



July 27, 2021

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy Program  
Introduction of Low Speed Vehicles and Modified Utility  
Vehicles Coverage Endorsement and Manual Rule

The Commissioner of Insurance has recently approved for use by all member companies of the North Carolina Rate Bureau, Endorsement NC 03 24, Low Speed Vehicle and Modified Utility Vehicle Endorsement and corresponding manual rule for the Personal Auto Policy Program. This endorsement is in response to recent legislation regarding modified utility vehicles.

In that regard, please find the enclosed Low Speed Vehicle and Modified Utility Vehicle Endorsement NC 03 24 and the updated Manual Rule 19 for Miscellaneous Vehicles.

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

These changes are applicable with respect to all new and renewal policies becoming effective on or after October 1, 2021.

Please see to it that this Circular is brought to the attention of all interested personnel in your company.

Sincerely,

Andy Montano

Director, Personal Lines

AM:ko  
A-21-5  
Attachments

---

**19. MISCELLANEOUS TYPES**

---

\*\*\*

**G. Low Speed Vehicles And Modified Utility Vehicles**

**1. Description**

**a. Low Speed Vehicles**

A low speed vehicle is a four-wheel electric vehicle whose top speed is greater than 20 miles per hour but less than 25 miles per hour.

**b. Modified Utility Vehicles**

Modified Utility Vehicle is a four-wheeled motor vehicle that:

- (1) Is manufactured or upfitted by a licensed manufacturer, dealer, or person or business otherwise engaged in vehicle manufacturing or modification for off-road use with equipment required by G.S. 20-121.1(2a) except a vehicle identification number; and
- (2) Has an overall length of 110 inches or greater, an overall width of 58 inches or greater, an overall height of 60 inches or greater, a maximum speed capability of 40 miles per hour or greater, and does not require an operator or passenger to straddle a seat.

Modified utility vehicle does not include an all-terrain vehicle, golf cart, or utility vehicle, as defined in G.S. 20-4.01, or a riding lawn mower.

**2. Rating**

**a. Liability Coverage**

Charge 25% of the premium resulting from classifying and rating as a private passenger auto.

**b. Medical Payments/PIP Coverage**

Charge 35% of the premium resulting from classifying and rating as a private passenger auto.

**c. Uninsured/Underinsured Motorists Coverage**

Charge the applicable private passenger premium shown in Rule 14.

**d. Comprehensive And Collision Coverages**

**(1) Comprehensive**

Charge 65% of the premium resulting from classifying and rating as a private passenger auto using a Symbol derived from the low speed vehicle's or modified utility vehicle's model year and Price New.

**(2) Collision**

Charge 55% of the premium resulting from classifying and rating as a private passenger auto using a Symbol derived from the low speed vehicle's or modified utility vehicle's model year and Price New.

**3. Endorsement**

Attach Low Speed Vehicle And Modified Utility Vehicle Endorsement **NC 03 24**.



Vehicle	Coverages	Limit Of Liability		Premium
	<b>Combined Uninsured And Underinsured Motorists</b>			
1.	<b>Bodily Injury</b>	\$	<b>Each Person</b>	<b>INCL</b>
		\$	<b>Each Accident</b>	
	<b>Property Damage</b>	\$	<b>Each Accident</b>	<b>INCL</b>
2.	<b>Bodily Injury</b>	\$	<b>Each Person</b>	<b>INCL</b>
		\$	<b>Each Accident</b>	
	<b>Property Damage</b>	\$	<b>Each Accident</b>	<b>INCL</b>
3.	<b>Bodily Injury</b>	\$	<b>Each Person</b>	<b>INCL</b>
		\$	<b>Each Accident</b>	
	<b>Property Damage</b>	\$	<b>Each Accident</b>	<b>INCL</b>
	<b>Collision</b>			
1.		\$	<b>Less \$ Deductible</b>	\$
2.		\$	<b>Less \$ Deductible</b>	\$
3.		\$	<b>Less \$ Deductible</b>	\$
	<b>Other Than Collision</b>			
1.		\$	<b>Less \$ Deductible</b>	\$
2.		\$	<b>Less \$ Deductible</b>	\$
3.		\$	<b>Less \$ Deductible</b>	\$
<b>Total Premium</b>				<b>\$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

N  
E  
W

With respect to the **low speed vehicle** or **modified utility vehicle** and coverages described in the Schedule or in the Declarations, the provisions of the Policy apply unless modified by this endorsement.

**I. Definitions**

A. For the purpose of the coverage provided by this endorsement:

1. **Low speed vehicle** means a four-wheeled electric vehicle whose top speed is greater than 20 miles per hour but less than 25 miles per hour.
2. **Modified utility vehicle** means a four-wheeled vehicle that:
  - a. Is manufactured or upfitted by a licensed manufacturer, dealer, or person or business otherwise engaged in vehicle manufacturing or modification for off-road use; and

- b. Has an overall length of 110 inches or greater, an overall width of 58 inches or greater, an overall height of 60 inches or greater, a maximum speed capability of 40 miles per hour or greater, and does not require an operator or passenger to straddle a seat.

B. The definition of **your covered auto** is replaced by the following:

**Your covered auto** means:

1. Any **low speed vehicle** or **modified utility vehicle** shown in the Schedule or in the Declarations.
2. A **newly acquired auto**.
3. Any **trailer** you own.

4. Any **low speed vehicle, modified utility vehicle**, auto or **trailer** not owned by you while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

This provision (4.) does not apply to Coverage for Damage to Your Auto.

- C. The first paragraph of the definition of **newly acquired auto** is replaced by the following:

"**Newly acquired auto**" means any of the following types of vehicles you become the owner of during the policy period:

1. a private passenger auto or station wagon type;
2. a pickup truck or van that:
  - a. has a Gross Vehicle Weight as specified by the manufacturer of less than 14,000 pounds; and
  - b. is not used for the delivery or transportation of goods and materials unless such use is:
    - (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
    - (2) for farming or ranching; or
3. any **low speed vehicle** or **modified utility vehicle**.

## II. Liability Coverage

- A. The definition of **insured** is replaced by the following:

**Insured** means:

1. You or any **family member** for the ownership, maintenance or use of **your covered auto**.
2. Any person using **your covered auto**.
3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.

## III. Part D – Coverage For Damage To Your Auto

The following is added to the definition of **non-owned auto**:

3. Any **low speed vehicle** or **modified utility vehicle** you do not own while used as a temporary substitute for **your covered auto** which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

N  
E  
W