

The NC Insurance Department has finally come to an agreement with the Insurance Companies selling [auto insurance in NC](#) to settle their differences on the 2008 rate changes that applied to auto insurance and motorcycle insurance policies. There are a few things you should know about who will get a refund and when those checks will be mailed.

First of all, this refund affects all auto and motorcycle insurance in NC with policy terms from January 1, 2009 to October 31, 2009. In most cases, checks will be issued only if your refund due plus interest is greater than \$5.00. You should receive an explanatory memo with your refund check. If you are due a check for more than one policy term, then most companies will combine all of those into one check. Companies will be mailing out checks between either the May 1 – July 31 time window or the November 2010 and January 2011 time window. The timing here will depend on whether that company was writing 6 month auto policies, or 1 year auto policies or both. Interest will be added to the checks through October 31, 2010. The total amount of the refunds will be more than \$50 million.

These refunds are the result of a dispute between the N.C. Department of Insurance and the N.C. Rate Bureau (NCRB) over rates ordered in 2008. During the appeals process, the NCRB implemented an interim 9.4 percent rate increase that went into effect on Jan. 1, 2009. In cases where insurance companies charged policyholders more than the rates determined by the 2009 settlement, insurance companies are required by statute to refund the difference between the rates charged and the settled rates, with interest.

The 2009 auto settlement did away with the NCRB's implemented 9.4 percent 2008 rate increase and denied their 2009 request for an additional 1.4 percent rate increase and included an additional 0.5 percent decrease. Under the settlement, the NCRB may not file changes to auto rates until 2011, which means that the maximum allowable auto rates are locked in until Oct. 1, 2011 at the earliest.

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