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IMMEDIATE RELEASE

CONTACT: Tom Thompson, NC 20

NC 20 has just obtained a report from the NC Department of Insurance showing ***NC Residential Property Adjusted Incurred Losses due to Wind and Hail***. NC DOI Director of Public Information emailed this to a local reporter and it was forwarded to us.

This report is very important because it shows **actual loss data** for the 14-year time period of 1992-2005 and separates that loss data incurred in the Beach and Coastal Areas from the rest of the state. The Beach Area is defined as properties along the barrier islands adjacent to the Atlantic Ocean. The Coastal Area is the remainder of properties in the counties of Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, and Washington.

NC 20 has advocated the following:

- Rate changes, surcharge and deductible increases that were recently approved are discriminatory and unfair to those in the eighteen coastal counties. Property owners in the eighteen coastal counties already pay as much as 5 times for homeowner's insurance (independent of flood coverage) than homeowners in the rest of the state.
- Hurricanes are not just a coastal problem. The entire state is at risk for wind/hurricane damage and the risk should be shared statewide.
- The 2% *per occurrence* wind and hail deductible approved under the Beach Plan is unfair. The deductible should be tied to the risk - such as a named hurricane and should apply statewide.

Additionally:

- Insurance companies are advocating that the Beach Plan maintain reserves and reinsurance for a 1 in 100 year storm - or about \$4.5 Billion. The report shows that even with 9 hurricanes making landfall in the state - wind losses for ALL policyholders (not just in the Beach Plan) in the 18 Coastal Counties was only \$757 million in a 14-year time period. The total wind losses for the rest of the state were only \$1.7 billion during that 14-year period with a combined total of \$2.4 billion.
- NC 20 has been unable to obtain the data used to determine a 1 in 100-year storm or how the figure of \$4.5 billion has been derived.

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- The Beach Plan covers about 50% of the state's total coastal exposure - therefore the \$757 million figure for total wind losses for the eighteen coastal counties in 14 years may be as low as \$375 million under the Beach Plan.

This report shows:

- Wind & Hail losses from 1992-2005 during which the following hurricanes made landfall in NC: Emily, Bertha, Fran, Bonnie, Floyd, Isabel, Alex, Charley and Ophelia.
- The entire state experiences wind damage losses.
- Total **wind & hail only** losses in the entire state from 1992-2005 are \$2.44 Billion.
- Total **wind & hail only losses** in the eighteen coastal counties from 1992-2005 are \$757 Million.
- The eighteen coastal counties have incurred only **31%** of the total statewide wind and hail losses for the 14-year time period of 1992-2005. This negates the statement made by Commissioner Wayne Goodwin in his letter to Governor Perdue dated February 23, 2009, "History has shown and statistical prediction models support the fact that the majority of damages occur along the coast." This report shows that the reverse is actually true during this time period.

CONCLUSION:

- **NORTH CAROLINA NEEDS TO FREEZE ALL INCREASES APPROVED IN NOV. AND DEC. 2008.**
- **NORTH CAROLINA NEEDS A STUDY COMMISSION TO COMPREHENSIVELY REVIEW THE NC INSURANCE SYSTEM STATEWIDE.**

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