

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**HOUSE BILL 596**

Short Title: Motor Vehicle Insurance Rates.

(Public)

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Sponsors: Representative Starnes.

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Referred to: Insurance.

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March 24, 2003

A BILL TO BE ENTITLED  
AN ACT TO PROHIBIT INSURERS FROM BASING STANDARDS OR RATING  
PLANS FOR PRIVATE PASSENGER MOTOR VEHICLES ON THE CREDIT  
HISTORY OR RATING OF PERSONS INSURED.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 58-36-10(4) reads as rewritten:

"(4) Risks may be grouped by classifications and lines of insurance for establishment of rates, loss costs, and base premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans that establish standards for measuring variations in hazards or expense provisions or both. Those standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses. The Bureau shall establish and implement a comprehensive classification rating plan for motor vehicle insurance under its jurisdiction. No such classification plans shall base any standard or rating plan for private passenger (nonfleet) motor vehicles, in whole or in part, directly or indirectly, upon the ~~age or gender~~ age, gender, or credit history or rating of the persons insured. The Bureau shall at least once every three years make a complete review of the filed classification rates to determine whether they are proper and supported by statistical evidence, and shall at least once every 10 years make a complete review of the territories for nonfleet private passenger motor vehicle insurance to determine whether they are proper and reasonable."

**SECTION 2.** The North Carolina Rate Bureau shall adopt a revision to the classification plan to reflect the provisions of this act. The Bureau shall file the revision with the Commissioner no later than September 1, 2003, and the revision shall become effective January 1, 2004.

1           **SECTION 3.** Sections 2 and 3 of this act are effective when it becomes law.  
2   The remainder of this act becomes effective January 1, 2004, and applies only to  
3   nonfleet private passenger motor vehicle insurance policies that are issued or renewed  
4   on and after January 1, 2004.