

NORTH CAROLINA RATE BUREAU

**POST OFFICE BOX 176010
RALEIGH, NORTH CAROLINA 27619-6010**

JOHN W WATKINS
General Manager

3401 SIXFORKS ROAD
RALEIGH, NORTH CAROLINA 27609-4433

TELEPHONE (919) 783-9790
FAC SIMILE (919) 783-0333

JERRY G HAMRICK
Workers Compensation Manager

DAVID E STINE, JR
Acting Manager

CHARLES B TAYLOR
Personal Lines Manager

February 2, 1994

CIRCULAR LETTER TO ALL MEMBER COMPANIES

IMPORTANT NOTICE

Re: Revised Classification and Sub-Classification Plans Rating Factors

By Circular Letter to All Member Companies A-93-4 dated November 9, 1993, our member companies were advised (1) that a private passenger automobile insurance rate filing to be submitted to the Department of Insurance by the Rate Bureau on or before February 1, 1994 would include proposals for changes in the classification and sub-classification plans rating factors, and (2) that the Rate Bureau would distribute the proposed revised rating factors immediately after the rate filing was submitted.

The Rate Bureau's February 1, 1994 filing included a proposal that the filed changes become effective June 1, 1994 in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies written on or after June 1, 1994, and to all policies written before June 1, 1994, which will become effective on or after July 15, 1994. No policy effective prior to June 1, 1994, 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 June 1, 1994.

It should be emphasized that the above Rule of Application was proposed by the Rate Bureau and it is possible that it might be necessary to change the June 1, 1994 effective date. Developments in connection with the Rate Bureau's February 1, 1994 filing which might affect the proposed June 1, 1994 effective date will be communicated by circular letter to our member companies immediately as they occur.

Enclosed is a memorandum which sets forth the proposed revised classification and sub-classification plans rating factors. Please bear in mind that the enclosed information is for your advance planning and to enable you to begin taking appropriate steps to implement the revised classification and sub-classification plans rating factors after you are instructed to do so by the Rate Bureau.

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

Very truly yours,

John W. Watkins

General Manager

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[Enclosure](#)

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