

Wind Insurance Market Conditions

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Wind Insurance – NCIUA

September 2013

- Surplus – approximately \$820 Million
- Total Exposure - \$90B, Residential Exposure \$79B
- Annual Premiums Earned – \$316 Million
- Residential Policies – 225,000
- Commercial Policies – 10,500
- Inland Wind Only Residential Policies – 157,945
- Inland Wind Only Residential Exposure - \$54 B



North Carolina 2014 Homeowners Filed Rate Revision by Territory

Per \$75,000 Amount of Insurance
Protection Class 1 -5

Territory	Territory Definition	CURRENT RATE	% FILED	RATE FILED	\$ DIFFERENCE
7	Currituck, Dare & Hyde	\$1,613	35.0	\$2,178	\$565
8	Brunswick, Carteret, New Hanover, Onslow & Pender	\$1,823	35.0	\$2,461	\$638
48	Currituck, Dare, Hyde & Pamlico	\$1,021	9.8	\$1,121	\$100
49	Beaufort, Camden, Chowan, Craven, Jones, Pasquotank, Perquimans, Tyrrell & Washington	\$871	7.8	\$939	\$68
52A	Brunswick, Carteret, New Hanover, Onslow & Pender	\$1,140	35.0	\$1,539	\$399
52B	Brunswick, Carteret, New Hanover, Onslow & Pender	\$1,140	-2.7	\$1,109	\$-31

1993 - 2014 Rate Comparison

Rates for \$75,000 of HO Coverage:

	1993	2014(filed)
Charlotte	\$ 351	436
Gaston, Mecklenburg, Union	350	436
Ashe, Buncombe, Burke	312	431
Alamance, Guilford, Davidson	350	477
Currituck, Dare, Hyde (obx)	578	2,178
Currituck, Dare, Hyde mainland	417	1,121



**North Carolina Rate Bureau 2014 Homeowners Insurance
Rate Filing
Impact on NCIUA (Beach Plan Policies)
Full Homeowners and HO Wind Only Policies**

Territory	Territory Definition	Full Peril (Wind Included) Homeowners Policy Filed Rate	Full Peril Rate with 1.15 NCIUA Surcharge Factor	HO Fire/Liability Portion of Filed Rate	Wind Only Filed Rate	Wind Rate with 1.05 NCIUA Surcharge Factor
7	Currituck, Dare & Hyde	\$2,178	\$2,504.70	\$293	\$1,885	\$1,979.25
8	Brunswick, Carteret, New Hanover, Onslow & Pender	\$2,461	\$2,830.15	\$287	\$2,174	\$2,282.70
48	Currituck, Dare, Hyde & Pamlico	\$1,121	\$1,289.15	\$120	\$1,001	\$1,051.05
49	Beaufort, Camden, Chowan, Craven, Jones, Pasquotank, Perquimans, Tyrrell & Washington	\$939	\$1,079.85	\$280	\$659	\$691.95
52A	Brunswick, Carteret, New Hanover, Onslow & Pender	\$1,539	\$1,769.85	\$267	\$1,272	\$1,335.60
52B	Brunswick, Carteret, New Hanover, Onslow & Pender	\$1,109	\$1,275.35	\$293	\$816	\$856.80

Rates are based on \$75,000 dwelling value coverage, HO-3 policy, frame construction.

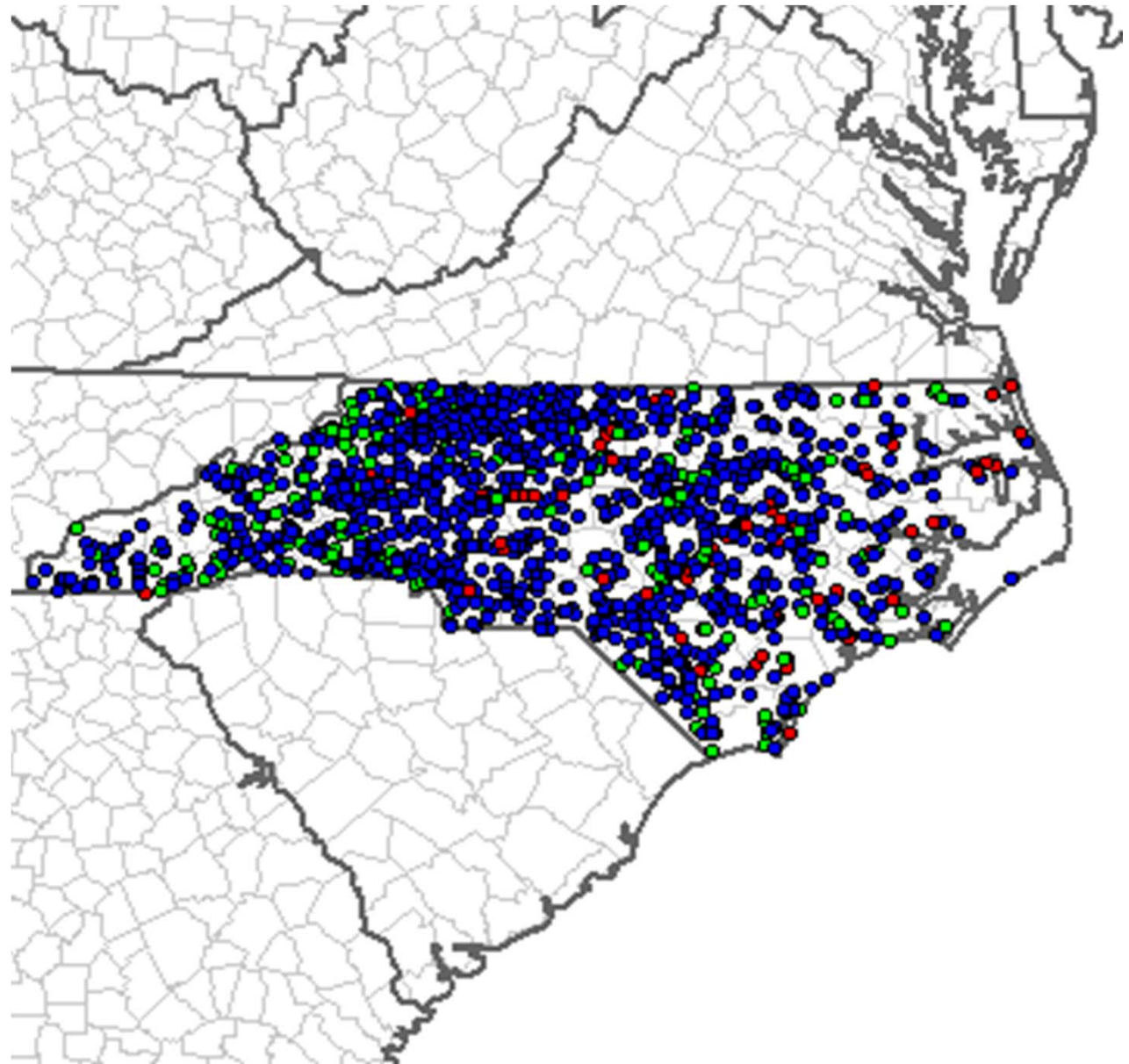
**2011 NOAA
Severe Weather Report
KEY**

Total Reports = 1687

RED—Tornadoes = 113

GREEN—Hail Reports = 347

BLUE—Wind Reports = 1226



Market Conditions

The cost of property insurance (HO, Wind, Flood, Etc.) plays a vital role in housing affordability, investment in our communities and our overall economic health.

It impacts the ability to obtain or maintain a mortgage.

Market Conditions

Alabama: "The rising cost of wind insurance is going to be more harmful to our coastal communities than the Gulf oil spill."

NAR: "Thirty percent of transactions in flood zones were cancelled or delayed in January as a result of sharply higher flood insurance rates," NAR president Steve Brown said. "Since going into effect on October 1, 2013, about 40,000 home sales were either delayed or canceled because of increases and confusion over significantly higher flood insurance rates. The volume could accelerate as the market picks up this spring."

Local Impact

Cash Buyer Real Estate transactions?

No mortgage – No insurance requirement

Self-Insure?

Over one-quarter of all Outer Banks real estate transactions have been cash transactions in the past two years.

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