncdoi.gov](mailto:2017homeinsurance@ncdoi.gov)

Dear Commissioner Causey and Ms. Ford:

Thank you for the opportunity to comment on the homeowners insurance rate increase recently requested by the NC Rate Bureau. The Town of Emerald Isle remains very concerned about homeowners insurance rates in Emerald Isle and across the entire NC coastal region, and encourages Commissioner Causey to completely reject the requested 25% increase in base rates for Territory #120 (and also the 40% increase requested for tenants and condominiums). The Town also requests that NCDOI, the Rate Bureau, and the NC General Assembly work toward a fairer rate structure for homeowners insurance in coastal North Carolina.

Homeowners in Emerald Isle (and the rest of Territory #120) already pay the highest base rates in the entire State. Current base rates are already 4 – 5 times higher than many other areas of North Carolina (see attached comparison), and the requested 25% increase will increase this disparity further, with rates approaching 6 times higher than some other areas in North Carolina. The current base rate of \$2,648 annually for \$200,000 worth of coverage results in annual homeowners insurance costs of several thousand dollars for our residents. These excessive costs represent a significant financial burden that negatively impacts family budgets, the tourism industry, and the local real estate market. The proposed increase to \$3,310 annually will exacerbate this already significant burden, and will further harm our residents and the regional economy. To put the magnitude of this increase in perspective, the amount of the requested increase (\$662) alone is more than the total annual property tax bill for the average Emerald Isle property owner.

We also ask you to re-examine the rate structure for homeowners insurance policies in North Carolina, and to work to narrow the disparity in costs between coastal areas and inland areas. The historical pattern of significant rate increases for coastal homeowners is unfair and unreasonable, with current rates that have increased by 91% since 2005. If the requested increase is implemented, rates will have increased by 138% since 2005. There are likely very few consumer products that have increased anywhere near that much during this time. Additionally, research by coastal advocates suggests that premiums collected from the coastal region have routinely

outpaced paid claims from the coastal region, and that there is significant cost for reinsurance that should be carefully re-evaluated. In Emerald Isle, the actual damages from ALL hurricanes in the last 25 years have been relatively minor, and actual experience in North Carolina during this time suggests far greater damages associated with flood events, which are, of course, covered by a completely separate insurance product.

Coastal homeowners certainly recognize the risk of hurricane damage and expect to pay higher premiums than inland areas, however, rates that are 4, 5, and 6 times higher than other areas of the State are simply unfair. Please demonstrate your concern for coastal North Carolina homeowners by taking a fresh look at the current rate structure, and seek to create a fairer rate structure.

Thank you again for considering our concerns.

Sincerely,

A handwritten signature in black ink that reads "Eddie Barber". The signature is written in a cursive, flowing style.

Eddie Barber,  
Mayor

copy: Emerald Isle Board of Commissioners  
Other Coastal Municipalities  
Mark Mansfield, Chairman – Carteret County Board of Commissioners  
NC Representative Pat McElraft  
NC Senator Norman Sanderson

**NORTH CAROLINA HOMEOWNERS INSURANCE**

Current and Proposed Base Rates (per \$200,000 of coverage)

December 2017

<u>Territory</u>	<u>Counties / Cities In Territory</u>	<u>Current Base Rate Homeowners</u>	<u>Proposed Base Rate Homeowners</u>	<u>Proposed % Increase</u>	<u>Carteret Barrier Islands' Current Base Rate is X Times Higher</u>	<u>Carteret Barrier Islands' Proposed Base Rate is X Times Higher</u>	<u>Annual Cost of Proposed Increase</u>
110	Currituck, Dare, Hyde (barrier islands only)	\$ 2,258	\$ 2,823	25.01%	1.2	1.2	\$ 565
<b>120</b>	<b>Brunswick, Carteret, New Hanover, Onslow, Pender (barrier islands only)</b>	<b>\$ 2,648</b>	<b>\$ 3,310</b>	<b>25.00%</b>	<b>1.0</b>	<b>1.0</b>	<b>\$ 662</b>
130	Currituck, Dare, Hyde, Pamlico	\$ 1,437	\$ 1,796	25.01%	1.8	1.8	\$ 359
140	Brunswick, Carteret, New Hanover, Onslow, Pender - Eastern Mainland	\$ 1,845	\$ 2,306	24.98%	1.4	1.4	\$ 461
150	Beaufort, Camden, Chowan, Craven, Jones, Pasquotank, Perquimans, Tyrrell, Washington	\$ 1,212	\$ 1,312	8.23%	2.2	2.5	\$ 100
160	Brunswick, Carteret, New Hanover, Onslow, Pender - Western Mainland	\$ 1,303	\$ 1,612	23.68%	2.0	2.1	\$ 309
170	Gates, Hertford	\$ 779	\$ 812	4.19%	3.4	4.1	\$ 33
180	Bertie, Greene, Martin, Pitt, Wayne	\$ 852	\$ 1,065	25.05%	3.1	3.1	\$ 213
190	Duplin, Lenoir	\$ 1,007	\$ 1,258	24.97%	2.6	2.6	\$ 251
200	Columbus	\$ 1,154	\$ 1,443	25.04%	2.3	2.3	\$ 289
210	Edgecombe, Wilson	\$ 788	\$ 985	25.03%	3.4	3.4	\$ 197
220	Cumberland, Sampson	\$ 927	\$ 1,158	24.95%	2.9	2.9	\$ 231
230	Bladen, Robeson	\$ 1,039	\$ 1,299	24.97%	2.5	2.5	\$ 260
240	Franklin, Halifax, Johnston, Nash, Northampton	\$ 766	\$ 936	22.16%	3.5	3.5	\$ 170
250	Harnett, Hoke, Scotland	\$ 876	\$ 1,008	15.06%	3.0	3.3	\$ 132
260	Granville, Person, Vance, Warren	\$ 580	\$ 708	22.01%	4.6	4.7	\$ 128
270	Durham, Wake	\$ 648	\$ 790	21.93%	4.1	4.2	\$ 142
280	Chatham, Orange	\$ 576	\$ 669	16.23%	4.6	4.9	\$ 93
290	Lee, Moore	\$ 714	\$ 823	15.32%	3.7	4.0	\$ 109
300	Anson, Montgomery, Richmond	\$ 846	\$ 837	-1.07%	3.1	4.0	\$ (9)
310	Alamance, Caswell, Davie, Forsyth, Guilford, Rockingham, Stokes, Surry	\$ 583	\$ 708	21.42%	4.5	4.7	\$ 125
320	Cabarrus, Davidson, Randolph, Rowan	\$ 664	\$ 723	8.91%	4.0	4.6	\$ 59
330	Yadkin	\$ 557	\$ 600	7.75%	4.8	5.5	\$ 43
340	Alexander, Iredell, Mecklenburg, Stanly, Union, Wilkes	\$ 569	\$ 703	23.54%	4.7	4.7	\$ 134
350	Cleveland, Gaston, Lincoln, Rutherford	\$ 637	\$ 667	4.77%	4.2	5.0	\$ 30
360	Alleghany, Ashe, Buncombe, Burke, Caldwell, Catawba, Henderson, McDowell, Polk, Watauga, Yancey	\$ 553	\$ 578	4.51%	4.8	5.7	\$ 25
370	Avery, Mitchell	\$ 654	\$ 628	-3.91%	4.1	5.3	\$ (26)
380	Haywood, Madison, Swain, Transylvania	\$ 627	\$ 583	-7.05%	4.2	5.7	\$ (44)
390	Cherokee, Clay, Graham, Jackson, Macon	\$ 628	\$ 605	-3.69%	4.2	5.5	\$ (23)