

January 4, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy Program

By Circular Letter To All Member Companies date October 26, 2005 and a subsequent Circular Letter dated December 8, 2005, this Bureau announced revisions to the Personal Auto Policy Program. These revisions are to become effective with policies effective on or after May 1, 2006.

Several typographical errors have been identified throughout the policy and in a couple of endorsements. Below is a list of those typographical errors.

Form NC 00 01 06 05

- Page 3, right column, exclusion 2: “insured” needs to be bold as a defined term.
- Page 5, right column: “Insured” needs to be bold as a defined term.
- Page 6, left column, exclusion 5: “family member” needs to be bold as a defined term in two places.
- Page 7, right column, exclusion 4: “insured” needs to be bold as a defined term.
- Page 8 left column, exclusion 7: “occupying” needs to be bold as a defined term.
- Page 8 left column, exclusion 7: “family member” needs to be bold as a defined term.
- Page 8, bottom of left column and top of right column, second items 1, 2, and 3 under Limit of Liability: “bodily injury” and “property damage” need to be bold as defined terms.
- Page 10, right column, item A under “Exclusions”: “uninsured motor vehicle” needs to be bold as a defined term.
- Page 10, right column, item A under “Exclusions”: “insured” needs to be bold as a defined term.
- Page 10, right column, exclusion 7: “family member” needs to be bold as a defined term.
- Page 12, right column, 4th paragraph of Insuring Agreement: change a, b, c, to 1, 2, 3.
- Page 13, left column in the lead sentence to the perils that are considered “other than collision”: “...Other than **collision**” should not be capitalized since it is not at the beginning of the sentence and it is not a reference to the coverage title. If it were a reference to the coverage title, then the whole title should be capitalized and collision wouldn’t be bold.
- Page 13, right column, Exclusions #2: “your covered auto” and “non-owned auto” need to be bold as a defined term.
- Page 15, left column, under Payment of Loss, in the CAPITALIZED paragraph: “YOUR COVERED AUTO” needs to be bold as a defined term.
- Page 15, right column, 2nd paragraph under “Loss Payee”: “than” in “Other than Collision Coverage” needs to be capitalized.

- Page 16, right column, item 2 under Additional Duties For UM...: “insured” needs to be bold as a defined term.
- Page 18, left column, item f: “your covered auto” needs to be bold as a defined term.
- Page 18, “Other Termination Provisions” alignment:
 - Item 1, the second line starting with “policy” should line up under the first word (“If”) of the first line.
 - The line under item 1c which reads “we will comply with those requirements.” Should line up under the preceding letter “c
 - ” so that the statement modifies 1a, b, and c. It is currently lined up under the #1.
 - The second and subsequent lines under items 2, 3, and 4 should line up under the first word of the first line in each item. The lines are currently lined up under the numbers.
- Page 18, “Other Termination Provisions”, item 3: “Named Insured” should not be capitalized since it is not capitalized elsewhere in the policy.
- Page 18, right column, under Auto Repairs: The (i), (ii), and (iii) should be 1., 2., and 3. The alignment of the second and subsequent lines under these items should also be lined up under the first word of the first line in each item. They are currently lined up under the numbers.

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- Last sentence under “Definitions”: “newly acquired autos” needs to be bold as a defined term.
- Page 2, left column, under section IV: delete the strikethrough material.
- Page 3, left column, item 1 under “Uninsured motor vehicle”: delete the strikethrough material.

Form NC 03 20 06 05

- Page 2, item II.B.2, second paragraph: “insured” needs to be bold as a defined term.
- Throughout the endorsement, the reference numbers and letters in the outline (except for those in bold titles), and reference to the numbers and letters within the text should not be bold.
- Page 3, item IV.B., third paragraph: “insured” needs to be bold as a defined term.
- Page 3, item V., second paragraph: “insured” needs to be bold as a defined term.

The above changes to the NC 00 01 06 05 should also be reflected, where appropriate, in the NC 00 02 06 05 if not already incorporated.

The revised policy forms and endorsements are not attached to this Circular. However, the revised policy forms and endorsements are published on the Rate Bureau website. To download these forms, including the changes, please go to www.ncrb.org, click on Personal Lines Services and then click on Member Services Portal. You will be required to login to this area of our website. You will then have access to these documents in PDF format as well as Word format. If you have not received a user name and password please go the General Circulars section of the website and review Circular G-05-2 for instructions on obtaining this information.

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

A-05-9