



ATTN: Kimberly W. Pearce, Paralegal III
NC Department of Insurance
1201 Mail Service Center
Raleigh NC 27699-1201

February 1, 2024

Insurance Commissioner Mike Causey,

On behalf of the Town of Oak Island, I am writing to express the Town Council's opposition to the North Carolina Rate Bureau's proposed 2024 homeowner insurance rate increases. We have serious concerns that these rates will negatively impact property owners' ability to protect their homes and assets effectively and affordably if approved.

While all the proposed rate changes for counties are significant, Oak Island, Brunswick County and our region are targeted with some of the highest increases compared to many of the western and central parts of the state.ⁱ All three proposed rates affecting Oak Island would exceed the state average increase of 42.2% based on the Bureau's requested rates. Two of these rates are also the highest among all the rates proposed.ⁱⁱ

- **99.4%** Proposed Increase for Beach Areas in Brunswick County
- **71.4%** Proposed Increase for Eastern Coastal Areas of Brunswick County (select zip codes)
- **43%** Proposed Increase for Western Coastal Areas of Brunswick County (select zip codes)

CONCERNS ABOUT PROPOSED RATE INCREASES

Disproportionately Impacts Seniors and Residents on a Fixed-Income. While Brunswick County is recognized as one of the fastest growing counties in the state and nation, much of that growth is due to the migration of older residents. Brunswick County currently has the highest median age in the state at 57 years and one-third (34%) of our population of 153,064 is 65 years or older.^{iii iv} In Oak Island, 37.5% of the population is aged 65 and older, according to the most recent census data. Many older and retired residents, as well as our workforce population, are on fixed incomes and are not expecting nor are able to afford such a major increase in their home insurance.

Detrimental to Affordable Housing and Home Ownership. Access to affordable housing is a

pressing challenge for our county. Increasing insurance rates will only make it harder for individuals to afford to own a home here if insurance bills become even more expensive. It will also make it more difficult for renters who already cannot afford to own or save for a home, as the rate increases will be passed down to them through their leases.

Unfairly Targets Beach Community Properties. Yes, beachfront properties are susceptible to major impacts from natural disasters, but so are inland areas. Our state's coastal communities are getting hit with the brunt of the increases, despite the fact that inland counties are often just as affected, or even more affected by damaging floods and other issues from these storms. It also appears that some inland counties that experienced damaging floods or wildfires over the past few years have not seen the same level of rate increases as what Brunswick County areas are facing.

More Transparency Needed in How Rates are Calculated. Based on the NC Rate Bureau's proposal, it appears it is proposing rates to cover maximum total destruction of a property. However, not all properties' structures are totally destroyed during weather disasters to the point they require full insurance payouts for replacement. We are curious to know what research was conducted to warrant such a drastic hike in the rates for Oak Island properties. The Bureau must provide clearer and more transparent information on how it made these recommendations and how all types of hazards and disasters are considered statewide through the process.

We strongly urge you to consider the short- and long-term repercussions such a drastic increase places on the property owners in Oak Island and to advocate for more realistic and reasonable rates. We fear that many of our residents will no longer be able to afford their insurance bills and may risk their properties by opting for higher deductibles that could impede their ability to recover from damage in the future.

We appreciate your consideration of our concerns. Please reach out to me or Oak Island's administration with any questions on this issue.

Respectfully,



S. Elizabeth White

Mayor of the Town of Oak Island
mayorwhite@oakislandnc.gov

TOWN COUNCIL

John W. Bach (Mayor Pro Tem) • Terri L. Cartner • Bob Ciullo • Bill Craft • Mark Martin

TOWN ADMINISTRATION CONTACTS

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CC: U.S. Senator Thom Tillis
U.S. Senator Ted Budd
U.S. Representative David Rouzer
N.C. State Senator Bill Rabon
N.C. State Representative Frank Iler
N.C. State Representative Charles Miller

i <https://www.ncdoi.gov/2024-territories-ncrb-proposed-rates/open>

ii <https://www.newsobserver.com/news/business/article284060998.html>

iii https://www.wilmingtonbiz.com/more_news/2023/11/17/economic_snapshot_brunswick_county_economy_fueled_by_growing_aging_population/25041

iv <https://www.census.gov/quickfacts/fact/table/brunswickcountynorthcarolina/PST045223>