

The NC House is now considering a tort reform bill that could dramatically increase the amount you spend on your [auto insurance policy](#) as well as on your [home insurance policy](#) and [business insurance policies](#)

. The reason this bill is so bad for your insurance rates is that it aims to change our current law of contributory negligence to one of comparative fault.

So what does this mean? Well, with our current laws, if you contribute in any way to the accident that causes damages, then you cannot recover these damages from the other party. Comparative fault permits a plaintiff to recover from a defendant if his negligence does not exceed that of the defendant. Now, if we adopt comparative negligence as our state law, then as you can imagine, more claims are going to have to be handled by the court systems because now we have to determine who had the most fault in any accident or event as opposed to saying both parties were somewhat at fault so everyone settles their own claim with their own insurance company. And as you can imagine, having all of these claims settled by our court system will slow down the claims and increase the costs of the claims. And you don't have to be a rocket scientist to know that those costs are going to be passed down to the consumer.

Here are some of the findings by the IFNC (Insurance Federation of NC) regarding this bill.

It is estimated that this change in the law will increase auto insurance premiums by 3% to 16% right away. The long term increases in costs could dwarf these numbers.

81% of voters surveyed said that they are opposed to any legislation that increases their taxes or their household expenses.

69% of those polled said the trial attorneys would benefit if the law were changed.

\$150 million annually will come out of consumers' pockets if rates rise just 5% on auto insurance alone. But this change will increase the costs of all policies that have a liability insurance element. This includes homeowners insurance and business insurance policies.

A substantial majority of voters believe that under our current system our courts are open and fair for those who have been hurt in an accident or injured on the job.

Actuarial studies show that states with comparative fault systems have higher auto insurance rates than state that use contributory negligence.

Let's face it, there are two industries that will make more money of this change goes through. One is trial attorneys and the other is insurance agents. That's right, I would personally stand to gain from this decision but I still think it is the wrong decision and I urge you to take action to stop it. The appropriate step for you to take to oppose this legislation is to write to your State Senator and ask him or her to vote NO on House Bill 813. For more information or sample letters to send or email to your State Senator, visit [Home | Insurance Federation of North Carolina](#)

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