

RATE HIKE MIKE: This is Insurance Insights with the North Carolina Department of Insurance. I'm Commissioner Mike Caussey. It's no secret insurance can be confusing. This podcast is designed to take the confusion out of it to help you understand the insurance protection you need so you can make decisions on how best to safeguard your family and property.

MARLA SINK: And I'm Marla Sink. On this edition of Insurance Insights, we'll sit down with Commissioner and State Fire Marshal Mike Caussey to talk about secretly inserted provisions within the recently passed state budget that could adversely affect the fire service statewide. Stay with us. Thank you Commissioner Caussey for being with us today.

RATE HIKE MIKE: Thank you for having me and I certainly appreciate you bringing up this topic of the state budget. And I applaud the lawmakers for their efforts and certainly appreciate the pay raises for state employees and a number of things that are really good in the state budget. However, like oftentimes happens, there are things that are inserted into a budget that don't necessarily have to do with a budget. But there's one provision that was inserted really without our knowledge or any discussion that takes the title of State Fire Marshal away from the elected insurance commissioner in North Carolina. We've had this current structure for over 85 years for almost nine decades. The elected insurance commissioner has also had a dual role of State Fire Marshal. This worked very well. It's working better today than it's ever worked before. But for whatever reason, back in the spring, a couple of senators introduced a Senate bill 363, Senate bill 363. And it was to make the office of State Fire Marshal an independent agency. Well this came out of nowhere. Nobody in the fire service across North Carolina asked for it or wanted it. I call the senator that sponsored the bill or that led the charge and really didn't get a straight answer and said this is not good for the fire service. You're going to get pushed back. And so far every fire association, every fire department, every person I know in North Carolina in the fire service is opposed to this provision. This has opposition from the National Association of State Fire Marshals. The county association of county fire marshals in North Carolina, the state firefighters association that represents all firefighters across the state as well as the association for fire chiefs in North Carolina. So all of those professional groups oppose this type of language and it creates another level of bureaucracy unnecessarily, it says that the insurance commissioner may submit a name or recommend a person to be appointed as the state fire marshal. But the legislature has to vote on it and the legislature ultimately decides that role and it also states a salary to the beginning salary of \$135,000 a year plus benefits and staff. It creates another level of bureaucracy that's not needed. Nobody in the fire service wants it and we're urging people to contact their legislator today or this week and let them know this can be fixed in what's called technical corrections. But if we don't get it fixed in technical corrections, it will be too late and cause much upheaval across the state and within the Department of Insurance and Office of State Fire Marshal.

MARLA SINK: Commissioner, do you have any idea why this was inserted into the bill?

RATE HIKE MIKE: Nobody knows. Possibly the three senators, Senators Perry, Craven and Brett, possibly those three senators know the motive unless it's political payback because I did oppose the Blue Cross bill that they were promoting or I don't really don't know. But one suggestion I would have in technical corrections would be even if they leave the language in the budget simply change the date, just make the effective date January 2026 as opposed to 2024 because making a date that close is an impossible task. It's not necessary.

MARLA SINK: A lot of bureaucracy would have to be in place to make that happen. What can people do? What can people do to preserve the fire service?

RATE HIKE MIKE: Pick up the telephone, call Senator Burgers office, Senator Perry's office, every legislator, send emails, make sure your fire departments in fire marshal and everybody in your county and town knows what's happening and this shouldn't be allowed to stand.

MARLA SINK: One last question, one very important question. What is the correlation between the Office of State Fire Marshal and the Department of Insurance?

RATE HIKE MIKE: It impacts your pocketbook more than any other office. There's a direct correlation between your local fire department and what you pay for homeowners insurance. And we have done a terrific job over the past six or seven years in improving the ISO class ratings. That's the insurance ratings that each fire department gets. Fire departments are rated on a scale of 10 to 1. 10 is an unrated, outlined rural area. And so if you're in a rural area and you're fire departments of class nine or 10, you are paying the highest per thousand homeowners insurance of anybody in the state. So if your fire department improves and they lower their class rating and they go save from a class nine to a class six or class five, in most cases, people see a reduction in the homeowners insurance of a hundred to three or four hundred dollars. If it's a commercial business policy, it's a much higher deduction. And I'm here to tell you that since 2017, out of the 1215 fire departments that we inspect across North Carolina, 80%, 80%, eight zero, have an improved ISO class rating. That leads the nation. We had six class one fire departments when I took this position in 2017. Today we have 30 and that includes smaller towns like Wilson, Rocky Mount, Hickory, even Granite quarry and faith in Rowan County. And the most recent class one was the city of Gastonia, which means so much to those folks in the Gastonia area. So it is important. Our folks at the office of state fire marshal and department of insurance are doing the best job in the United States of America. We have the best department and nobody wants this change except for a handful of legislators that have a political agenda. And I say the public needs to let them hear from them today.

MARLA SINK: Thank you very much, commissioner. And for more information on the office of state fire marshal, visit the website ncosfm.gov call 1-800-634-7854. And for questions about this podcast, you can email podcast at ncdoy.gov. Thank you very much, commissioner. Thank you for having me. Thank you for being with us today. I'm Marla Singh.