



# The Outer Banks Chamber of Commerce

*Serving Currituck and Dare Counties, Ocracoke Island*

P.O. Box 1757 • 101 Town Hall Drive • Kill Devil Hills, NC 27948

252.441.8144 *Voice* • 252.441.0338 *Fax*

info@outerbankschamber.com

October 11, 2012

North Carolina Department of Insurance

Attn: Bob Mack, Property & Casualty Division

1201 Mail Service Center

Raleigh, NC 27699-1201

Dear Mr. Mack,

The Outer Banks Chamber of Commerce represents over 1,000 businesses along our 120 miles of beaches. As the largest business organization in the Outer Banks we are opposed to the North Carolina Rate Bureau's proposed increase to homeowner's insurance rates. This proposal represents a 30% increase in insurance rates in 18 eastern North Carolina counties including ours.

A vibrant and healthy economy is dependent upon affordable and accessible property insurance coverage. In addition to property cost and taxes, the cost and access of insurance affects the financing of new home construction, re-sales, investment homes and business/commercial properties. It is a key component of growth and renewal. With the recent downturn in the economy, it is more important than ever to ensure that NC citizens have access to coverage and that the cost of coverage is justifiably reasonable and equitable.

We question the actuarial soundness of increasing the rates to our coastal homeowners as the proposed increase policy rates does not appear to be consistent with documented loss trends. Rates on the coast are already well above those in the central and western parts of the state despite a long history of losses significantly lower than these other regions. While we understand the role that modeling plays in the process to determine rates, it would seem logical that past losses should be the basis for future predictions.

An increase in these rates is certain to increase the overall cost of housing not only in eastern North Carolina but across the state. In Dare, Currituck, and Hyde counties, seasonal vacationers are crucial to our economic success. In addition, increases to homeowner's insurance rates will also have a detrimental impact on our business community as a whole; with less disposable income, residents and vacationers will most certainly reduce their spending in our local area retail stores, recreational activity outlets, and restaurants. Substantial decreases in this kind of spending will affect not only the business's revenues but will adversely affect jobs and our tax base.

We appreciate the opportunity to comment on the Rate Bureau's proposal, and we hope that the Department of Insurance will strongly consider our position.

Sincerely yours,

*Ali*

Ali Breaux

Chairman of the Board

*Maylon*

Maylon White

Legislative Affairs Vice Chair

*Karen*

Karen S. Brown

President & CEO

*Your key to information and services on North Carolina's Outer Banks!*

[www.outerbankschamber.com](http://www.outerbankschamber.com)

