

November 4, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Automobile and Motorcycle
Insurance Rates - North Carolina

The Commissioner of Insurance recently approved a rate level adjustment for non-fleet private passenger automobiles and motorcycles. This adjustment was a result of the enactment of House Bill 97 – Appropriations Act of 2015 in which a new tax is being implemented on automobile repair labor as well as an increase in Motor Vehicle Reports (MVR) and salvage title fees.

In that regard, please find attached revised base rates for non-fleet private passenger automobile liability and physical damage coverages.

These changes are effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after March 1, 2016. No policy effective prior to March 1, 2016 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of these changes except at the request of the insured and at the customary short rate charges as of the date of such request, but in no event prior to March 1, 2016.

NOTICE REQUIREMENTS

Also be advised that G. S. 58-36-45 provides as follows:

"Whenever an insurer changes the coverage other than at the request of the insured or changes the premium rate, it shall give the insured written notice of such coverage change or premium rate change at least 15 days in advance of the effective date of such change or changes with a copy of such notice to the agent. This section shall apply to all policies and coverages subject to the provisions of this Article..."

In the past, some insurers have given notice of premium rate changes by providing to an insured and agent, at least 15 days in advance of the effective date, a renewal policy, renewal certificate, billing or endorsement showing revised rates, together with a written notice substantially as follows:

NOTICE OF RATE CHANGE - NORTH CAROLINA

The premium for this policy reflects changes in rates applicable to North Carolina placed into effect under the provisions of Article 36, Chapter 58 of the North Carolina General Statutes.

The form of this notice has varied at the option of the insurer (printed notice, stamp, stick-on label, etc.). Companies should consult legal counsel with respect to the appropriateness of their own procedures under this statute.

Reprinted Personal Auto Manual pages will be distributed, in the usual fashion, as soon as possible. In the interim, notice of the revised rates should be sent as soon as possible to your agents to make them aware of the new rates.

Please see to it that this circular letter is brought to the attention of all interested personnel in your Company.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

Enclosures

A-15-9

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

PRESENT AND REVISED BASE RATES - VOLUNTARY LIABILITY

Terr Code	\$30,000/60,000 Bodily Injury		\$25,000 Property Damage		\$500 Medical Payments	
	Present	Revised	Present	Revised	Present	Revised
110	\$168	\$169	\$155	\$159	\$21	\$21
120	182	183	141	144	25	25
130	208	209	148	152	26	26
140	217	218	174	178	26	26
150	211	212	174	178	25	25
170	174	175	163	167	21	21
180	201	202	210	215	22	22
190	196	197	187	191	23	23
200	222	223	182	186	30	30
210	217	218	153	157	28	28
220	238	239	158	162	30	30
230	276	277	165	169	33	33
240	220	221	153	157	27	27
250	238	239	220	225	29	29
260	204	205	168	172	25	25
270	166	167	184	188	20	20
280	208	209	208	213	27	27
290	208	209	195	200	26	26
300	165	166	184	188	20	20
310	141	142	157	161	18	18
320	155	156	146	149	19	19
340	202	203	186	190	25	25
350	155	156	163	167	19	19
360	170	171	156	160	21	21
370	190	191	177	181	22	22
380	188	189	170	174	22	22
390	186	187	189	193	22	22
420	254	255	218	223	34	34
440	208	209	187	191	27	27
450	244	245	192	197	27	27
460	169	170	169	173	20	20
470	184	185	161	165	21	21
480	144	145	145	148	18	18
490	138	138	149	153	17	17

Note: The revised base rates for Medical Payments are equal to the present rates for all territories.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

PRESENT AND REVISED PHYSICAL DAMAGE BASE RATES (A)

<u>Terr Code</u>	<u>FULL COVERAGE COMPREHENSIVE</u>		<u>\$100 DEDUCTIBLE COLLISION</u>	
	<u>Present</u>	<u>Revised</u>	<u>Present</u>	<u>Revised</u>
110	\$128	\$131	\$420	\$430
120	165	169	467	478
130	154	158	462	473
140	130	133	483	494
150	126	129	467	478
170	102	104	430	440
180	114	117	634	649
190	80	82	413	423
200	107	110	454	465
210	112	115	425	435
220	163	167	517	529
230	136	139	514	526
240	126	129	470	481
250	108	111	590	604
260	109	112	441	451
270	82	84	408	418
280	88	90	481	492
290	112	115	505	517
300	81	83	405	415
310	95	97	392	401
320	119	122	421	431
340	92	94	475	486
350	81	83	401	411
360	91	93	413	423
370	90	92	438	448
380	116	119	476	487
390	82	84	430	440
420	106	109	543	556
440	88	90	466	477
450	91	93	490	502
460	91	93	436	446
470	105	107	448	459
480	113	116	449	460
490	83	85	442	453

(A) Model Year 2014 Symbol 11