

November 22, 2013

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy  
Notice of Cancellation or Refusal to Renew

The Commissioner of Insurance has approved revisions to the NC 01 90 - Notice of Cancellation or Refusal to Renew that is used with the Personal Auto Policy Program. These revisions are designed to track the changes made as a result of the enactment of Senate Bill 402. One of the changes made by this legislation is to revise the conviction of "operating a motor vehicle without maintaining financial responsibility" from a Class 1 misdemeanor to a Class 3 misdemeanor.

This change becomes effective in accordance with the following Rule of Application:

This change becomes effective December 1, 2013.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

Attachment

A-13-4

NOTICE OF CANCELLATION OR REFUSAL TO RENEW (NORTH CAROLINA)

of \_\_\_\_\_

(Kind of Policy)

Policy Number	Issued through agency or office at:	Cancellation or Termination will take effect at (date) (Hour Standard Time)	Date of Notice
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THIS NOTICE MAILED TO:

Paragraph applicable is marked [x]

[ ] CANCELLATION OF EXISTING POLICY

You are hereby notified in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance will cease at and from the hour and date indicated above. If premium has been paid, premium adjustment will be made as soon as practicable.

[ ] NON-RENEWAL OF PRESENT POLICY

You are hereby notified, in accordance with law, that the above numbered policy will expire effective at and from the hour and date indicated above and the policy will not be renewed.

THIS ACTION HAS BEEN TAKEN FOR THE FOLLOWING SPECIFIC REASON OR REASONS:

CONTINUOUS FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) REQUIRED - Nothing in the following advisory language affects or modifies the notice of cancellation or the notice of nonrenewal above. YOU ARE CAUTIONED THAT UNDER NORTH CAROLINA LAW YOU MUST MAINTAIN FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) CONTINUOUSLY THROUGHOUT YOUR MOTOR VEHICLE'S REGISTRATION PERIOD. OPERATION OF A MOTOR VEHICLE WITHOUT MAINTAINING SUCH FINANCIAL RESPONSIBILITY IS A CLASS ~~3~~ MISDEMEANOR, AND THE PENALTIES FOR SUCH OPERATION INCLUDE LOSS OF YOUR VEHICLE'S LICENSE PLATE ~~FOR THIRTY (30) DAYS,~~ IMPRISONMENT OF UP TO ~~120~~ 20 DAYS, AND A FINE UP TO \$200 AND A PENALTY UP TO \$150 IN THE DISCRETION OF THE COURT.

If your liability coverage is being cancelled, you SHOULD contact your present agent or any other licensed agent to secure replacement insurance in order to maintain continuous financial responsibility.

INFORMATION REGARDING YOUR RIGHT TO A REVIEW

You are hereby advised that North Carolina law provides that you have the right to make a written request to the Commissioner of Insurance, within 10 days after you receive this notice, that the Commissioner review the action of the insurer. Your right to a review applies under the law only to the cancellation of or refusal to renew AUTOMOBILE LIABILITY, MEDICAL PAYMENTS AND UNINSURED MOTORISTS OR COMBINED UNINSURED/UNDERINSURED MOTORISTS INSURANCE coverages, NOT to the cancellation of or refusal to renew any other coverages, including collision or comprehensive coverages. Your request for a review by the Commissioner should be addressed to: Commissioner of Insurance, North Carolina Department of Insurance, 1201 Mail Service Center, Raleigh, North Carolina 27699-1201. You should clearly state the reasons for your request AND enclose a copy of this notice. If you deny the truth or accuracy of any reason or fact stated in this notice, you should state in your written request that you deny it and identify the particular reason or fact that you deny.

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

By: \_\_\_\_\_

(Authorized Signature)