

News Release

North Carolina Rate Bureau 2017 Automobile Filing

Raleigh, NC—February 2, 2017: Yesterday, the North Carolina Rate Bureau, on behalf of all insurance companies doing business in the state, filed a proposal with the North Carolina Department of Insurance requesting an average increase of 13.8% in private passenger automobile insurance rates. This is the first rate change proposed by the Rate Bureau since 2009 and is in response to a dramatic increase in losses and the cost of those losses since 2014.

While the increase in losses has been a nationwide phenomenon, current data from the North Carolina Division of Motor Vehicles (NCDMV) is particularly troubling. In 2015, the most recent year available, fatalities increased 8.1% from 2014, injuries increased 11.8% and reported crashes were up 11.1%.

The increase in losses is the result of a number of factors. Perhaps most significant is the rise in the number of miles driven each year. In North Carolina, mileage driven in 2015 was up 13% from the average of the preceding five years. In addition, inflation in 2016 has increased vehicle repair costs by 2.4% and total medical care costs by 3.8%.

Two other factors more difficult to quantify, are impaired drivers and distracted drivers. The NCDMV estimates, for example, that in North Carolina, there were 7% more crashes in 2015 due to distracted driving and 13.2% more alcohol related crashes.

All of these factors generate a need for the rate increase.

If approved by the Commissioner of Insurance, the change will become effective October 1, 2017.

North Carolina Rate Bureau

The North Carolina Rate Bureau is an unincorporated legal entity created by statute to file rates with the NCDOI on behalf of all insurance companies licensed to do business in North Carolina.