

- 1 (1) The feasibility and advisability of replacing the North Carolina Insurance
2 Underwriting Association and the North Carolina Joint Underwriting
3 Association with a statewide catastrophic fund which pools the risks to
4 North Carolina policy holders from all types of natural disasters.
- 5 (2) Whether coastal insurance rates on policies ceded to the North Carolina
6 Insurance Underwriting Association, the composition of the Association's
7 Board of Directors, and the Association's plan of operations are efficient,
8 economical, fair, and nondiscriminatory in protecting the interests of beach
9 and coastal areas of the State, compared to other coastal states.
- 10 (3) Whether the data and methodologies used by the North Carolina Insurance
11 Underwriting Association in estimating probable maximum loss accurately
12 model insurable risks for property located in the beach and coastal areas of
13 the State.
- 14 (4) The feasibility and advisability of offering coastal and beach area property
15 owners the option of self-insuring by declining wind and hail coverage in
16 situations where no third party has an insurable interest in the property.
- 17 (5) The adequacy of accounting and oversight of the North Carolina Insurance
18 Underwriting Association's accumulated surplus.
- 19 (6) Whether the mitigation credits provided by the North Carolina Insurance
20 Underwriting Association pursuant to G.S. 58-45-45(e) are fair and
21 nondiscriminatory and whether the schedule of credits, when compared to
22 the cost of mitigation measures provides adequate incentive for beach and
23 coastal area property owners to invest in such measures.

24 **SECTION 3.** Staff. – Upon approval of the Legislative Services Commission, the
25 Legislative Services Officer shall assign professional and clerical staff to assist in the work of
26 the Commission. Clerical staff shall be furnished to the Commission through the offices of the
27 House of Representatives and Senate Supervisors of Clerks.

28 **SECTION 4.** Meeting location. – The Commission may meet in the Legislative
29 Building or Legislative Office Building upon the approval of the Legislative Services
30 Commission.

31 **SECTION 5.** Expenses of members. – Members of the Commission shall receive
32 per diem, subsistence, and travel allowances at the rate established in G.S. 120-3.1.

33 **SECTION 6.** Report. – The Commission shall submit an interim report to the 2012
34 Regular Session of the 2011 General Assembly prior to its reconvening and shall make a final
35 report to the 2013 Regular Session of the General Assembly prior to its convening. The report
36 shall contain the Commission's findings, recommendations, legislative proposals, and cost
37 analyses. The Commission shall terminate upon filing its final report or upon the convening of
38 the 2013 General Assembly, whichever is earlier.

39 **SECTION 7.** Funding. – Of the funds appropriated to the General Assembly for
40 the 2011-2012 fiscal year and for the 2012-2013 fiscal year, the Legislative Services
41 Commission shall allocate funds for the purpose of supporting the study established by this act.

42 **SECTION 8.** This act becomes effective July 1, 2011.