



Bald Head Association

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February 1, 2024

Commissioner of Insurance
NC Department of Insurance
Attn: Kimberly W. Pearce, Paralegal III
1201 Mail Service Center
Raleigh, NC 27699-1201
2024Homeowners@ncdoi.gov

Dear Commissioner Causey,

On behalf of Bald Head Association's (BHA) Board of Directors, I'm writing in support of the Village of Bald Head Island's letter dated January 22, 2024, expressing strong opposition to the proposed homeowners insurance premium rate increases requested by the North Carolina Rate Bureau earlier this month. BHA is the largest homeowners association on Bald Head Island, representing approximately 2,000 member properties.

We agree with the Village Council that the proposed 71.4% increase for Bald Head Island is excessive and will severely impact the owners of the Island's nearly 1,300 homes. The primary residence of a majority of our members is located in other parts of North Carolina, and the Rate Bureau's request will increase premiums on those homes as well.


This homeowners insurance premium increase request comes on the heels of the 50.6% statewide average rate premium increase for dwelling policies. As you may know, many of Bald Head Island's homeowners utilize dwelling insurance to insure their rental and investment properties. Together, these exorbitant premium increases will likely price many current homeowners off the Island and will severely impact others who will be forced to increase their deductibles in order to offset the higher costs.

We share the Village Council's concern about the ability of homeowners to recover from storm damage or other disaster events, as well as the increasing costs of conditions being placed on our homeowners. Multiple Bald Head Island homeowners have recently reported to us that carriers are requiring that roofs older than 20 years of age, and otherwise intact, be replaced as a condition of policy renewal. Others with older roofs stated they had no opportunity to replace their roofs, but instead found their coverage dropped.

Bald Head Island's tax base is currently undergoing a rapid expansion. Today, approximately 700 undeveloped building lots remain with the number of homes under construction each year hovering around 40. We remain concerned that the proposed premium increases will stymie the continuing development of the Island and its associated economic growth.

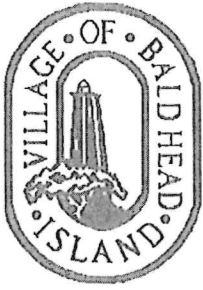
We appreciate your careful consideration of these tandem premium rate increases that will most assuredly have a negative impact on the financial stability of Bald Head Island, Brunswick County and North Carolina.

Sincerely,

A handwritten signature in cursive script that reads "Christine Osborne". The ink is dark and the signature is fluid, with the first and last names being more prominent than the middle name.

Christine Osborne
President
Board of Directors

Enclosure



The Village of Bald Head Island

January 22, 2024

Commissioner of Insurance
NC Department of Insurance
ATTN: Kimberly W. Pearce, Paralegal III,
1201 Mail Service Center, Raleigh, N.C. 27699-1201
2024Homeowners@ncdoi.go

Dear Mr. Causey,

On behalf of the Village Council of the Village of Bald Head Island, I am writing to express strong opposition to the proposed homeowners insurance rate increases.

The requested increases of 99.4 % for beach areas, 71.4% for eastern coastal areas, and 43.0% for western coastal areas in Brunswick County are excessive. Many homeowners will be priced out of the market or be penalized by being forced to raise their deductible levels to offset the requested astronomical insurance premiums.

As home values in Brunswick County increase, premiums will increase exponentially, and many homeowners will be forced to use higher deductibles to avoid exorbitant insurance premiums. These higher deductibles will impact the ability of homeowners to recover from storm damage or other disaster events.

If implemented, these increases will be passed along to those who rent homes in Brunswick County, leading to increased rents in a market where there is already a severe lack of essential housing for our workforce. In some cases, it will make it impossible for first-time home buyers to purchase a home.

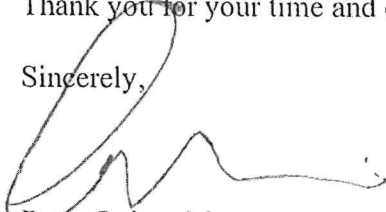
We would also like to express these additional concerns:

- Most homeowners are not aware of the additional 15% surcharge associated with the North Carolina Insurance Underwriters Association (beach plan) policies. We request more clarity in the rate filings and a full disclosure in simple terminology, so policyholders understand the true costs of their insurance coverage and how the premium is calculated.
- Admitted carriers in North Carolina are limiting their exposure in coastal areas by discontinuing coverage in our county. We request that the North Carolina Department of Insurance research alternatives to ensure that admitted carriers provide coverage statewide and are not selective in their coverage.
- Public notice procedures for rate increase filings should be expanded to require written notification to all policyholders.

In closing, we point to North Carolina law that states that insurance rates shall not be excessive, inadequate, or unfairly discriminatory. We believe that all North Carolinians need attainable coverage at reasonable rates, and that is why we request that the 2024 homeowners' rate increase be denied by the Insurance Commissioner, or a hearing be scheduled.

Thank you for your time and consideration.

Sincerely,



Peter Quinn, Mayor
Village of Bald Head Island