



WEST VIRGINIA INSURANCE BULLETIN No. 24-04

Insurance Bulletins are issued when the Commissioner renders formal opinions, guidance or expectations on matters or issues, explains how new statutes or rules will be implemented or applied, or advises of interpretation or application of existing statutes or rules.

► Homeowners' and Automobile Insurance Rates ◀

This Insurance Bulletin is being issued due to recent communications or inquiries to the Offices of the Insurance Commissioner ("OIC") regarding premium rate increases, especially premium rate increases for home and auto insurance. Recently, consumers have advised the OIC that their insurance company or agent advised them that their premiums increased because the OIC mandated or forced a home or auto rate increase. However, the OIC does not propose the home or auto insurance rates your company is charging or force rate increase upon insurance companies.

Insurance companies propose their own rates or premiums and can change their rates and premium formulas by filing them for review and approval with the OIC. Usually, insurance companies are required to file their proposed premium rates and rate modifications, including the justification therefore, with the OIC prior to use. However, rate filings shall be deemed to meet statutory requirements and become effective at the end of the applicable waiting period unless they are disapproved by the OIC. West Virginia law permits the OIC to disapprove home and auto insurance premium rate requests submitted by insurers if the rates are excessive, inadequate, or unfairly discriminatory. Thus, while the OIC may disapprove a premium rate filing that does not comply with state law, the OIC does not require or propose premium rate increases on behalf of home or auto insurers. It is up to the insurer to set its proposed premium rates for homeowners' and/or automobile insurance in accordance with statutory parameters and to propose those premium rates to the OIC for evaluation to determine whether the rate changes are supported and follow state law. Usually, when a company files for a home or auto insurance rate increase, it is due to the historical and prospective losses of the company. Increases in losses have recently been attributable to several factors, including the higher price of vehicle and home repairs, higher costs of rental cars, shortages in skilled labor required to complete repairs, increases in the severity and frequency of auto collisions, and increases in disaster related claims.

Importantly, every insurer which makes its own rates must, within a reasonable time after receiving a request, furnish to any insured affected by a rate change all pertinent information as to such rate change, and, if desired, a means whereby any person aggrieved may be heard on his or her written request to review the manner in which the rating system has been applied in connection with his or her insurance. If the insurer fails to grant such request, or if the request is rejected, the affected party may, within thirty (30) days after written notice of such action, appeal to the OIC. In instances when an insurer files a request for an increase of automobile liability insurance rates in the amount of fifteen (15) percent or more, the OIC is statutorily mandated to provide notice of the increase with the Secretary of State to be filed in the State Register and shall provide interested persons the opportunity to comment on the request up to the time the OIC approves or disapproves

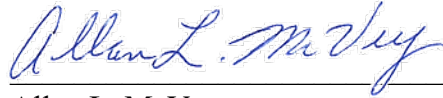
the rate increase. The OIC also publishes these same notices on its website at www.wvinsurance.gov. Consumers are encouraged to provide relevant comments to the OIC on any proposed rate increase.

Furthermore, pursuant to W.Va. Code §33-20-19, the OIC is required to annually publish a list of the current premium rates for minimum automobile liability insurance. The most recent Annual Auto Surveys, which contain the referenced list, is available at the following link: [OIC Reports](#). This survey is intended to be presented in a way that allows consumers to accurately compare insurance premium rates charged by each company for the same insurance coverage.

The rising cost of home and auto insurance is a difficult issue nationally, not just in West Virginia. However, insurance companies or agents should not suggest to consumers that the OIC is mandating or forcing their premium rate increases as part of a company's sales tactics or in response to consumer inquiries. If your home or auto insurance bill is rising, ask your agent or company to explain the cause for the increase (loss of discounts, new coverage, claims, company loss experience, new rating or premium formula from the company, changes in insurance credit scoring, etc.) and make sure you are receiving all available discounts or credits. You may also want to compare rates using the OIC's Annual Auto Survey or by contacting an independent insurance agent who can make sure you are comparing the same type and amount of coverage. However, please be advised that changing insurance companies may, in some instances, cause an insured to lose some protection against non-renewals. Should you need assistance in reviewing or understanding information contained in the Annual Auto Survey or have a question concerning your home or auto insurance rates, please contact the OIC's Property & Casualty Consumer Services Division at 1-888-TRY-WVIC or (304) 558-3386.

Please email any questions concerning this Insurance Bulletin to OICBulletins@wv.gov.

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Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner