

# NORTH CAROLINA RATE BUREAU

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January 7, 1998

## CIRCULAR LETTER TO ALL MEMBER COMPANIES

**Re: Endorsement NC 03 80 (Ed. 1-98)  
Alternative Economic Loss Coverage - North Carolina**

Amendments Rule 14.B.2.

North Carolina Personal Auto Manual

The Commissioner of Insurance has approved filings submitted by the Rate Bureau for a new Alternative Economic Loss Coverage which will be available for optional use by the Rate Bureau's member companies.

Alternative Economic Loss Coverage is an alternative to Uninsured Motorists Coverage or Combined Uninsured/Underinsured Motorists Coverage. Alternative Economic Loss Coverage may be made available at the option of an insurer to cover economic loss for bodily injury to the named insured, family members and passengers. Economic loss includes expenses for medical care, compensation for lost earnings, payment for necessary services and a death benefit when bodily injury/death results from an automobile accident caused by an uninsured or underinsured motorist. All non-economic losses are specifically excluded. These include pain and suffering, loss of consortium, inconvenience, etc. Alternative Economic Loss Coverage is excess over any other collectible insurance that covers economic loss benefits.

Alternative Economic Loss Coverage is only available to those insureds who first reject Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage in writing.

Enclosed is a copy of Endorsement NC 03 80 (Ed. 1-98) and a memorandum which sets forth proposed amendments to Rule 14.B.2. in the North Carolina Personal Auto Manual.

These changes become effective in accordance with the following Rule of Application:

These changes are applicable to policies written on and after February 1, 1998.

Please note that Alternative Economic Loss Coverage has not been filed by the North Carolina Reinsurance Facility and that coverages afforded under Endorsement 03 80 (Ed. 1-98) are not eligible for cession to the Reinsurance Facility.

Please see to it that all of your interested company personnel and agents are informed of these changes.

Very truly yours,

John W. Watkins

General Manager

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[Enclosure](#)

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