

NORTH CAROLINA RATE BUREAU

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July 30, 1996

CIRCULAR LETTER TO ALL MEMBER COMPANIES

IMPORTANT

STATUS REPORT

**Re: April 1, 1996 Filing of Automobile
Insurance Rates**

Our Circular Letter to All Member Companies A-96-2 dated April 24, 1996 advised member companies to take appropriate steps to be prepared to implement revised rates, classification plan rating factors, territorial definitions and uninsured and combined uninsured/underinsured motorists coverage rating procedures when instructed to do so by the Rate Bureau.

The purpose of this circular letter is to provide our member companies with a status report on the Rate Bureau's April 1, 1996 filing proposing that revised private passenger automobile insurance rates and other proposals be implemented effective October 1, 1996.

A public hearing on the Rate Bureau's April 1, 1996 filing began on July 9, 1996. Based on the current hearing schedule, it appears that the hearing may not be concluded until the last week in August, 1996. Following conclusion of the public hearing, the Commissioner of Insurance has 45 days in which to issue his Decision. If the Commissioner elects to utilize the full 45 days, a Decision would not be issued until the middle of October, 1996.

Although the Rate Bureau has no way of knowing when the Commissioner will issue his Decision on the April 1, 1996 filing, we are hopeful that a Decision will be issued shortly after the hearing is closed. At this time, it appears very unlikely that the proposed October 1, 1996 effective date can be utilized to implement the revised rates and other changes.

Further developments in connection with the Rate Bureau's April 1, 1996 filing which affect the effective date will be communicated by circular letter to our member companies as they occur.

Member companies are once again advised to take appropriate steps to implement the revised rates and other proposals when you are requested to do so by the Rate Bureau. You should not actually implement these changes until 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 you Company.

Very truly yours,

John W. Watkins

General Manager

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