

REQUEST FOR BOARD ACTION

ITEM NO. 11.

DATE OF REQUEST: January 26, 2009

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Resolution Opposing Coastal Homeowners Insurance Rate Increase

BACKGROUND: Recently the NC Department of Insurance has approved insurance rate increases which will result in significant increases in homeowners insurance in 18 coastal counties, including Pender County. The resulting increases will mean a nearly 30% increase for homeowners in mainland areas, and a 17.5% increase for the barrier islands. Legal proceedings have been initiated challenging the increases. Cities and counties within the impacted area have been solicited to join the legal challenges as well as contribute financially, and many already have done so, or are in the process of doing so. The Board discussed the issue at length during the recent budget-planning session, and requested the issue be presented for consideration.

SPECIFIC ACTION REQUESTED: The Board requested the following action items be presented for consideration: 1) a resolution opposing the increases and requesting legislative assistance in challenging the increases; 2) a resolution approving Pender County's joining as a party to the lawsuit; and 3) a resolution authorizing a financial contribution.

A resolution is prepared below approving Pender County's joining the lawsuit, authorizing a financial contribution and budget amendment, and adopting a separate resolution opposing the increases and requesting assistance from our legislative delegation in challenging the increases. The attached resolution will be forwarded to our legislative delegation members.

In addition, Mr. Thurman has requested authorization to execute a conflict waiver and multi-party representation agreement.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

RB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board of Commissioners of Pender County are deeply concerned regarding the recently adopted increases in homeowners insurance for coastal communities by the NC Department of Insurance; therefore the Board 1) authorizes Pender County to join the lawsuit as a named party; 2) authorizes a one-time financial contribution in the amount of \$ _____; 3) adopts the attached resolution opposing the increases and requesting the assistance of our legislative delegation in challenging the increases; 4) authorizes a budget amendment transferring \$5,000 from Contingency to Contracted Services-Special Litigation; and 5) authorizes the County Attorney to execute a conflict waiver and multi-party agreement. The County Manager and County Attorney are authorized to execute any and all documents necessary to implement this resolution.

Account #470-404519 Contracted Services-Special Litigation

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman Date

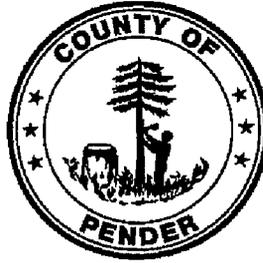
ATTEST Date

County of Pender

Board of Commissioners

Jimmy T. Tate, Chairman
George R. Brown, Jr., Vice-Chairman
Norwood Blanchard
F.D. Rivenbark
J. David Williams, Jr.

Rick Benton, County Manager
Paul Parker, Assistant County Manager



County Manager's Office
Post Office Box 5
805 South Walker Street
Burgaw, NC 28425

Telephone: (910) 259-1200
Facsimile: (910) 259-1402

RESOLUTION OPPOSING RATE INCREASE APPROVED BY THE NC DEPARTMENT OF INSURANCE

WHEREAS, the North Carolina Department of Insurance (Department) has approved significant rate increases to homeowners insurance policies which will severely impact eighteen coastal counties, including Pender County; and

WHEREAS, the increases approved of 17.5% for barrier islands and nearly 30% for coastal mainland areas are considerably higher than the overall 4.5% increase statewide (including some areas that received decreases); and

WHEREAS, the increases seem to place an undue and excessive burden on homeowners in those eighteen coastal counties; and

WHEREAS, the increases were approved by the Department without public input or public hearings; and

WHEREAS, given these difficult economic times and the severe negative impact an increase in the cost of insurance will have on homeowners in those eighteen coastal counties, the request of the insurance companies and the subsequent approval by the Department should have been subject to more scrutiny, public input and review;

NOW, THEREFORE, BE IT RESOLVED, that the Pender County Board of Commissioners oppose the rate increase requested by the insurance industry for the citizens and homeowners of Pender County, and request that the members of our General Assembly Legislative Delegation take action to encourage additional legislative and public scrutiny, input and review of the recent rate increases approved by the Department such that they may be further appealed or modified.

Adopted this the 2nd day of February, 2009.

Jimmy T. Tate, Chairman
Pender County Board of Commissioners

ATTEST: _____
Rick Benton, Clerk

BUDGET ORDINANCE AMENDMENT TITLE: Litigation - Coastal Insurance Issue

Introduced by: Rick Benton, County Manager Date: 2009-02-02 Item #: _____

Fund: General Department: County Attorney Division: _____



PENDER COUNTY, NORTH CAROLINA

FY 08/09 Budget Amendment # _____ Date Approved: 2009-02-02
 Appropriations

REVENUES		EXPENDITURES	
Increase: <input type="checkbox"/>	Decrease: <input type="checkbox"/>	Increase: <input checked="" type="checkbox"/>	Decrease: <input checked="" type="checkbox"/>
Account # and Title	Amount	Account # and Title	Amount (leave off \$ sign)
		470-404519 Litigation	\$5,000.00
		999-499400 Contingency	\$0.00
Total:		Total: \$5,000.00	

Reason and Justification for Request:
 Litigation - Coastal Insurance Issue

Dept Mgr. Approval: _____ Date: _____ Finance Officer Approval: _____ Date: _____ Budget Officer Approval: _____ Date: _____

Board Approval (When Applicable) Item # _____ Date of Minutes _____

Email Finance Office - Copy

Revision 8.4 (8/13/08)

Print Department - Copy