

# NORTH CAROLINA RATE BUREAU

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October 31, 2002

## CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Automobile and Motorcycle  
Insurance Rates - North Carolina

On February 1, 2002, the Rate Bureau filed with the Commissioner of Insurance rate level changes for non-fleet private passenger automobiles and motorcycles. The Rate Bureau's filing set forth (1) average rate level changes for non-fleet private passenger automobiles of +7.6% for liability coverages and +4.1% for physical damage coverages, averaging +5.9%; and (2) average rate level changes for motorcycle liability coverages of +3.5.

In addition to revised private passenger automobile and motorcycle insurance rate level changes, the Rate Bureau's filing included revised classification and sub-classification plans rating factors, revised deductible relativities, revised multi-car discount factors, revised inexperienced operator surcharge factors and revised bodily injury and property damage increased limits factors for non-fleet private passenger automobile insurance.

On July 15, 2002, the Department of Insurance convened a public hearing on the Rate Bureau's filing. Following conclusion of the public hearing on August 28, 2002, the Commissioner of Insurance on October 14, 2002 entered an Order disapproving the Rate Bureau's filed rates and disapproving the filed changes in the sub-classification plan factors and ordering overall rate level changes of -17.8% for non-fleet private passenger automobiles and -10.0% for motorcycles and ordering certain changes to the sub-classification plan factors. The Commissioner's Order approved numerous other changes relating to deductible relativities, increased limits factors, classification rating factors, multi-car discount factors and inexperienced operator surcharges.

During a meeting held on October 22, 2002, the Governing Committee of the Rate Bureau voted (1) to appeal the Commissioner's Order to the North Carolina Court of Appeals; (2) to proceed with implementation of rate level changes that result in overall rate level changes of +5.9% for non-fleet private passenger automobile coverages and +3.5% for motorcycle liability coverages; and (3) to implement the approved and ordered changes to the

classification and sub-classification plans rating factors, deductible relativities, and bodily injury and property damage increased limits factors for non-fleet private passenger automobile insurance.

The revised rates implemented over the disapproval of the Commissioner are to be implemented in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies effective on or after January 27, 2003. No policy effective prior to January 27, 2003 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 January 27, 2003.

The enclosed exhibits set forth the new base rates for non-fleet private passenger automobile liability and physical damage coverages and motorcycle liability coverage which the Governing Committee voted to implement over the Commissioner's disapproval as well as revised classification and sub-classification plans rating factors, deductible relativities, and bodily injury and property damage increased limits factors for non-fleet private passenger automobile insurance.

The Rate Bureau is advised as follows with respect to private passenger automobile insurance ceded to the North Carolina Reinsurance Facility: Based on a filing previously approved by the Commissioner of Insurance, the changes in the classification and sub-classification plans rating factors, deductible relativities and increased limits factors described above also apply to private passenger automobile insurance ceded to the Facility, effective January 27, 2003 in accordance with the same Rule of Application set forth above. Concurrent with the changes in these factors and relativities, the base rates for "other than clean risk" business ceded to the Facility are revised to be consistent with the revised factors and relativities. These new base rates for "other than clean risk" business ceded to the Facility are set forth in the enclosed exhibits.

Reprinted Personal Auto Manual pages will be distributed, in the usual fashion, as soon as possible. In the meantime, notice of the revised rates and rules should be sent as soon as possible to your Company's North Carolina agents to make them aware of the new rates and rules.

Following are the non-fleet private passenger automobile and motorcycle insurance statewide average rate changes from the rate levels in effect April 1, 2002 (1) as ordered by the Commissioner of Insurance; and (2) as adopted by the Governing Committee which are to be implemented by member companies:

<u>Coverages</u>	<u>Non-Fleet Private Passenger Automobile Insurance Rate Changes Ordered By the Commissioner</u>	<u>Non-Fleet Private Passenger Automobile Insurance Rate Changes Implemented By the Governing Committee</u>
Bodily Injury	-13.5%	8.9%
Property Damage	-18.5	9.1
Medical Payments	-10.1	14.8
Uninsured Motorists	-25.2	-12.7
Underinsured Motorists	-17.9	1.1
 Total Liability	 -16.2	 7.6
Comprehensive Collision	-19.9 -19.3	3.5 4.4
Total Physical Damage	-19.6	4.1
Grand Totals	-17.8%	5.9%
 Motorcycles: Liability	 -10.0%	 3.5%

The implementation of such rates is authorized by G. S. 58-36-25(b), which provides as follows:

Whenever a Bureau rate is held to be unfairly discriminatory or excessive and no longer effective by order of the Commissioner issued under G.S. 58-36-20, the members of the Bureau, in accordance with rules and regulations established and adopted by the governing committee, shall have the option to continue to use such rate for the interim period pending judicial review of such order, provided each such member shall place in escrow account the purportedly unfairly discriminatory or excessive portion of the premium collected during such interim period. Upon a final determination by the Court, or upon a consent agreement or consent order between the Bureau and the Commissioner, the Commissioner shall order the escrowed funds to be distributed appropriately. If refunds are to be made to policyholders, the Commissioner shall order that the members of the Bureau refund the difference between the total premium per policy using the rate levels finally determined and the total premium per policy collected during the interim period pending judicial review, except that refund amounts that are five dollars (\$5.00) or less per policy shall not be required. The Court may also require that purportedly excess premiums resulting from an adjustment of premiums ordered pursuant to G.S. 58-36-20(b) be placed in such escrow account pending judicial review. If refunds made to policyholders are ordered under this subsection, the amounts refunded shall bear interest at the rate determined under this subsection. That rate, to be computed by the Bureau, shall be the average of the prime rates on the effective date of the filing and each anniversary of that date occurring prior to the date of the Commissioner's order requiring refunds, with the prime rate on each of the dates being the average

of the prime rates of the four largest banking institutions domiciled in this State as of that date, plus three percent (3%).

As a result of the implementation of revised non-fleet private passenger automobile and motorcycle insurance rates over the disapproval of the Commissioner, in accordance with G. S. 58-36-25(b) quoted above, each individual company writing affected automobile or motorcycle insurance will be responsible for the establishment of and accounting for an escrow account in which to maintain "the purportedly unfairly discriminatory or excessive portion of the premium collected . . ." (i.e. the difference between the Commissioner's ordered rates and the premiums collected by each individual member company.) pending judicial review. A copy of the Rate Bureau's Rules and Regulations on Implementation and Escrow Procedures is enclosed. Companies should consult legal counsel with respect to the mechanics of the escrow account.

Companies must maintain records necessary for each company to determine by policy the difference, if any, between the rates collected by each company and the rates ultimately determined to be the approved rates. The methods by which each company accomplishes this directive are left to each company.

For those companies that can and desire to double rate policies for escrow purposes, enclosed herein are the Commissioner's ordered rates by territory. If a company needs additional information to maintain its records, please advise us and we will attempt to assist you with those records.

As to "clean risk" business ceded to the North Carolina Reinsurance Facility which is required to be rated on the basis of Rate Bureau voluntary rates, the Bureau is advised that the Facility will establish and maintain the necessary escrow account, but it will be necessary for ceding carriers to make arrangements to properly identify in their record systems the business ceded to the Facility in such a way as to be prepared to refund "the purportedly unfairly discriminatory or excessive portion of the premium collected" so that appropriate refunds can be made if it should become necessary to do so after the case is concluded.

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.

It is important that each company establish procedures that will insure continued compliance with the above cited escrow and fifteen-day advance notice requirements.

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

The following is a list of attachments:

A-1	Voluntary Liability Manual Rate Page
A-2	Ceded Liability Manual Rate Page
A-3	Revised Voluntary Liability Base Rates
A-4	Revised Physical Damage Base Rates
A-5 to A-6	Model Year and Symbol Relativities
A-7	Revised Uninsured Motorist Rates
A-8	Revised Combined Uninsured/Underinsured Motorist Rates
A-9	Revised Deductible Relativities
A-10	Revised Increased Limits Factors
A-11	Revised Motorcycle Liability Relativities
A-12 to A-14	Revised Classification and Sub-Classification Plans Factors
A-15 to A-18	Commissioner of Insurance Ordered Rates
A-19	Rules and Regulations - Implementation and Escrow Procedures

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dmp

Enclosures

A-02-7

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - VOLUNTARY LIABILITY

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	300/300	\$25,000	\$50,000	\$100,000	\$500	\$750	\$1000	\$2000	\$5000
11	\$113	\$129	\$149	\$170	\$170	\$172	\$175	\$12	\$16	\$19	\$28	\$41
13	172	196	227	258	202	204	208	18	24	29	42	61
14	155	177	205	233	201	203	207	17	23	27	40	57
15	182	207	240	273	196	198	202	19	25	30	44	64
16	149	170	197	224	209	211	215	16	21	26	37	54
17	186	212	246	279	200	202	206	20	27	32	47	68
18	135	154	178	203	174	176	179	14	19	22	33	47
24	138	157	182	207	165	167	170	15	20	24	35	51
25	162	185	214	243	194	196	200	17	23	27	40	57
26	207	236	273	311	170	172	175	22	29	35	51	74
31	175	200	231	263	184	186	190	19	25	30	44	64
32	143	163	189	215	176	178	181	15	20	24	35	51
33	171	195	226	257	154	156	159	18	24	29	42	61
40	216	246	285	324	204	206	210	23	31	37	54	78
41	179	204	236	269	189	191	195	19	25	30	44	64
43	165	188	218	248	151	153	156	18	24	29	42	61
47	175	200	231	263	168	170	173	19	25	30	44	64
51	136	155	180	204	189	191	195	15	20	24	35	51
52	182	207	240	273	221	223	228	19	25	30	44	64

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - CEDED LIABILITY

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	250/500	\$25,000	\$50,000	\$100,000	\$500	\$750	\$1000	\$2000	\$5000
11	\$166	\$189	\$219	\$252	\$206	\$208	\$212	\$17	\$23	\$27	\$40	\$57
13	259	295	342	394	249	251	256	27	36	43	63	91
14	236	269	312	359	253	256	261	25	33	40	59	85
15	272	310	359	413	251	254	259	29	39	46	68	98
16	231	263	305	351	266	269	274	24	32	38	56	81
17	283	323	374	430	256	259	264	30	40	48	70	101
18	209	238	276	318	223	225	230	22	29	35	51	74
24	207	236	273	315	203	205	209	22	29	35	51	74
25	260	296	343	395	272	275	280	27	36	43	63	91
26	347	396	458	527	219	221	226	36	48	58	84	122
31	262	299	346	398	228	230	235	27	36	43	63	91
32	214	244	282	325	216	218	222	22	29	35	51	74
33	255	291	337	388	188	190	194	27	36	43	63	91
40	332	378	438	505	251	254	259	35	47	56	82	118
41	279	318	368	424	247	249	254	29	39	46	68	98
43	260	296	343	395	198	200	204	27	36	43	63	91
47	276	315	364	420	212	214	218	29	39	46	68	98
51	197	225	260	299	230	232	237	21	28	34	49	71
52	276	315	364	420	286	289	295	29	39	46	68	98

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - VOLUNTARY LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
11	\$113	\$170	\$12
13	172	202	18
14	155	201	17
15	182	196	19
16	149	209	16
17	186	200	20
18	135	174	14
24	138	165	15
25	162	194	17
26	207	170	22
31	175	184	19
32	143	176	15
33	171	154	18
40	216	204	23
41	179	189	19
43	165	151	18
47	175	168	19
51	136	189	15
52	182	221	19



NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED PHYSICAL DAMAGE BASE RATES (A)

<u>Terr Code</u>	<u>FULL COVERAGE COMPREHENSIVE</u>	<u>\$100 DEDUCTIBLE COLLISION</u>
11	\$49	\$252
13	76	272
14	65	279
15	58	263
16	63	266
17	62	253
18	58	245
24	82	270
25	57	289
26	101	277
31	74	249
32	69	253
33	107	256
40	79	302
41	86	376
43	75	239
47	77	263
51	57	259
52	58	283

(A) MODEL YEAR 2003, SYMBOL 2

NORTH CAROLINA  
 SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COMPREHENSIVE

Model Year

Symbol	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994-1990
1	0.76	0.72	0.68	0.65	0.61	0.58	0.54	0.50	0.46	0.42	0.39
2	1.05	1.00	0.95	0.90	0.85	0.80	0.75	0.69	0.64	0.59	0.54
3	1.19	1.13	1.07	1.02	0.96	0.90	0.85	0.78	0.72	0.67	0.61
4	1.31	1.25	1.19	1.13	1.06	1.00	0.94	0.86	0.80	0.74	0.68
5	1.48	1.41	1.34	1.27	1.20	1.13	1.06	0.97	0.90	0.83	0.76
6	1.67	1.59	1.51	1.43	1.35	1.27	1.19	1.10	1.02	0.94	0.86
7	1.83	1.74	1.65	1.57	1.48	1.39	1.31	1.20	1.11	1.03	0.94
8	1.98	1.89	1.80	1.70	1.61	1.51	1.42	1.30	1.21	1.12	1.02
10	2.14	2.04	1.94	1.84	1.73	1.63	1.53	1.41	1.31	1.20	1.10
11	2.32	2.21	2.10	1.99	1.88	1.77	1.66	1.52	1.41	1.30	1.19
12	2.53	2.41	2.29	2.17	2.05	1.93	1.81	1.66	1.54	1.42	1.30
13	2.72	2.59	2.46	2.33	2.20	2.07	1.94	1.79	1.66	1.53	1.40
14	2.94	2.80	2.66	2.52	2.38	2.24	2.10	1.93	1.79	1.65	1.51
15	3.23	3.08	2.93	2.77	2.62	2.46	2.31	2.13	1.97	1.82	1.66
16	3.56	3.39	3.22	3.05	2.88	2.71	2.54	2.34	2.17	2.00	1.83
17	3.93	3.74	3.55	3.37	3.18	2.99	2.81	2.58	2.39	2.21	2.02
18	4.29	4.09	3.89	3.68	3.48	3.27	3.07	2.82	2.62	2.41	2.21
19	4.68	4.46	4.24	4.01	3.79	3.57	3.35	3.08	2.85	2.63	2.41
20	5.19	4.94	4.69	4.45	4.20	3.95	3.71	3.41	3.16	2.91	2.67
21	5.76	5.49	5.22	4.94	4.67	4.39	4.12	3.79	3.51	3.24	2.96
22	6.50	6.19	5.88	5.57	5.26	4.95	4.64	4.27	3.96	3.65	3.34
23	7.28	6.93	6.58	6.24	5.89	5.54	5.20	4.78	4.44	4.09	3.74
24	8.43	8.03	7.63	7.23	6.83	6.42	6.02	5.54	5.14	4.74	4.34
25	10.37	9.88	9.39	8.89	8.40	7.90	7.41	6.82	6.32	5.83	5.34
26	12.74	12.13	11.52	10.92	10.31	9.70	9.10	8.37	7.76	7.16	6.55

Symbol      1989 & Prior

1	0.15
2	0.17
3	0.24
4	0.29
5	0.34
6	0.44
7	0.54
8	0.64
10	0.81
11	0.98
12	1.15
13	1.35
14	1.59
15	1.92
16	2.33
17	2.80
18	3.34
19	3.99
20	4.73
21	6.55

NORTH CAROLINA  
 SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COLLISION

Model Year

Symbol	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994-1990
1	0.92	0.88	0.84	0.79	0.75	0.70	0.63	0.58	0.53	0.48	0.43
2	1.05	1.00	0.95	0.90	0.85	0.79	0.72	0.66	0.60	0.54	0.49
3	1.22	1.16	1.10	1.04	0.99	0.92	0.84	0.77	0.70	0.63	0.57
4	1.32	1.26	1.20	1.13	1.07	1.00	0.91	0.83	0.76	0.68	0.62
5	1.41	1.34	1.27	1.21	1.14	1.06	0.96	0.88	0.80	0.72	0.66
6	1.48	1.41	1.34	1.27	1.20	1.11	1.02	0.93	0.85	0.76	0.69
7	1.54	1.47	1.40	1.32	1.25	1.16	1.06	0.97	0.88	0.79	0.72
8	1.61	1.53	1.45	1.38	1.30	1.21	1.10	1.01	0.92	0.83	0.75
10	1.71	1.63	1.55	1.47	1.39	1.29	1.17	1.08	0.98	0.88	0.80
11	1.80	1.71	1.62	1.54	1.45	1.35	1.23	1.13	1.03	0.92	0.84
12	1.85	1.76	1.67	1.58	1.50	1.39	1.27	1.16	1.06	0.95	0.86
13	1.92	1.83	1.74	1.65	1.56	1.45	1.32	1.21	1.10	0.99	0.90
14	2.05	1.95	1.85	1.76	1.66	1.54	1.40	1.29	1.17	1.05	0.96
15	2.15	2.05	1.95	1.85	1.74	1.62	1.48	1.35	1.23	1.11	1.00
16	2.24	2.13	2.02	1.92	1.81	1.68	1.53	1.41	1.28	1.15	1.04
17	2.32	2.21	2.10	1.99	1.88	1.75	1.59	1.46	1.33	1.19	1.08
18	2.45	2.33	2.21	2.10	1.98	1.84	1.68	1.54	1.40	1.26	1.14
19	2.55	2.43	2.31	2.19	2.07	1.92	1.75	1.60	1.46	1.31	1.19
20	2.64	2.51	2.38	2.26	2.13	1.98	1.81	1.66	1.51	1.36	1.23
21	2.74	2.61	2.48	2.35	2.22	2.06	1.88	1.72	1.57	1.41	1.28
22	2.89	2.75	2.61	2.48	2.34	2.17	1.98	1.82	1.65	1.49	1.35
23	3.00	2.86	2.72	2.57	2.43	2.26	2.06	1.89	1.72	1.54	1.40
24	3.14	2.99	2.84	2.69	2.54	2.36	2.15	1.97	1.79	1.61	1.47
25	3.39	3.23	3.07	2.91	2.75	2.55	2.33	2.13	1.94	1.74	1.58
26	3.68	3.50	3.33	3.15	2.98	2.77	2.52	2.31	2.10	1.89	1.72

Symbol      1989 & Prior

1	0.21
2	0.25
3	0.31
4	0.35
5	0.41
6	0.45
7	0.49
8	0.59
10	0.68
11	0.74
12	0.82
13	0.88
14	0.98
15	1.06
16	1.17
17	1.24
18	1.35
19	1.43
20	1.51
21	1.72

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. a. Basic Limits

Basic Limits of Uninsured Motorists Coverage are \$30,000/60,000 Bodily Injury and \$25,000 Property Damage. Property Damage Uninsured Motorists Coverage is subject to an exclusion of the first \$100 of damage.

Rate - Single Car Policy	\$[18] <u>16</u>
Multi-Car Policy	\$[43] <u>38</u>

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

1. b. Increased Limits

Increased limits of Uninsured Motorists coverage may be afforded. Property Damage limits may not exceed the Property Damage limit afforded by the policy.

Uninsured Motorists Coverage is available at the following limits with rates per policy shown:

	B.I. Limits		P.D. Limits	
	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy
\$ 30/60	\$ [16] <u>14</u>	\$[38] <u>33</u>	\$ 25	\$ 2
50/100	[17] <u>15</u>	[40] <u>35</u>	50	3
100/200	[19] <u>16</u>	[45] <u>38</u>	100	4
100/300	[20] <u>17</u>	[47] <u>40</u>	250	6
300/300	[21] <u>18</u>	[50] <u>42</u>	500	8
250/500	[22] <u>19</u>	[52] <u>45</u>	750	10
500/500	[24] <u>20</u>	[57] <u>47</u>	1,000	11
500/1,000	[25] <u>21</u>	[59] <u>50</u>		
1,000/1,000	[26] <u>22</u>	[61] <u>52</u>		

Memorandum - North Carolina Personal Auto Manual  
 Matter underlined is new; matter in brackets [ ] is deleted.

14. MISCELLANEOUS COVERAGES (Cont'd)

B. Combined Uninsured/Underinsured Motorists Coverage

1. b. Rates

Combined Uninsured/Underinsured Motorists coverage is available at the following limits with rates per policy shown:

	B.I. Limits				P.D. Limits	
	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy
\$ 50/100	\$ [20] <u>18</u>	\$ [47] <u>42</u>	\$ 25	\$ 2	\$ 5	
100/200	[33] <u>31</u>	[78] <u>73</u>	50	3	7	
100/300	[39] <u>36</u>	[92] <u>85</u>	100	4	9	
300/300	[49] <u>47</u>	[116] <u>110</u>	250	6	14	
250/500	[58] <u>57</u>	[137] <u>135</u>	500	8	19	
500/500	[79] <u>78</u>	[187] <u>184</u>	750	10	24	
500/1,000	[91] <u>90</u>	[215] <u>213</u>	1,000	11	26	
1,000/1,000	[102] <u>101</u>	[240] <u>238</u>				

Memorandum - North Carolina Personal Auto Manual  
Matter underlined is new; matter in brackets [ ] is deleted.

14. MISCELLANEOUS COVERAGES (Cont'd)

C. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this manual.
2. Collision Deductibles For Which No Premiums Are Shown
  - \$25 Deduct. (071) - Charge 150% of the \$50 Deduct. Collision Premium
  - \$200 Deduct. (073) - Charge 97% of the \$100 Deduct. Collision Premium
  - \$250 Deduct. (076) - Charge 95% of the \$100 Deduct. Collision Premium
  - \$500 Deduct. (077) - Charge [85%] 88% of the \$100 Deduct. Collision Premium
  - \$1,000 Deduct. (078) - Charge [73%] 75% of the \$100 Deduct. Collision Premium
3. Comprehensive Deductibles For Which No Premiums Are Shown
  - \$100 Deduct. (010) - Charge 90% of the Full Coverage Comprehensive Premium
  - \$250 Deduct. (055) - Charge [75%] 77% of the Full Coverage Comprehensive Premium
  - \$500 Deduct. (726) - Charge [56%] 60% of the Full Coverage Comprehensive Premium
  - \$1,000 Deduct. (727) - Charge [42%] 50% of the Full Coverage Comprehensive Premium
4. Theft - \$50 Deductible - Charge 75% of the Full Coverage Theft rate.

(Remainder of rule is unchanged.)

Memorandum - North Carolina Personal Auto Manual  
Matter underlined is new; matter in brackets [ ] is deleted.

18. INCREASED LIMITS

B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor	
\$ 30/60	[1.00]	<u>1.00</u>
50/100	[1.12]	<u>1.14</u>
100/100	[1.18]	<u>1.25</u>
100/200	[1.23]	<u>1.30</u>
100/300	[1.28]	<u>1.32</u>
300/300	[1.31]	<u>1.50</u>
250/500	[1.38]	<u>1.52</u>
500/1,000	[1.57]	<u>1.67</u>
1,000/1,000	[1.63]	<u>1.76</u>
1,000/2,000	[1.73]	<u>1.81</u>

C. \$25,000 Property Damage Liability Increased Limits Table

Applicable to \$25,000 Property Damage Liability Rates Only:

Total Limits	Factor	
\$ 25,000	[1.00]	<u>1.000</u>
35,000	[1.01]	<u>1.005</u>
50,000	[1.02]	<u>1.010</u>
100,000	[1.04]	<u>1.030</u>
250,000	[1.07]	<u>1.059</u>
500,000	[1.13]	<u>1.113</u>
750,000	[1.17]	<u>1.153</u>
1,000,000	[1.22]	<u>1.202</u>

(Remainder of rule is unchanged.)

19. MISCELLANEOUS TYPES (Cont'd)

- B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes.

LIABILITY COVERAGES ONLY

1. Such vehicles with engine size of 324 cubic centimeters or less shall be rated at [21%] 20% of the applicable private passenger rate. (Class Code - Motorcycles 951000; Others 960000)
2. Such vehicles with engine size of 325 cubic centimeters or more shall be rated at [39%] 37% of the applicable private passenger rate. (Class Code - Motorcycles 952000; Others 961000)



Matter underlined is new; matter in brackets [ ] is deleted.

PERSONAL AUTO MANUAL

NORTH CAROLINA

PRIMARY CLASSIFICATION RATING FACTORS

Coverage	Pleasure Use	Drive to or From Work		Business Use	Farm Use
	(1A)	Less Than 10 Miles (1B)	10 or More Miles (1C)	(3)	(1AF)
BI, PD and Med. Pay.	1.00	1.05	1.05	1.10	.80
Collision	1.00	1.10	1.15	1.15	.80
Comprehensive, Fire, Theft and C.A.C.	1.00	1.20	1.25	1.30	.85

Add the following rating factors to the Primary Rating Factor

No Inexperienced Operator			
Single or Multi-Car Risk	BI, PD and Med. Pay	Collision	Comprehensive, Fire, Theft and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor [-0.30] <u>-0.35</u>	Factor [-0.25] <u>-0.30</u>	Factor [-0.15] <u>-0.10</u>

Matter underlined is new; matter in brackets [ ] is deleted.

INEXPERIENCED OPERATOR				
Single or Multi-Car Risks		BI, PD and Med. Pay.	Collision	Comprehensive Fire, Theft & CAC
Single Car	Principal Operator Licensed For:			
	Less Than One Year	Factor [+2.50] <u>+3.00</u>	Factor [+2.50] <u>+3.00</u>	Factor +0.50
	Less Than Two Years	Factor +1.60	Factor +1.60	Factor +0.50
	Less Than Three Years	Factor +1.25	Factor +1.25	Factor +0.50
	Occasional Operator Licensed For:			
	Less Than One Year	Factor +2.00	Factor +2.00	Factor +0.20
	Less Than Two Years	Factor +1.10	Factor +1.10	Factor +0.20
	Less Than Three Years	Factor +0.90	Factor +0.90	Factor +0.20
Multi-Car	Principal Operator Licensed For:			
	Less Than One Year	Factor [+2.20] <u>+2.65</u>	Factor [+2.25] <u>+2.70</u>	Factor [+0.35] <u>+0.40</u>
	Less Than Two Years	Factor [+1.30] <u>+1.25</u>	Factor [+1.35] <u>+1.30</u>	Factor [+0.35] <u>+0.40</u>
	Less Than Three Years	Factor [+0.95] <u>+0.90</u>	Factor [+1.00] <u>+0.95</u>	Factor [+0.35] <u>+0.40</u>
	Occasional Operator Licensed For:			
	Less Than One Year	Factor [+1.70] <u>+1.65</u>	Factor [+1.75] <u>+1.70</u>	Factor [+0.05] <u>+0.10</u>
	Less Than Two Years	Factor [+0.80] <u>+0.75</u>	Factor [+0.85] <u>+0.80</u>	Factor [+0.05] <u>+0.10</u>
	Less Than Three Years	Factor [+0.60] <u>+0.55</u>	Factor [+0.65] <u>+0.60</u>	Factor [+0.05] <u>+0.10</u>

Matter underlined is new; matter in brackets [ ] is deleted.

**PERSONAL AUTO MANUAL  
NORTH CAROLINA  
PRIMARY CLASSIFICATION RATING FACTORS  
(CONT'D)**

**SAFE DRIVER INSURANCE PLAN FACTORS AND CODES**

Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.

Use the statistical code indicated for the Driving Record Sub-Classification.

Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	0.25
2	2	02	0.45
3	3	03	<del>[0.65]</del> <u>0.60</u>
4	4	04	<del>[0.90]</del> <u>0.80</u>
5	5	05	<del>[1.20]</del> <u>1.05</u>
6	6	06	<del>[1.50]</del> <u>1.30</u>
7	7	07	<del>[1.80]</del> <u>1.60</u>
8	8	08	<del>[2.20]</del> <u>1.90</u>
9	9	09	<del>[2.60]</del> <u>2.25</u>
10	10	10	<del>[3.00]</del> <u>2.60</u>
11	11	11	<del>[3.50]</del> <u>3.00</u>
12 or more	12	12	<del>[4.00]</del> <u>3.40</u>
<b>Vehicles Not Eligible for SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.</b>			
Not Eligible	NE	95	+0.10

# North Carolina

## Private Passenger Automobile Insurance - 2002

### Ordered Territory Base Class Rates - Liability

Territory Description	30/60 Bodily Injury			\$25,000 Property Damage			Medical Payments		
	Present	Ordered	% Change	Present	Ordered	% Change	Present	Ordered	% Change
11 Asheville	102	91	-10.8%	146	127	-13.0%	10	10	0.0%
13 Durham	159	136	-14.5%	175	150	-14.3%	16	14	-12.5%
14 Greensboro	142	123	-13.4%	173	149	-13.9%	14	13	-7.1%
15 High Point	166	144	-13.3%	173	146	-15.6%	16	15	-6.3%
16 Raleigh	140	119	-15.0%	184	155	-15.8%	14	12	-14.3%
17 Wilmington	169	146	-13.6%	177	148	-16.4%	17	15	-11.8%
18 Winston-Salem	122	108	-11.5%	152	130	-14.5%	12	11	-8.3%
24 Remainder-West	126	110	-12.7%	142	124	-12.7%	12	12	0.0%
25 Gaston County	149	128	-14.1%	167	144	-13.8%	15	13	-13.3%
26 Remainder-South	183	163	-10.9%	147	127	-13.6%	18	17	-5.6%
31 Small City-East	166	138	-16.9%	162	137	-15.4%	16	14	-12.5%
32 Small City-West	130	114	-12.3%	151	131	-13.2%	13	12	-7.7%
33 Remainder-East	154	136	-11.7%	134	116	-13.4%	15	14	-6.7%
40 Fayetteville	188	170	-9.6%	175	152	-13.1%	19	18	-5.3%
41 Onslow County	168	141	-16.1%	167	140	-16.2%	17	15	-11.8%
43 Craven County	150	131	-12.7%	134	113	-15.7%	15	14	-6.7%
47 Wayne County	153	139	-9.2%	143	126	-11.9%	15	15	0.0%
51 Mecklenberg County - remainder	131	108	-17.6%	162	141	-13.0%	13	11	-15.4%
52 Charlotte	166	144	-13.3%	189	163	-13.8%	16	15	-6.3%

**North Carolina**  
**Private Passenger Automobile Insurance - 2002**

**Ordered Statewide Rates - Uninsured Motorists**

<u>Limits</u>	<u>Bodily Injury Coverage</u>				<u>Property Damage Coverage</u>			
	<u>(2) Single Car Rates</u>		<u>(4) %</u>	<u>(5) Ordered Multi-Car</u>	<u>(6) Single Car Rates</u>		<u>(8) Ordered Multi-Car</u>	
	<u>Present</u>	<u>Ordered</u>	<u>Change</u>	<u>Car</u>	<u>Limits</u>	<u>Present</u>	<u>Ordered</u>	<u>Car</u>
30/60	\$16	\$12	-25.0%	\$28	25	2	2	5
50/100	17	13	-23.5%	31	50	3	3	7
100/200	19	14	-26.3%	33	100	4	4	9
100/300	20	15	-25.0%	35	250	6	6	14
300/300	21	16	-23.8%	38	500	8	8	19
250/500	22	17	-22.7%	40	750	10	10	24
500/500	24	18	-25.0%	42	1000	11	11	26
500/1000	25	19	-24.0%	45				
1000/1000	26	20	-23.1%	47				

**North Carolina**  
**Private Passenger Automobile Insurance - 2002**  
**Combined Uninsured/Underinsured Motorists**  
**Ordered Statewide Rates**

<u>UM/UIM Bodily Injury Coverage</u>					<u>Property Damage Coverage</u>			
	(2)	(3)	(4)	(5)		(6)	(7)	(8)
	<u>Single Car Rates</u>			Ordered		<u>Single Car Rates</u>		Ordered
<u>Limits</u>	<u>Present</u>	<u>Ordered</u>	%	Multi-	<u>Limits</u>	<u>Present</u>	<u>Ordered</u>	Multi-
			<u>Change</u>	<u>Car</u>				<u>Car</u>
50/100	20	16	-20.0%	38	25	2	2	5
100/200	33	26	-21.2%	61	50	3	3	7
100/300	39	30	-23.1%	70	100	4	4	9
300/300	49	39	-20.4%	92	250	6	6	14
250/500	58	47	-19.0%	111	500	8	8	19
500/500	79	64	-19.0%	151	750	10	10	24
500/1000	91	74	-18.7%	175	1000	11	11	26
1000/1000	102	83	-18.6%	196				

# North Carolina

## Private Passenger Automobile Insurance - 2002

### Ordered Territory Base Class Rates - Physical Damage

		<b>Model Year 2003, Symbol 2</b>					
		<u>Full Coverage Comprehensive</u>			<u>\$100 Deductible Collision</u>		
<u>Territory Description</u>		<u>Present</u>	<u>Ordered</u>	<u>% Change</u>	<u>Present</u>	<u>Ordered</u>	<u>% Change</u>
11	Asheville	50	39	-22.0%	230	196	-14.8%
13	Durham	78	59	-24.4%	256	211	-17.6%
14	Greensboro	62	51	-17.7%	248	215	-13.3%
15	High Point	56	46	-17.9%	245	204	-16.7%
16	Raleigh	67	50	-25.4%	250	206	-17.6%
17	Wilmington	60	49	-18.3%	240	196	-18.3%
18	Winston-Salem	59	46	-22.0%	226	190	-15.9%
24	Remainder-West	81	63	-22.2%	246	210	-14.6%
25	Gaston County	59	45	-23.7%	269	224	-16.7%
26	Remainder-South	101	78	-22.8%	258	215	-16.7%
31	Small City-East	79	58	-26.6%	234	194	-17.1%
32	Small City-West	67	54	-19.4%	233	197	-15.5%
33	Remainder-East	107	82	-23.4%	236	199	-15.7%
40	Fayetteville	74	61	-17.6%	269	232	-13.8%
41	Onslow County	79	67	-15.2%	313	287	-8.3%
43	Craven County	66	58	-12.1%	215	185	-14.0%
47	Wayne County	76	60	-21.1%	236	204	-13.6%
51	Mecklenberg County - remainder	60	45	-25.0%	235	200	-14.9%
52	Charlotte	59	45	-23.7%	257	219	-14.8%

RULES AND REGULATIONS  
NORTH CAROLINA RATE BUREAU  
Implementation and Escrow Procedures

Pursuant to G.S. 58-36-25(b) the following rules and regulations are hereby established and adopted by the Governing Committee of the North Carolina Rate Bureau and will apply in all cases in which a Bureau rate is held to be unfairly discriminatory or excessive and no longer effective by order of the Commissioner of Insurance under G.S. 58-36-20 or G.S. 58-36-70(d):

1. After receiving notice that a Bureau rate has been held by the Commissioner of Insurance pursuant to such statute to be excessive or unfairly discriminatory and no longer effective, the Governing Committee of the Bureau shall consider and determine whether all or any portion of such disapproved rate shall be used, charged and collected by its member companies pending judicial review of the Commissioner's order.

2. No portion of such disapproved rate shall be used, charged or collected by any member of the Bureau pending judicial review of such order unless the Governing Committee of the Bureau shall have determined by majority vote that such disapproved rate (or portion thereof) shall be used, charged and collected during such period.

3. If the Governing Committee of the Bureau shall determine that all or any portion of the disapproved rate shall be used, charged and collected pending judicial review, the Bureau shall notify its member companies of such determination.

4. Upon notice that the Governing Committee of the Bureau has determined that all or any portion of the disapproved rate shall be used, charged and collected pending judicial review, all members of the Bureau shall:

(a) Use, charge and collect such rate (or portion thereof as may have been determined by the Bureau) for the interim period pending judicial review of the Commissioner's order of disapproval on all policies of the type to which the disapproved rate applies, unless and until the Bureau directs that use of such disapproved rate be discontinued; and

(b) Pursuant to North Carolina General Statute 58-36-25, pending final judicial review, place into an escrow account the purportedly excessive or unfairly discriminatory portion of the premium collected on all policies of the type to which the disapproved rate applies; and

(c) Maintain such records as may be necessary to comply with a final determination by the Court, or a consent agreement or consent order between the Bureau and the Commissioner with respect to disposition of the amounts held in escrow.

5. Upon the entry of any order with respect to distribution of escrowed funds, the Bureau will notify its member companies of such order.

March 14, 2001