

## NORTH CAROLINA DEPARTMENT OF INSURANCE

### 2009 AUTO RATE SETTLEMENT Q&A

#### ***Am I am eligible to receive a refund?***

In February of 2008, the North Carolina auto insurance industry filed with the DOI for an aggregate 13% increase in auto insurance rates. After reviewing the request, the Department of Insurance instead ordered a rate *decrease*. The insurance industry appealed this decision. In the meantime, insurers implemented an aggregate 9.4% increase on policies issued or renewed on or after January 1, 2009. However, some companies also filed additional deviations (discounts) with the Department of Insurance, so that their own policyholders' total premiums would stay roughly the same. Only those policyholders who have been paying higher premiums due to the rate increase will be eligible for a refund. Consumers should contact their insurance companies to determine if they are eligible for a refund; however, insurance companies may not immediately be able to identify eligible policies.

#### ***How much of a refund will I receive?***

Insurance companies may need some time, after the expiration of the current policy term, to calculate refund amounts for eligible policyholders.

#### ***When will the refunds be distributed?***

Refunds will not be payable until after the expiration of the current policy term. Refunds for six-month policies will be distributed from May 1, 2010, through July 31, 2010. Refunds for twelve-month policies will be distributed from November 1, 2010 through January 31, 2011.

#### ***When will the new rates take effect?***

The new rates that resulted from the settlement will become effective for policies issued or renewed on or after November 1, 2009.

#### ***Will my rates go down because of the settlement?***

If your insurance company issued or renewed your policy at the higher rates earlier this year, then your rates will revert to the rates that you paid in 2006. This amounts to a 0.5% decrease from rates that were in effect during 2008. **This does not mean that your total premiums will be the same as in 2006, though. Total premiums depend on a number of factors other than rates, such as vehicle age/make/model, driving record, policy coverages, and others.**

#### ***Will I receive a refund if my policy was written on a "consent to rate" basis?***

No; policies that were written on a "consent to rate" basis are not eligible for a refund.

If you have additional questions, please feel free to contact the North Carolina Department of Insurance's Consumer Services Division at (800) 546-5664.