

**Southern 1752 Club**  
**October 8<sup>th</sup> 2003 Club Meeting**  
**Raddison Hotel, Greensboro NC**

President Barry Green called the meeting to order

Brian Pierce conducted roll call, 26 members attended. Cliff Odum was added to the deceased list.

Treasurer Mike Senuik provided report of balances in Checking account and Money Market account

An application for new member, Tom Doss of Utica Mutual was reviewed by the executive board and recommended to the membership for acceptance into the club. The club voted in Tom. Elbert Hamilton formally inducted Tom into the club.

Va. Legislative Report (Barry Green)

1. House Bill 2524

At the time of application for a new policyholder, privacy notice must be given in writing or electronic form no later than when the policy is delivered. Agency can shop renewals as long as they have given the required notice within the past 12 months

2. House Bill 2267

Prohibits insurers from failing to disclose that insured or claimant is not required to use the repair or replacement facility for service or product recommended by the insurer or its representative

3. House Bill 1948

Prohibits insurers and agents from basing an adverse underwriting decision solely on the history of the previous owner of the property to be insured

4. House Bill 2535

Insurers are prohibited from non-renewing automobile and homeowners policies while using persons credit information as the sole reason for that decision. If credit information is used in conjunction with another reason for non-renewing a risk, the credit information must be pulled within 120 days of the non-renewal date. Insurers must notify applicants when credit is used in the underwriting process. Insurer is obligated to investigate allegations of inaccuracies on credit reports by the applicant.

NC Legislative (Group Discussion)

Bill introduced in NC regarding use of Credit information applies to renewals only and addresses the use of credit as the sole means of an adverse underwriting decision

Charlie Padgett mentioned a recent article in the newspaper regarding NC auto escrow; NC DOI released the following news yesterday:

- Insurance Commissioner Jim Long today received word that the North Carolina Court of Appeals has largely upheld his order in the 2001 auto insurance rate case to force insurance companies to drop rates by 13 percent. This rate rollback means that potentially millions plus interest for over two years at prime rate plus three percent in refund checks could be making their way out to policyholders at some point.

Mike Senuik added that companies are viewing NC as a very unattractive marketplace for personal lines in lieu of the legislative environment and coastal exposures

SC Legislative Report (Mike Senuik)

1. Credit scoring cannot be used as the sole reason to accept or decline new applicants but can be used in pricing to tier individual risks
2. Beach plan will be modified to attract more companies to write on the coast
3. File and use law changed and companies can now make more than one filing per year.

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#### Miscellaneous Discussion

- Va. Mutual will begin scoring all new risks effective 11/1 due to adverse selection
- Montgomery Insurance will implement a new tiering system in VA eff 10/15 and NC eff 1/15 utilizing 5 scoring levels in each tier
- Lititz Mutual continues to utilize scoring only on a per risk or agency basis with much authority for selection remaining with the underwriter.

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#### Old Business

- Executive committee agreed to award \$300 in scholarship to Harry Bray provided he sends proof of passing the exam
- Barry mentioned new ways to promote the 1752 club

Jim Kennedy will ask PIA to place 1752 information on their website  
Jimmy Hall will talk to Jovita with the Big I about additional promotional ideas

- Southern Pines meeting will remain in this location due to convenience and cost—group discussion. The dates will be 4/27-4/28 at the Holiday Inn, our normal place for convening.
- Group discussion on golf shirts, hats and pens with logo to promote club. Decision made to place order for golf shirts and Barry will handle. Mike will add this to the dues notice. Approximate charge will be \$25 per person
- Club GL policy with Central experienced drastic rate increase. Club decided to suspend this policy due to cost. Jeff Brownfield will provide a quote from Auto-Owners for the executive board to review
- Jim Kennedy advised that Richard Kinn, a former 1752 Club member is now with the insurance department and welcomes any reports on blatant misdoings from agents that field persons identify
- Joe Crifasi advised that he will no longer be employed effective 1/1 with the sale of Royal/Sun Alliance
- Chuck Crews pointed out that the beer for hospitality room was donated by former member, Robert Haywood, in memory of Hunter Bumgardner