



December 20, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revision to Motorcycle Relativities
Personal Automobile Manual

The Commissioner of Insurance recently approved revisions to the motorcycle relativities included in the Personal Auto Manual. This revision introduces four categories of cubic centimeters (cc's) in lieu of the current two categories.

The current classifications of 0 to 324 and 325 and higher are being eliminated for both the voluntary and ceded business and are being replaced with the classifications of 0 to 499, 500 to 1,249, 1,250 to 1,499 and 1,500 and higher. Also, a separate medical payments factor is being introduced.

This revision becomes effective in accordance with the following Rule of Application.

This revision becomes effective with respect to all new and renewal policies written to become effective on or after October 1, 2006.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp
Attachment

A-05-8

Material ~~struck through~~ is deleted and material underlined is new

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

~~With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility the following provisions apply:~~

~~1. Such vehicles with engine size of 324 cubic centimeters or less shall be rated at 20% of the applicable voluntary 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 36% of the applicable voluntary private passenger rate. (Class Code . Motorcycles 952000; Others 961000)~~

~~With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility the following provisions apply:~~

~~3. Such vehicles with engine size of 324 cubic centimeters or less shall be rated at 18% of the applicable ceded private passenger rate. (Class Code . Motorcycles 951000; Others 960000)~~

~~4. Such vehicles with engine size of 325 cubic centimeters or more shall be rated at 32% of the applicable ceded private passenger rate. (Class Code . Motorcycles 952000; Others 961000)~~

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage and medical payments* rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

<u>Engine Size Cubic Centimeters (cc)</u>	<u>Bodily Injury and Property Damage</u>	<u>Medical Payments*</u>
<u>0 – 499</u>	<u>0.19</u>	<u>0.50</u>
<u>500 – 1249</u>	<u>0.31</u>	<u>0.50</u>
<u>1250 – 1499</u>	<u>0.43</u>	<u>0.50</u>
<u>1500 - up</u>	<u>0.56</u>	<u>0.50</u>

* Note: Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured

Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

<u>Engine Size Cubic Centimeters (cc)</u>	<u>Bodily Injury and Property Damage</u>
<u>0 – 499</u>	<u>0.17</u>
<u>500 – 1249</u>	<u>0.28</u>
<u>1250 – 1499</u>	<u>0.38</u>
<u>1500 - up</u>	<u>0.50</u>