

north carolina  
RATE BUREAU  
REINSURANCE FACILITY  
INSURANCE GUARANTY ASSOCIATION

January 30, 2009

RECEIVED

Honorable Wayne Goodwin  
Commissioner of Insurance  
North Carolina Department of Insurance  
PO Box 26387  
Raleigh, North Carolina 27611

JAN 30 2009

N.C. Dept of Insurance  
Property & Casualty

Re: Revision of Automobile Insurance Rates -  
Private Passenger Cars and Motorcycles

Dear Commissioner Goodwin:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Rate Bureau, with respect to vehicles subject to the jurisdiction of the Rate Bureau, are (1) revised premium rates for bodily injury and property damage liability, medical payments, uninsured and underinsured motorists, and physical damage insurance for nonfleet private passenger automobiles; (2) revised premium rates for liability insurance for motorcycles; (3) revised increased limits factors for bodily injury; (4) revised deductible relativities; (5) revised model year relativities; and (6) revisions to the classification and subclassification plans rating factors.

The enclosed memoranda and exhibits set forth and explain the calculations which indicate the need for (1) a statewide average liability insurance rate level increase of 5.4% for nonfleet private passenger automobiles and a increase of 7.2% for motorcycles; and (2) statewide average physical damage insurance rate level decrease of 5.2% for nonfleet private passenger automobiles.

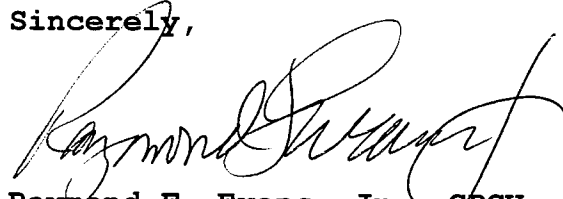
The foregoing changes were calculated based on rates to become effective October 1, 2009 and reflect consideration, duly given, to data for the experience period set forth herein. Ratios in the filing relating to expense experience were developed from special calls issued by the Rate Bureau. In preparing this filing, due consideration has been given to the factors specified in G.S.58-36-10(2). Information and statistical data required pursuant to G.S. 58-36-15 and 11 NCAC 10.1104 are shown and referenced in

Section H. Additionally, the pre-filed testimony of (a) Raymond F. Evans, Jr., General Manager - North Carolina Rate Bureau; (b) Patrick B. Woods, Assistant Vice President and Manager - Insurance Services Office, Inc.; (c) Michael J. Miller - Consulting Actuary; (d) Dr. James Vander Weide, Fuqua School of Business of Duke University; and (e) Dr. David Appel - Director - Milliman, Inc. are submitted herewith.

The revised rates are to become effective October 1, 2009 in accordance with the following Rule of Application:

These changes are applicable to all policies effective on or after October 1, 2009. No policy effective prior to October 1, 2009 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 October 1, 2009.

Sincerely,



Raymond F. Evans, Jr., CPCU  
General Manager

RFE:dms

Enclosures

NORTH CAROLINA  
VOLUNTARY PRIVATE PASSENGER AUTOMOBILE INSURANCE  
REVISION OF RATES

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SECTION A  
SUMMARY OF REVISION

NORTH CAROLINA  
SUMMARY OF PROPOSED RATE LEVEL CHANGES

	EARNED PREMIUMS* AT PRESENT <u>MANUAL RATES</u>	FILED RATE LEVEL <u>CHANGE</u>
Liability:		
Bodily Injury (A)	\$1,416,795	6.5%
Property Damage (A)	\$1,092,132	2.5%
Medical Payments	\$160,757	9.9%
Uninsured Motorists	\$116,605	3.0% (B)
Underinsured Motorists	\$163,499	13.4% (B)
Liability Total	\$2,949,788	5.4%
Physical Damage:		
Comprehensive	\$534,276	1.4%
Collision	\$1,275,050	-8.0%
Physical Damage Total	\$1,809,326	-5.2%
GRAND TOTAL	\$4,759,114	1.4%
Motorcycle Liability	\$30,670	7.2% (C)

\* In thousands.

- (A) INDICATIONS ARE COMBINED FOR BASIC AND HIGHER LIMITS. FOR BODILY INJURY THE BASIC LIMITS CHANGE IS +8.9% AND THE HIGHER LIMITS CHANGE IS -2.2%. FOR PROPERTY DAMAGE, THE BASIC LIMITS CHANGE IS +2.5% AND THE HIGHER LIMITS CHANGE IS 0.0%.
- (B) THREE YEAR AVERAGE WEIGHTED ON EARNED CAR YEARS.
- (C) THREE YEAR AVERAGE WEIGHTED ON EARNED PREMIUM AT PRESENT MANUAL RATES.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
TERRITORY RATE LEVEL CHANGES BY COVERAGE

<u>Terr. Code</u>	<u>Description</u>	<u>30/60 B.I.</u>	<u>\$25,000 P.D.</u>	<u>30/60/25 Combined</u>	<u>Full Coverage Comprehensive</u>	<u>\$100 Deductible Collision</u>
11	Asheville	6.4%	1.7%	3.7%	-8.4%	-7.5%
13	Durham	6.1%	0.1%	3.0%	-1.6%	-9.5%
14	Greensboro	8.8%	3.0%	5.8%	-0.1%	-6.0%
15	High Point	8.1%	2.0%	5.1%	-2.9%	-9.7%
16	Raleigh	8.2%	3.1%	5.5%	0.9%	-8.1%
17	Wilmington	5.6%	1.4%	3.5%	-5.9%	-9.9%
18	Winston-Salem	6.9%	3.3%	5.0%	-0.1%	-7.6%
24	Remainder-West	10.7%	3.0%	6.8%	2.4%	-7.9%
25	Gaston County	13.5%	2.0%	7.9%	2.5%	-6.1%
26	Remainder-South	7.3%	2.6%	5.3%	-0.6%	-7.5%
31	Small City-East	6.2%	2.7%	4.5%	6.9%	-8.9%
32	Small City-West	11.0%	2.2%	6.4%	-0.6%	-8.3%
33	Remainder-East	6.1%	1.1%	3.9%	3.7%	-8.9%
40	Fayetteville	5.6%	1.4%	3.6%	-1.9%	-9.1%
41	Onslow County	5.8%	1.7%	3.7%	-1.7%	-5.8%
43	Craven County	3.3%	0.7%	2.1%	0.9%	-8.8%
47	Wayne County	12.3%	4.7%	8.9%	8.5%	-7.1%
51	Mecklenburg County -Remainder	18.8%	6.3%	11.8%	2.3%	-5.4%
52	Charlotte	11.7%	3.4%	7.5%	-0.3%	-7.7%
	STATEWIDE	8.9%	2.5%	5.7%	1.4%	-8.0%

SECTION B  
MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

FILED BASE RATES - LIABILITY

<u>Terr</u> <u>Code</u>	<u>\$30,000/60,000</u> <u>Bodily Injury</u>	<u>\$25,000</u> <u>Property Damage</u>	<u>\$500</u> <u>Medical Payments</u>
11	\$146	\$184	\$18
13	214	214	26
14	209	210	25
15	227	203	27
16	201	217	24
17	229	223	28
18	187	193	23
24	174	167	21
25	244	206	30
26	266	183	32
31	208	194	25
32	179	179	22
33	208	164	25
40	269	228	33
41	208	210	25
43	196	171	24
47	228	174	28
51	184	210	22
52	244	232	30



NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

FILED PHYSICAL DAMAGE BASE RATES (A)

<u>Terr Code</u>	<u>FULL COVERAGE COMPREHENSIVE</u>	<u>\$100 DEDUCTIBLE COLLISION</u>
11	\$60	\$361
13	84	375
14	72	374
15	70	353
16	71	353
17	71	366
18	72	352
24	96	362
25	79	387
26	113	394
31	93	352
32	80	345
33	134	368
40	87	446
41	92	454
43	86	356
47	89	359
51	72	360
52	85	400

(A) MODEL YEAR 2010, SYMBOL 8

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSUREDS

Liability and Medical Payments Rates

Page B-1 shows the filed liability and medical payments base rates by territory. These pages set forth the filed manual rates for the classification carrying unity differential. The revised rates for the remaining classifications are determined by applying the appropriate classification rate differentials to the base rates by territory. This filing includes a proposed revision to classification rate differentials, but no revision to classifications.

Physical Damage Rates

Page B-2 shows the filed base rates by territory for Model Year 2010, Symbol 8, for the base deductibles (Full Coverage Comprehensive and \$100 Deductible Collision) and the classification carrying unity differential. These are the filed manual rates from which all other rates for these coverages may be obtained. The Model Year 2010, Symbol 8 base rate for any other deductible is obtained by applying the appropriate deductible relativity factor to the Model Year 2010, Symbol 8 base rate. This filing includes a proposed revision to the deductible relativities. The factors on pages B-4 and B-5 are applied to the Model Year 2010, Symbol 8 base rate by coverage (after application of the appropriate deductible relativity) to produce the respective model year and symbol base premiums.

The revised rates for the remaining classifications are determined by applying the appropriate classification rate differentials to the base rates by territory. This filing includes a proposed revision to classification rate differentials, but no revision to classifications.

NORTH CAROLINA  
 REVISED SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COMPREHENSIVE

		Model Year										
Symbol	2011	Symbol	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001-1990
1	0.32											
2	0.42											
3	0.53	1	0.38	0.37	0.36	0.35	0.35	0.33	0.33	0.32	0.31	0.29
4	0.61	2	0.53	0.52	0.50	0.49	0.48	0.47	0.46	0.45	0.43	0.40
5	0.68	3	0.60	0.59	0.57	0.56	0.55	0.53	0.52	0.50	0.49	0.46
6	0.75	4	0.66	0.65	0.63	0.61	0.60	0.58	0.57	0.55	0.54	0.50
7	0.83	5	0.75	0.74	0.71	0.70	0.68	0.66	0.65	0.63	0.62	0.57
8	0.90	6	0.84	0.82	0.80	0.78	0.76	0.74	0.72	0.71	0.69	0.64
10	0.97	7	0.92	0.90	0.87	0.86	0.84	0.81	0.79	0.77	0.75	0.70
11	1.03	8	1.00	0.98	0.95	0.93	0.91	0.88	0.86	0.84	0.82	0.76
12	1.08	10	1.08	1.06	1.03	1.00	0.98	0.95	0.93	0.91	0.89	0.82
13	1.12	11	1.17	1.15	1.11	1.09	1.06	1.03	1.01	0.98	0.96	0.89
14	1.17	12	1.28	1.25	1.22	1.19	1.16	1.13	1.10	1.08	1.05	0.97
15	1.23	13	1.37	1.34	1.30	1.27	1.25	1.21	1.18	1.15	1.12	1.04
16	1.28	14	1.48	1.45	1.41	1.38	1.35	1.30	1.27	1.24	1.21	1.12
17	1.33	15	1.63	1.60	1.55	1.52	1.48	1.43	1.40	1.37	1.34	1.24
18	1.38	16	1.79	1.75	1.70	1.66	1.63	1.58	1.54	1.50	1.47	1.36
19	1.42	17	1.98	1.94	1.88	1.84	1.80	1.74	1.70	1.66	1.62	1.50
20	1.46	18	2.16	2.12	2.05	2.01	1.97	1.90	1.86	1.81	1.77	1.64
21	1.51	19	2.36	2.31	2.24	2.19	2.15	2.08	2.03	1.98	1.94	1.79
22	1.56	20	2.61	2.56	2.48	2.43	2.38	2.30	2.24	2.19	2.14	1.98
23	1.61	21	2.90	2.84	2.76	2.70	2.64	2.55	2.49	2.44	2.38	2.20
24	1.65	22	3.28	3.21	3.12	3.05	2.98	2.89	2.82	2.76	2.69	2.49
25	1.70	23	3.67	3.60	3.49	3.41	3.34	3.23	3.16	3.08	3.01	2.79
26	1.75	24	4.25	4.17	4.04	3.95	3.87	3.74	3.66	3.57	3.49	3.23
27	1.80	25	5.23	5.13	4.97	4.86	4.76	4.60	4.50	4.39	4.29	3.97
28	1.86	26	6.42	6.29	6.10	5.97	5.84	5.65	5.52	5.39	5.26	4.88
29	1.93											
30	1.98											
31	2.04											
32	2.10											
33	2.16											
34	2.21											
35	2.27											
36	2.33											
37	2.41											
38	2.50											
39	2.59											
40	2.67											
41	2.76											
42	2.84											
43	2.93											
44	3.01											
45	3.09											
46	3.19											
47	3.30											
48	3.40											
49	3.50											
50	3.59											
51	3.70											
52	3.80											
53	3.89											
54	4.05											
55	4.24											
56	4.47											
57	4.72											
58	5.09											
59	5.64											
60	6.25											
61	6.83											
62	7.36											
63	7.91											
64	8.45											
65	8.99											
66	9.81											
67	10.89											
68	11.97											
69	13.05											
70	14.13											
71	15.21											
72	16.29											
73	17.38											
74	18.46											
75	19.54											

1989  
 Symbol & Prior

1	0.11
2	0.13
3	0.18
4	0.21
5	0.25
6	0.33
7	0.40
8	0.47
10	0.60
11	0.73
12	0.85
13	1.00
14	1.18
15	1.42
16	1.73
17	2.07
18	2.47
19	2.96
20	3.50
21	4.85

NORTH CAROLINA  
 REVISED SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COLLISION

Model Year												
Symbol	2011	Symbol	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001-1990
1	0.47											
2	0.63											
3	0.68	1	0.58	0.54	0.50	0.47	0.44	0.41	0.38	0.35	0.33	0.27
4	0.80	2	0.65	0.60	0.57	0.53	0.49	0.46	0.43	0.40	0.37	0.31
5	0.88	3	0.76	0.71	0.66	0.62	0.57	0.53	0.50	0.46	0.43	0.36
6	0.92	4	0.82	0.76	0.71	0.66	0.62	0.57	0.54	0.50	0.47	0.39
7	0.96	5	0.88	0.82	0.77	0.71	0.66	0.62	0.58	0.54	0.50	0.41
8	1.01	6	0.92	0.86	0.80	0.75	0.69	0.64	0.61	0.56	0.52	0.43
10	1.04	7	0.96	0.89	0.84	0.78	0.72	0.67	0.63	0.59	0.55	0.45
11	1.07	8	1.00	0.93	0.87	0.81	0.75	0.70	0.66	0.61	0.57	0.47
12	1.11	10	1.07	1.00	0.93	0.87	0.80	0.75	0.71	0.65	0.61	0.50
13	1.14	11	1.12	1.04	0.97	0.91	0.84	0.78	0.74	0.68	0.64	0.53
14	1.18	12	1.15	1.07	1.00	0.93	0.86	0.81	0.76	0.70	0.66	0.54
15	1.20	13	1.20	1.12	1.04	0.97	0.90	0.84	0.79	0.73	0.68	0.56
16	1.21	14	1.27	1.18	1.10	1.03	0.95	0.89	0.84	0.77	0.72	0.60
17	1.23	15	1.34	1.25	1.17	1.09	1.01	0.94	0.88	0.82	0.76	0.63
18	1.26	16	1.39	1.29	1.21	1.13	1.04	0.97	0.92	0.85	0.79	0.65
19	1.28	17	1.44	1.34	1.25	1.17	1.08	1.01	0.95	0.88	0.82	0.68
20	1.32	18	1.52	1.41	1.32	1.23	1.14	1.06	1.00	0.93	0.87	0.71
21	1.35	19	1.59	1.48	1.38	1.29	1.19	1.11	1.05	0.97	0.91	0.75
22	1.37	20	1.64	1.53	1.43	1.33	1.23	1.15	1.08	1.00	0.93	0.77
23	1.39	21	1.71	1.59	1.49	1.39	1.28	1.20	1.13	1.04	0.97	0.80
24	1.42	22	1.80	1.67	1.57	1.46	1.35	1.26	1.19	1.10	1.03	0.85
25	1.43	23	1.87	1.74	1.63	1.51	1.40	1.31	1.23	1.14	1.07	0.88
26	1.46	24	1.95	1.81	1.70	1.58	1.46	1.37	1.29	1.19	1.11	0.92
27	1.48	25	2.11	1.96	1.84	1.71	1.58	1.48	1.39	1.29	1.20	0.99
28	1.49	26	2.29	2.13	1.99	1.85	1.72	1.60	1.51	1.40	1.31	1.08
29	1.51											
30	1.52											
31	1.54											
32	1.57											
33	1.59											
34	1.62											
35	1.64											
36	1.66											
37	1.69											
38	1.71											
39	1.72											
40	1.74				1	0.13						
41	1.77				2	0.16						
42	1.79				3	0.20						
43	1.81				4	0.22						
44	1.82				5	0.26						
45	1.85				6	0.28						
46	1.87				7	0.31						
47	1.89				8	0.37						
48	1.92				10	0.43						
49	1.94				11	0.47						
50	1.96				12	0.52						
51	1.98				13	0.56						
52	1.99				14	0.62						
53	2.01				15	0.67						
54	2.03				16	0.74						
55	2.07				17	0.78						
56	2.10				18	0.85						
57	2.14				19	0.90						
58	2.20				20	0.96						
59	2.29				21	1.09						
60	2.39											
61	2.46											
62	2.51											
63	2.56											
64	2.61											
65	2.66											
66	2.74											
67	2.85											
68	2.95											
69	3.06											
70	3.17											
71	3.27											
72	3.38											
73	3.49											
74	3.60											
75	3.70											

1989  
 Symbol & Prior

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1.

a. Rates

The per policy rates for Uninsured Motorists Coverage are as follows:

B.I. UM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 30/60	\$ [13] <u>14</u>	\$ [31] <u>33</u>
50/100	[14] <u>15</u>	[33] <u>35</u>
100/200	[16] <u>17</u>	[38] <u>40</u>
100/300	18	42
300/300	21	50
250/500	[23] <u>22</u>	[54] <u>52</u>
500/500	[24] <u>23</u>	[57] <u>54</u>
500/1,000	[26] <u>25</u>	[61] <u>59</u>
1,000/1,000	[28] <u>27</u>	[66] <u>64</u>

P.D. UM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

\* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile, or other miscellaneous type vehicle.

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

14. MISCELLANEOUS COVERAGES (Cont'd)

B. Combined Uninsured/Underinsured Motorists Coverage

1.

2. Rates

The per policy rates for Combined Uninsured/Underinsured Motorists Coverage are as follows:

B.I. UM/UIM Coverage			
	Single Vehicle*		Multi-Vehicle*
	Policy		Policy
\$ 50/100	\$ [24] <u>26</u>		\$ [57] <u>61</u>
100/200	[52] <u>58</u>		[123] <u>137</u>
100/300	[68] <u>75</u>		[160] <u>177</u>
300/300	[98] <u>108</u>		[232] <u>255</u>
250/500	[118] <u>130</u>		[278] <u>307</u>
500/500	[169] <u>188</u>		[399] <u>443</u>
500/1,000	[191] <u>212</u>		[450] <u>500</u>
1,000/1,000	[219] <u>244</u>		[517] <u>576</u>

P.D. UM/UIM Coverage			
	Single Vehicle*		Multi-Vehicle*
	Policy		Policy
\$ 25,000	\$ 2		\$ 5
50,000	3		7
100,000	4		9
250,000	6		14
500,000	8		19
750,000	10		24
1,000,000	11		26

For limits other than those shown, charge the premium for the next higher limit.

\* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile, or other miscellaneous type vehicle.

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

14. MISCELLANEOUS COVERAGES (Cont'd)

C. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this manual.
2. Collision Deductibles For Which No Premiums Are Shown
  - \$25 Deduct. (071) - Charge 150% of the \$50 Deduct. Collision Premium
  - \$50 Deduct. (072) - Charge 102% of the \$50 Deduct. Collision Premium
  - \$200 Deduct. (073) - Charge 97% of the \$100 Deduct. Collision Premium
  - \$250 Deduct. (076) - Charge 95% of the \$100 Deduct. Collision Premium
  - \$500 Deduct. (077) - Charge 88% of the \$100 Deduct. Collision Premium
  - \$1,000 Deduct. (078) - Charge [77%] 75% of the \$100 Deduct. Collision Premium
3. Comprehensive Deductibles For Which No Premiums Are Shown
  - \$50 Deduct. (003) - Charge 95% of the Full Coverage Comprehensive Premium
  - \$100 Deduct. (010) - Charge 90% of the Full Coverage Comprehensive Premium
  - \$250 Deduct. (055) - Charge 77% of the Full Coverage Comprehensive Premium
  - \$500 Deduct. (726) - Charge [60%] 65% of the Full Coverage Comprehensive Premium
  - \$1,000 Deduct. (727) - Charge [50%] 53% of the Full Coverage Comprehensive Premium
4. Theft - \$50 Deductible - Charge 75% of the Full Coverage Theft rate.

Memorandum - North Carolina Personal Auto Manual  
Matter underlined is new; matter in brackets [ ] is deleted.

18. INCREASED LIMITS

B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor
\$ 30/60	1.00
50/100	[1.21] <u>1.19</u>
100/100	[1.37] <u>1.33</u>
100/200	[1.46] <u>1.41</u>
100/300	[1.48] <u>1.43</u>
300/300	[1.74] <u>1.67</u>
250/500	[1.79] <u>1.71</u>
500/1,000	[2.01] <u>1.91</u>
1,000/1,000	[2.14] <u>2.03</u>
1,000/2,000	[2.21] <u>2.09</u>

(Remainder of rule is unchanged.)



19. MISCELLANEOUS TYPES (Cont'd)

- B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes.

Liability Coverages Only.

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage, and medical payments rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage	Medical Payments*
0-499	15%	[36%] 35%
500-1249	[24%] 25%	[36%] 35%
1250-1499	[33%] 34%	[36%] 35%
1500-up	[44%] 45%	[36%] 35%

\*Note: Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility.

(Remainder of rule is unchanged.)

Matter underlined is new; matter in brackets [ ] is deleted.

INEXPERIENCED OPERATOR				
Single or Multi-Car Risks		BI, PD and Med. Pay.	Collision	Comprehensive Fire, Theft & CAC
Single Car	Principal Operator Licensed For:			
	Less Than One Year	Factor +3.50	Factor [+3.40] <u>+3.25</u>	Factor [+0.70] <u>+0.55</u>
	Less Than Two Years	Factor +1.75	Factor +1.90	Factor +0.55
	Less Than Three Years	Factor [+1.30] <u>+1.35</u>	Factor +1.65	Factor +0.55
	Occasional Operator Licensed For:			
	Less Than One Year	Factor +1.90	Factor [+2.10] <u>+2.05</u>	Factor +0.25
	Less Than Two Years	Factor [+0.90] <u>+0.85</u>	Factor +1.10	Factor +0.10
Less Than Three Years	Factor [+0.60] <u>+0.50</u>	Factor [+0.85] <u>+0.80</u>	Factor 0.00	
Multi-Car	Principal Operator Licensed For:			
	Less Than One Year	Factor +3.15	Factor [+3.10] <u>+2.95</u>	Factor [+0.60] <u>+0.45</u>
	Less Than Two Years	Factor +1.40	Factor +1.60	Factor +0.45
	Less Than Three Years	Factor [+0.95] <u>+1.00</u>	Factor +1.35	Factor +0.45
	Occasional Operator Licensed For:			
	Less Than One Year	Factor +1.55	Factor [+1.80] <u>+1.75</u>	Factor +0.15
	Less Than Two Years	Factor [+0.55] <u>+0.50</u>	Factor +0.80	Factor 0.00
Less Than Three Years	Factor [+0.25] <u>+0.15</u>	Factor [+0.55] <u>+0.50</u>	Factor -0.10	

Matter underlined is new; matter in brackets [ ] is deleted.

PERSONAL AUTO MANUAL  
NORTH CAROLINA  
PRIMARY CLASSIFICATION RATING FACTORS  
(CONT'D)

**SAFE DRIVER INSURANCE PLAN FACTORS AND CODES**

Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.

Use the statistical code indicated for the Driving Record Sub-Classification.

Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	[0.25] <u>0.35</u>
2	2	02	[0.45] <u>0.50</u>
3	3	03	0.60
4	4	04	[0.80] <u>0.85</u>
5	5	05	[1.05] <u>1.20</u>
6	6	06	[1.30] <u>1.50</u>
7	7	07	[1.60] <u>1.80</u>
8	8	08	[1.90] <u>2.10</u>
9	9	09	[2.25] <u>2.30</u>
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
<b>Vehicles Not Eligible for SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.</b>			
Not Eligible	NE	95	+0.10

SECTION C  
SUPPORTING EXPERIENCE

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

STATEWIDE RATE REVIEW  
ACCIDENT YEAR ENDED 12/31/2007

All Liability Business

All Carriers

	30/60	\$25,000	Total Limits
	<u>Bodily Injury</u>	<u>Property Dam.</u>	<u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	567,582,581	587,782,774	90,742,061
(2) Loss Development Factor (b)	1.122	1.029	1.076
(3) Developed Losses and ALAE (1)x(2)	636,827,656	604,828,474	97,638,458
(4) Unallocated Loss Adjustment Expense Factor (See page H-608)	0.134	0.117	0.134
(5) Unallocated Loss Adjustment Expense (3)x(4)	85,334,906	70,764,931	13,083,553
(6) General and Other Acquisition Expenses (c)	158,294,080	141,360,413	21,749,474
(7) Earned Exposures (a)	6,680,035	6,680,035	5,057,408
(8) Incurred Claims (a)	95,858	242,385	56,360
(9) Claim Development Factor (d)	0.940	1.013	1.021
(10) Developed Claims (9)x(10)	90,107	245,536	57,544
(11) Average Annual Change in Losses and ALAE (See page D-9)	2.2%	1.0%	0.0%
(12) Average Annual Change in Expenses (See page D-8)	3.0%	3.0%	3.0%
(13) Years of Trend - Losses and ALAE (e)	3.04	3.04	3.04
(14) Years of Trend - ULAE (f)	3.04	3.04	3.04
(15) Years of Trend - G & OA Expenses (g)	2.75	2.75	2.75
(16) Projected Losses and ALAE (e)	680,131,937	623,578,157	97,638,458
(17) Projected ULAE (f)	93,356,387	77,416,835	14,313,407
(18) Projected Losses and LAE per exposure [{"(16)+(17)"}]/(7)]	115.79	104.94	22.14
(19) Projected G & OA Expenses (g)	171,749,077	153,376,048	23,598,179
(20) Projected Fixed Expenses per exposure [{"(19)"}]/(7)]	25.71	22.96	4.67
(21) Projected Loss, LAE and Expenses Per Exposure [{"(18)+(20)"}]	141.50	127.90	26.81
(22) Percentage Dividends (h)	0.25%	0.25%	0.25%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-22)	0.771	0.771	0.771
(24) Adjustment Factor for Increase in MVR Fee (i)	1.00000	1.00000	1.00000
(25) Premium Required per exposure [{"(21)"}]/[{"(23)-(22)"}]*(24)]	184.12	166.43	34.89
(26) Distributional Adjustment Factor (j)	0.887	0.889	1.423
(27) Required 30/60/25 Base Class Premium [{"(25)"}]/(26)]	207.58	187.21	24.52
(28) Selected Total Limits Change (See Section G)	-2.2%	0.0%	
(29) Required 30/60/25 Base Class Premium [{"(27)x(1.0+(28))"}]	203.01	187.21	24.52

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

STATEWIDE RATE REVIEW  
ACCIDENT YEAR ENDED 12/31/2007

- (a) Based on the statistical plan data reported by member companies. Data includes both voluntary and ceded business.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury and Property Damage and five-year averages through 63 months for Medical Payments. See pages D-16, D-17, and D-18.
- (c) The general expenses and other acquisition expenses have been calculated to be 7.2% and 9.1%, respectively, of the combined Voluntary and Ceded collected earned premium, and 6.5% and 8.3%, respectively, of the Voluntary and Ceded manual earned premium. These expenses are then allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RB-4 and page H-608.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage, and Medical Payments. See pages D-19, D-20, and D-21.
- (e) Projected losses and allocated loss adjustment expenses =  
$$\frac{(13)}{[(3) \times (1 + (11))]}$$
, where (13) = the number of years of projection from the average date of accident to 7/13/2010.
- (f) Projected unallocated loss adjustment expenses =  
$$\frac{(14)}{[(5) \times (1 + (12))]}$$
, where (14) = the number of years of projection from 7/1/2007 to 7/13/2010.
- (g) Projected general and other acquisition expenses =  
$$\frac{(15)}{[(6) \times (1 + (12))]}$$
, where (15) = the number of years of projection from 7/1/2007 to 4/1/2010.
- (h) Selected value.
- (i) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.
- (j) Distributional adjustment factor = Average Rate / Base Rate. See pages C-19 - C-21.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

STATEWIDE RATE REVIEW  
ACCIDENT YEAR ENDED 12/31/2006

All Liability Business

All Carriers

	30/60 <u>Bodily Injury</u>	\$25,000 <u>Property Dam.</u>	Total Limits <u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	597,011,843	591,073,404	91,891,161
(2) Loss Development Factor (b)	1.046	1.009	1.026
(3) Developed Losses and ALAE (1)x(2)	624,474,388	596,393,065	94,280,331
(4) Unallocated Loss Adjustment Expense Factor (See page H-608)	0.127	0.111	0.127
(5) Unallocated Loss Adjustment Expense (3)x(4)	79,308,247	66,199,630	11,973,602
(6) General and Other Acquisition Expenses (c)	147,208,111	142,263,391	18,627,326
(7) Earned Exposures (a)	6,534,673	6,534,673	4,930,527
(8) Incurred Claims (a)	93,146	245,034	57,739
(9) Claim Development Factor (d)	0.978	1.004	1.011
(10) Developed Claims (9)x(10)	91,097	246,014	58,374
(11) Average Annual Change in Losses and ALAE (See page D-9)	2.7%	0.8%	-0.9%
(12) Average Annual Change in Expenses (See page D-8)	3.0%	3.0%	3.0%
(13) Years of Trend - Losses and ALAE (e)	4.04	4.04	4.04
(14) Years of Trend - ULAE (f)	4.04	4.04	4.04
(15) Years of Trend - G & OA Expenses (g)	3.75	3.75	3.75
(16) Projected Losses and ALAE (e)	695,664,468	616,074,036	90,886,239
(17) Projected ULAE (f)	89,380,394	74,606,983	13,494,249
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	120.14	105.69	21.17
(19) Projected G & OA Expenses (g)	164,431,460	158,908,208	20,806,723
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	25.16	24.32	4.22
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	145.30	130.01	25.39
(22) Percentage Dividends (h)	0.25%	0.25%	0.25%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-23)	0.769	0.769	0.769
(24) Adjustment Factor for Increase in MVR Fee (i)	1.0000	1.0000	1.0000
(25) Premium Required per exposure $[(21)/((23)-(22))]*(24)]$	189.56	169.62	33.12

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

STATEWIDE RATE REVIEW  
ACCIDENT YEAR ENDED 12/31/2006

- (a) Based on the statistical plan data reported by member companies. Data includes both voluntary and ceded business.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury and Property Damage and five-year averages through 63 months for Medical Payments. See pages D-16, D-17, and D-18.
- (c) The general expenses and other acquisition expenses have been calculated to be 7.6% and 8.9%, respectively, of the combined Voluntary and Ceded collected earned premium, and 7.0% and 8.3%, respectively, of the Voluntary and Ceded manual earned premium. These expenses are then allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RB-4 and page H-608.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage, and Medical Payments. See pages D-19, D-20, and D-21.
- (e) Projected losses and allocated loss adjustment expenses =  
$$\frac{(13)}{[(3) \times (1 + (11))]}$$
, where (13) = the number of years of projection from the average date of accident to 7/13/2010.
- (f) Projected unallocated loss adjustment expenses =  
$$\frac{(14)}{[(5) \times (1 + (12))]}$$
, where (14) = the number of years of projection from 7/1/2006 to 7/13/2010.
- (g) Projected general and other acquisition expenses =  
$$\frac{(15)}{[(6) \times (1 + (12))]}$$
, where (15) = the number of years of projection from 7/1/2006 to 4/1/2010.
- (h) Selected value.
- (i) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.



NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

STATEWIDE RATE REVIEW  
ACCIDENT YEAR ENDED 12/31/2005

All Liability Business

All Carriers

	30/60 <u>Bodily Injury</u>	\$25,000 <u>Property Dam.</u>	Total Limits <u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	591,928,733	567,623,764	89,658,547
(2) Loss Development Factor (b)	1.014	1.001	1.011
(3) Developed Losses and ALAE (1)x(2)	600,215,735	568,191,388	90,644,791
(4) Unallocated Loss Adjustment Expense Factor (See page H-608)	0.128	0.122	0.128
(5) Unallocated Loss Adjustment Expense (3)x(4)	76,827,614	69,319,349	11,602,533
(6) General and Other Acquisition Expenses (c)	127,545,266	123,078,356	16,524,911
(7) Earned Exposures (a)	6,394,496	6,394,496	4,808,243
(8) Incurred Claims (a)	92,612	243,747	58,963
(9) Claim Development Factor (d)	0.987	0.999	1.003
(10) Developed Claims (9)x(10)	91,408	243,503	59,140
(11) Average Annual Change in Losses and ALAE (See page D-9)	2.4%	1.2%	-1.5%
(12) Average Annual Change in Expenses (See page D-8)	3.0%	3.0%	3.0%
(13) Years of Trend - Losses and ALAE (e)	5.04	5.04	5.04
(14) Years of Trend - ULAE (f)	5.04	5.04	5.04
(15) Years of Trend - G & OA Expenses (g)	4.75	4.75	4.75
(16) Projected Losses and ALAE (e)	676,443,133	603,419,254	84,027,721
(17) Projected ULAE (f)	89,196,860	80,479,764	13,470,541
(18) Projected Losses and LAE per exposure [((16)+(17))/(7)]	119.73	106.95	20.28
(19) Projected G & OA Expenses (g)	146,804,601	141,663,188	19,020,173
(20) Projected Fixed Expenses per exposure [(19)/(7)]	22.96	22.15	3.96
(21) Projected Loss, LAE and Expenses Per Exposure [(18)+(20)]	142.69	129.10	24.24
(22) Percentage Dividends (h)	0.25%	0.25%	0.25%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-24)	0.763	0.763	0.763
(24) Adjustment Factor for Increase in MVR Fee (i)	1.00435	1.0044	1.0044
(25) Premium Required per exposure [((21)/((23)-(22)))*(24)]	188.44	170.50	32.01

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

STATEWIDE RATE REVIEW  
ACCIDENT YEAR ENDED 12/31/2005

- (a) Based on the statistical plan data reported by member companies. Data includes both voluntary and ceded business.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury and Property Damage and five-year averages through 63 months for Medical Payments. See pages D-16, D-17, and D-18.
- (c) The general expenses and other acquisition expenses have been calculated to be 5.6% and 9.2%, respectively, of the combined Voluntary and Ceded collected earned premium, and 4.9% and 8.1%, respectively, of the Voluntary and Ceded manual earned premium. These expenses are then allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RB-4 and page H-608.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage, and Medical Payments. See pages D-19, D-20, and D-21.
- (e) Projected losses and allocated loss adjustment expenses =  
$$\frac{(13)}{[(3) \times (1 + (11))]}$$
, where (13) = the number of years of projection from the average date of accident to 7/13/2010.
- (f) Projected unallocated loss adjustment expenses =  
$$\frac{(14)}{[(5) \times (1 + (12))]}$$
, where (14) = the number of years of projection from 7/1/2005 to 7/13/2010.
- (g) Projected general and other acquisition expenses =  
$$\frac{(15)}{[(6) \times (1 + (12))]}$$
, where (15) = the number of years of projection from 7/1/2005 to 4/1/2010.
- (h) Selected value.
- (i) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW  
CALENDAR YEAR ENDED 12/31/2007

All Physical Damage Business

	<u>Comprehensive (a)</u>	<u>Collision (b)</u>
(1) Reported Paid Losses Excl. Excess W&W (c) (See RB-8)	266,551,464	619,577,969
(2) Paid to Incurred Factor (See RB-7)	1.001	1.001
(3) Excess Wind and Water Factor (See page D-15)	1.062	-
(4) Incurred Losses (1)x(2)x(3)	283,360,732	620,197,547
(5) Loss Adjustment Expense Factor (See page D-25)	0.136	0.136
(6) Loss Adjustment Expense (4)x(5)	38,537,060	84,346,866
(7) Earned Exposures (c)	4,730,825	4,384,559
(8) Paid Claims (c)(d)	275,274	212,017
(9) General and Other Acquisition Expenses (e)	69,451,513	146,891,003
(10) Average Annual Change in Losses (See page D-9)	0.5%	0.5%
(11) Average Annual Change in Expenses (See page D-8)	3.0%	3.0%
(12) Years of Trend - Losses (f)	3.04	3.04
(13) Years of Trend - LAE (g)	3.04	3.04
(14) Years of Trend - G & OA Expenses (h)	2.75	2.75
(15) Projected Losses (f)	287,611,143	629,500,510
(16) Projected LAE (g)	42,159,544	92,275,471
(17) Projected Losses and LAE per exposure $[(15)+(16)]/(7)$	69.71	164.62
(18) Projected G & OA Expenses (h)	75,354,892	159,376,738
(19) Projected Fixed Expenses per exposure $[(18)/(7)]$	15.93	36.35
(20) Projected Loss, LAE and Fixed Expenses per exposure $[(17)+(19)]$	85.64	200.97
(21) Percentage Dividends (i)	0.25%	0.25%
(22) Permissible Loss, LAE and G & OA Expense Ratio (See page D-22)	0.752	0.752
(23) Adjustment Factor for Increase in MVR Fee (j)	1.00000	1.00000
(24) Premium Required per exposure $[(20)/((22)-(21))x(23)]$	114.26	268.14
(25) Model Year Trend Factor (See page H-603)	1.055	1.064
(26) Symbol Trend Factor (k) (See pages H-604,605)	1.021	1.000
(27) Distributional Adjustment Factor (l) (See pages C-22,23)	1.881	1.131
(28) Required Base Class Premium - Model Year 2009, Symbol 2 $[(23)/[(24)x(25)x(26)]]$	56.39	222.82
(29) Factor for Change in Model Year Base	1.050	1.050
(30) Symbol Relativity (Symbol 2 to Symbol 8) (m)	1.89	1.53
(31) Required Base Class Premium - Model Year 2010, Symbol 8 $[(28)x(29)x(30)]$	111.91	357.96

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW  
CALENDAR YEAR ENDED 12/31/2007

- (a) Comprehensive Coverage includes Full Coverage Comprehensive, \$50 Deductible, \$100 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Comprehensive.
- (b) Collision Coverage includes \$50 Deductible, \$100 Deductible, \$200 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Collision.
- (c) Based on the statistical plan data reported by member companies. Data includes both standard and consent to rate business.

(d) Claims by Deductible:

<u>Comprehensive</u>		<u>Collision</u>
Full Coverage	112,395	\$50 Deductible
\$50 Deductible	15,470	\$100 Deductible
\$100 Deductible	89,932	\$200 Deductible
\$250 Deductible	30,070	\$250 Deductible
\$500 Deductible	25,647	\$500 Deductible
\$1000 Deductible	1,760	\$1000 Deductible

- (e) General expenses and other acquisition expenses have been calculated to be 5.9% and 9.1%, respectively, of the Standard premium on a collected level, and 6.9% and 6.7%, respectively, of the Consent to Rate premium on a collected level. See exhibit RB-4 and pages H-609-H-610.

(f) Projected losses =  $[(4) \times (1+(12))]$  where (12) = number of years of projection from 7/1/2007 to 7/13/2010.

(g) Projected loss adjustment expenses =  $[(6) \times (1+(13))]$  where (13) = number of years of projection from 7/1/2007 to 7/13/2010.

(h) Projected general and other acquisition expenses =  $[(9) \times (1+(14))]$  where (14) = number of years of projection from 7/1/2007 to 4/1/2010.

(i) Selected value.

(j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

(k) Symbol trend factor is 0.7% per annum for Comprehensive, and 0.0% per annum Collision projected from 7/1/2007 to the prospective average date of earning

$$\begin{aligned} & \text{Comprehensive: } [(1+0.7\%)^{3.04}] = 1.021 \\ & \text{Collision: } [(1+0.0\%)^{3.04}] = 1.000 \end{aligned}$$

(l) Distributional adjustment factor = Average Rate / Base Deductible Base Class  
See pages C-22, C-23.

(m) Current Relativity from Symbol 2 to Symbol 8. See B-4, B-5.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW  
CALENDAR YEAR ENDED 12/31/2006

All Physical Damage Business

	<u>Comprehensive (a)</u>	<u>Collision (b)</u>
(1) Reported Paid Losses Excl. Excess W&W (c) (See RB-8)	273,574,441	603,412,222
(2) Paid to Incurred Factor (See RB-7)	1.002	1.002
(3) Excess Wind and Water Factor (See page D-15)	1.062	-
(4) Incurred Losses (1)x(2)x(3)	291,117,128	604,619,046
(5) Loss Adjustment Expense Factor (See page D-26)	0.137	0.137
(6) Loss Adjustment Expense (4)x(5)	39,883,047	82,832,809
(7) Earned Exposures (c)	4,583,923	4,248,975
(8) Paid Claims (c)(d)	282,498	204,636
(9) General and Other Acquisition Expenses (e)	74,303,724	158,724,160
(10) Average Annual Change in Losses (See page D-9)	0.6%	0.2%
(11) Average Annual Change in Expenses (See page D-8)	3.0%	3.0%
(12) Years of Trend - Losses (f)	4.04	4.04
(13) Years of Trend - LAE (g)	4.04	4.04
(14) Years of Trend - G & OA Expenses (h)	3.75	3.75
(15) Projected Losses (f)	298,103,939	609,455,998
(16) Projected LAE (g)	44,948,194	93,352,576
(17) Projected Losses and LAE per exposure $[(15)+(16)]/(7)$	74.84	165.41
(18) Projected G & OA Expenses (h)	82,997,260	177,294,887
(19) Projected Fixed Expenses per exposure $[(18)/(7)]$	18.11	41.73
(20) Projected Loss, LAE and Fixed Expenses per exposure $[(17)+(19)]$	92.95	207.14
(21) Percentage Dividends (i)	0.25%	0.25%
(22) Permissible Loss, LAE and G & OA Expense Ratio (See page D-23)	0.753	0.753
(23) Adjustment Factor for Increase in MVR Fee (j)	1.00000	1.0000
(24) Premium Required per exposure $[(20)/((22)-(21))x(23)]$	123.85	276.00

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW  
CALENDAR YEAR ENDED 12/31/2006

- (a) Comprehensive Coverage includes Full Coverage Comprehensive, \$50 Deductible, \$100 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Comprehensive.
- (b) Collision Coverage includes \$50 Deductible, \$100 Deductible, \$200 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Collision.
- (c) Based on the statistical plan data reported by member companies. Data includes both standard and consent to rate business.

(d) Claims by Deductible:

<u>Comprehensive</u>		<u>Collision</u>	
Full Coverage	115,584	\$50 Deductible	1,197
\$50 Deductible	16,511	\$100 Deductible	16,383
\$100 Deductible	93,775	\$200 Deductible	2,697
\$250 Deductible	30,646	\$250 Deductible	90,979
\$500 Deductible	24,428	\$500 Deductible	88,843
\$1000 Deductible	1,554	\$1000 Deductible	4,537

- (e) General expenses and other acquisition expenses have been calculated to be 6.1% and 8.7%, respectively, of the Standard premium on a collected level, and 7.4% and 6.1%, respectively, of the Consent to Rate premium on a collected level. See exhibit RB-4 and pages H-609-H-610.

(12)

- (f) Projected losses =  $[(4) \times (1+(10))^{(12)}]$  where (12) = number of years of projection from 7/1/2006 to 7/13/2010.

(13)

- (g) Projected loss adjustment expenses =  $[(6) \times (1+(11))^{(13)}]$  where (13) = number of years of projection from 7/1/2006 to 7/13/2010

(14)

- (h) Projected general and other acquisition expenses =  $[(9) \times (1+(11))^{(14)}]$  where (14) = number of years of projection from 7/1/2006 to 4/1/2010.

- (i) Selected value.

- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW  
CALENDAR YEAR ENDED 12/31/2005

All Physical Damage Business

	<u>Comprehensive (a)</u>	<u>Collision (b)</u>
(1) Reported Paid Losses Excl. Excess W&W (c) (See RB-8)	234,949,634	574,541,302
(2) Paid to Incurred Factor (See RB-7)	0.996	0.996
(3) Excess Wind and Water Factor (See page D-15)	1.062	-
(4) Incurred Losses (1)x(2)x(3)	248,518,445	572,243,137
(5) Loss Adjustment Expense Factor (See page D-27)	0.159	0.159
(6) Loss Adjustment Expense (4)x(5)	39,514,433	90,986,659
(7) Earned Exposures (c)	4,440,954	4,128,457
(8) Paid Claims (c)(d)	274,065	204,018
(9) General and Other Acquisition Expenses (e)	58,560,725	127,254,314
(10) Average Annual Change in Losses (See page D-9)	-0.5%	0.7%
(11) Average Annual Change in Expenses (See page D-8)	3.0%	3.0%
(12) Years of Trend - Losses (f)	5.04	5.04
(13) Years of Trend - LAE (g)	5.04	5.04
(14) Years of Trend - G & OA Expenses (h)	4.75	4.75
(15) Projected Losses (f)	242,305,484	592,843,890
(16) Projected LAE (g)	45,876,257	105,635,511
(17) Projected Losses and LAE per exposure $[(15)+(16)]/(7)$	64.89	169.19
(18) Projected G & OA Expenses (h)	67,403,394	146,469,715
(19) Projected Fixed Expenses per exposure $[(18)/(7)]$	15.18	35.48
(20) Projected Loss, LAE and Fixed Expenses per exposure $[(17)+(19)]$	80.07	204.67
(21) Percentage Dividends (i)	0.25%	0.25%
(22) Permissible Loss, LAE and G & OA Expense Ratio (See page D-24)	0.749	0.749
(23) Adjustment Factor for Increase in MVR Fee (j)	1.00435	1.0044
(24) Premium Required per exposure $[(20)/((22)-(21))x(23)]$	107.73	275.37

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW  
CALENDAR YEAR ENDED 12/31/2005

- (a) Comprehensive Coverage includes Full Coverage Comprehensive, \$50 Deductible, \$100 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Comprehensive.
- (b) Collision Coverage includes \$50 Deductible, \$100 Deductible, \$200 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Collision.
- (c) Based on the statistical plan data reported by member companies. Data includes both standard and consent to rate business.

(d) Claims by Deductible:

<u>Comprehensive</u>		<u>Collision</u>	
Full Coverage	115,156	\$50 Deductible	1,340
\$50 Deductible	16,973	\$100 Deductible	17,062
\$100 Deductible	91,360	\$200 Deductible	2,697
\$250 Deductible	28,574	\$250 Deductible	94,407
\$500 Deductible	20,765	\$500 Deductible	84,366
\$1000 Deductible	1,237	\$1000 Deductible	4,146

(e) General expenses and other acquisition expenses have been calculated to be 5.0% and 8.1%, respectively, of the Standard premium on a collected level, and 4.7% and 5.1%, respectively, of the Consent to Rate premium on a collected level. See exhibit RB-4 and pages H-609-H-610.

(f) Projected losses =  $[(4) \times (1+(10))^{(12)}]$  where (12) = number of years of projection from 7/1/2005 to 7/13/2010.

(g) Projected loss adjustment expenses =  $[(6) \times (1+(11))^{(13)}]$  where (13) = number of years of projection from 7/1/2005 to 7/13/2010.

(h) Projected general and other acquisition expenses =  $[(9) \times (1+(11))^{(14)}]$  where (14) = number of years of projection from 7/1/2005 to 4/1/2010.

(i) Selected value.

(j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
BODILY INJURY LIABILITY  
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) 30/60 LOSS COST 3 YRS ENDED 12/31/2007	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 30/60 BASE CLASS RATE PRES.	(9) IND.
11	112,693	67.48	0.931	72.48	1.0	72.48	0.677	138	146
13	140,616	106.44	0.930	114.45	1.0	114.45	1.068	203	214
14	153,733	103.23	0.928	111.24	1.0	111.24	1.038	193	209
15	49,125	110.32	0.900	122.58	0.9	122.43	1.143	211	227
16	412,100	99.39	0.932	106.64	1.0	106.64	0.996	187	201
17	149,622	113.23	0.917	123.48	1.0	123.48	1.153	218	229
18	160,452	88.50	0.904	97.90	1.0	97.90	0.914	176	187
24	2,096,663	77.32	0.861	89.80	1.0	89.80	0.838	158	174
25	139,651	119.53	0.900	132.81	1.0	132.81	1.240	216	244
26	471,421	123.56	0.845	146.22	1.0	146.22	1.365	249	266
31	320,503	100.21	0.901	111.22	1.0	111.22	1.038	197	208
32	685,083	81.76	0.882	92.70	1.0	92.70	0.865	162	179
33	779,651	95.77	0.866	110.59	1.0	110.59	1.032	197	208
40	190,443	133.53	0.898	148.70	1.0	148.70	1.388	256	269
41	109,741	103.02	0.927	111.13	1.0	111.13	1.037	198	208
43	75,693	93.27	0.904	103.17	0.9	103.82	0.969	191	196
47	86,044	109.01	0.886	123.04	1.0	123.04	1.149	204	228
51	72,296	90.74	0.936	96.94	0.9	96.20	0.898	156	184
52	470,920	124.52	0.936	133.03	1.0	133.03	1.242	220	244
SW	6,676,450	94.99	0.887	107.12		107.12			

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PROPERTY DAMAGE LIABILITY  
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) \$25,000 LOSS COST 3 YRS ENDED 12/31/2007	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) \$25,000 BASE CLASS RATE PRES.	(9) IND.
11	112,693	93.29	0.931	100.20	1.0	100.20	0.987	182	184
13	140,616	110.90	0.930	119.25	1.0	119.25	1.174	215	214
14	153,733	108.39	0.928	116.80	1.0	116.80	1.150	205	210
15	49,125	101.17	0.900	112.41	1.0	112.41	1.107	200	203
16	412,100	112.78	0.932	121.01	1.0	121.01	1.192	212	217
17	149,622	114.19	0.917	124.53	1.0	124.53	1.226	221	223
18	160,452	95.47	0.904	105.61	1.0	105.61	1.040	188	193
24	2,096,663	76.98	0.861	89.41	1.0	89.41	0.880	163	167
25	139,651	102.83	0.900	114.26	1.0	114.26	1.125	203	206
26	471,421	83.84	0.845	99.22	1.0	99.22	0.977	179	183
31	320,503	95.81	0.901	106.34	1.0	106.34	1.047	190	194
32	685,083	85.65	0.882	97.11	1.0	97.11	0.956	176	179
33	779,651	75.66	0.866	87.37	1.0	87.37	0.860	163	164
40	190,443	115.02	0.898	128.08	1.0	128.08	1.261	226	228
41	109,741	108.19	0.927	116.71	1.0	116.71	1.149	208	210
43	75,693	83.49	0.904	92.36	1.0	92.36	0.909	171	171
47	86,044	83.06	0.886	93.75	1.0	93.75	0.923	167	174
51	72,296	109.24	0.936	116.71	1.0	116.71	1.149	199	210
52	470,920	122.11	0.936	130.46	1.0	130.46	1.285	226	232
SW	6,676,450	90.31	0.889	101.56		101.56			

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
FULL COVERAGE COMPREHENSIVE  
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) LOSS COST 3 YRS ENDED 12/31/2007	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 2010 SYMBOL 8 BASE CLASS RATE PRES.	(9) IND.
11	80,474	34.93	1.976	17.68	1.0	17.68	0.591	79	60
13	98,652	50.66	1.903	26.62	1.0	26.62	0.890	103	84
14	112,238	43.54	1.961	22.20	1.0	22.20	0.742	87	72
15	35,931	42.09	1.965	21.42	1.0	21.42	0.716	87	70
16	321,483	43.95	2.029	21.66	1.0	21.66	0.724	85	71
17	113,250	42.15	1.941	21.72	1.0	21.72	0.726	91	71
18	115,688	43.97	1.983	22.17	1.0	22.17	0.741	87	72
24	1,431,347	57.16	1.842	31.03	1.0	31.03	1.038	113	96
25	98,144	46.58	1.891	24.63	1.0	24.63	0.824	93	79
26	306,598	67.51	1.798	37.55	1.0	37.55	1.256	137	113
31	244,910	59.13	1.960	30.17	1.0	30.17	1.009	105	93
32	499,114	48.33	1.916	25.22	1.0	25.22	0.843	97	80
33	509,270	80.89	1.783	45.37	1.0	45.37	1.517	156	134
40	138,797	51.95	1.864	27.87	1.0	27.87	0.932	107	87
41	81,598	53.14	1.784	29.79	1.0	29.79	0.996	113	92
43	55,623	50.04	1.832	27.31	1.0	27.31	0.913	103	86
47	58,499	52.40	1.834	28.57	1.0	28.57	0.956	99	89
51	60,959	48.89	2.195	22.27	1.0	22.27	0.745	85	72
52	365,615	54.92	2.044	26.87	1.0	26.87	0.899	103	85
SW	4,728,190	56.16	1.881	29.90		29.90			

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
\$100 DEDUCTIBLE COLLISION  
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) LOSS COST 3 YRS ENDED 12/31/2007	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 2010 SYMBOL 8 BASE CLASS RATE PRES.	(9) IND.
11	75,336	140.17	1.156	121.25	1.0	121.25	0.974	378	361
13	94,137	149.12	1.178	126.59	1.0	126.59	1.017	401	375
14	105,577	146.28	1.162	125.89	1.0	125.89	1.011	385	374
15	33,664	134.45	1.140	117.94	1.0	117.94	0.947	378	353
16	308,622	143.84	1.219	118.00	1.0	118.00	0.948	372	353
17	109,083	145.94	1.188	122.85	1.0	122.85	0.987	393	366
18	107,058	134.01	1.142	117.35	1.0	117.35	0.943	369	352
24	1,275,178	129.67	1.067	121.53	1.0	121.53	0.976	380	362
25	90,764	148.06	1.129	131.14	1.0	131.14	1.053	399	387
26	287,852	145.03	1.083	133.92	1.0	133.92	1.076	412	394
31	234,104	137.95	1.175	117.40	1.0	117.40	0.943	374	352
32	454,010	126.89	1.107	114.63	1.0	114.63	0.921	364	345
33	475,140	133.15	1.076	123.75	1.0	123.75	0.994	391	368
40	133,050	187.49	1.215	154.31	1.0	154.31	1.239	475	446
41	78,167	195.18	1.238	157.66	1.0	157.66	1.266	467	454
43	53,437	139.30	1.169	119.16	1.0	119.16	0.957	378	356
47	55,266	135.53	1.127	120.26	1.0	120.26	0.966	374	359
51	58,907	155.53	1.288	120.75	1.0	120.75	0.970	369	360
52	352,663	169.97	1.245	136.52	1.0	136.52	1.097	420	400
SW	4,382,015	140.84	1.131	124.50		124.50			

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE  
NOTES TO CALCULATION OF REVISED BASE RATES BY TERRITORY

Liability data shown in column (1) and column (2) is voluntary and ceded combined. Comprehensive data are for Full Coverage, \$50, \$100, \$250, \$500 and \$1,000 deductibles. Collision data are for \$50, \$100, \$200, \$250, \$500 and \$1,000 deductibles. Physical Damage data is for standard and consent to rate business combined.

Column

- (1) Earned exposures for the year ended 12/31/2007.
- (2) Pure premium (losses divided by exposures) for the three years ended 12/31/2007. Liability data are developed to ultimate. Comprehensive data are adjusted for territories 14 and 43 to remove excess wind losses.
- (3) Distributional adjustment factor = Present average rate for year ended 12/31/2007 divided by the current base class base rate. For liability, the average rate is for voluntary and ceded data combined. For physical damage, the average rate is for all deductibles combined, for standard and non-standard business. See pages C-19-23.
- (4) Base Class Loss Cost = Col.(2) / Col.(3)
- (5) Credibility is determined by each territory's three year number of claims using the credibility tables shown on page D-29.
- (6) Formula base class loss cost = [Col.(4) x Col.(5)] + [Statewide Col.(4)x{1-Col.(5)} x HAF] where HAF is the historical adjustment factor and is equal to the ratio of the current base class base rate to the statewide average base class base rate. See pages C-19-23.
- (7) Index to state = Col.(6) / Statewide Col.(6)
- (8) Present base rates currently in effect as of the date of this filing.
- (9) The revised base rate is calculated by the following formula:  

$$\{ [RBCP \times VR \times \text{Col.}(7)] + FE \} \times \text{offset}$$

RBCP = Required base class premium, as shown on pages C-1, C-7.

VR = variable ratio FE = flattened expense amount

The variable ratio and flattened expense amount account for the flattening of 100% of general and other acquisition expenses by territory and are calculated below:

	BI	PD	Comp	Coll
(1) Projected general and other acquisition expenses per exposure (from page C-1, line (20) and page C-7, line (19))	25.71	22.96	15.93	36.35
(2) Required average premium per exposure (from page C-1, line (25) and page C-7, line (24))	184.12	166.43	114.26	268.14
(3) Fixed ratio = (1) / (2)	0.14	0.14	0.14	0.14
(4) Variable ratio 1 - (3)	0.86	0.86	0.86	0.86
(5) Required Base Class Premium (from page C-1, line (29) and page C-7, line (31))	203.01	187.21	111.91	357.96
(6) Flattened expenses (2) x (3)	28.42	25.83	15.56	48.68

The offsets required so that proposed changes will have no rate level effect are as follows:

- 1) Offsets for the change in model year base from 2009 to 2010 and the proposed revisions in model year relativities are 0.843 for Comprehensive and 1.037 for Collision.
- 2) Offsets for the proposed revisions in deductible relativities are .987 for Comprehensive and 1.001 for Collision.
- 3) Offsets for the proposed revisions in classification differentials are applied by territory for all coverages.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
MEDICAL PAYMENTS

CALCULATION OF REVISED BASE RATES BY TERRITORY

(1) Ave MP ILF	2.176
(2) % of BI:	12.10%
(3) Revised Base Class Rate:	\$24.54
(4) Target Base class rate:	\$24.52

(5) Terr	(6) MP Exp	(7) Pres. MP Rate	(8) Rev BI Rate	(9) BI CP Offset	(10) Rev MP Rate	(11) Rev. Base Class Premium	(12) Rev. T/L MP Rate	(13) Pres. T/L MP Rate	(14) Terr % Change
11	74,614	17	146	0.994	18	1,351,159	39.17	36.99	6.5%
13	97,778	24	214	0.994	26	2,557,573	56.58	52.22	9.0%
14	107,976	23	209	0.995	25	2,712,965	54.40	50.05	9.2%
15	35,161	25	227	0.995	27	954,118	58.75	54.40	8.5%
16	316,509	22	201	0.993	24	7,649,764	52.22	47.87	9.9%
17	105,784	26	229	0.995	28	2,976,836	60.93	56.58	8.2%
18	111,301	21	187	0.994	23	2,575,375	50.05	45.70	10.2%
24	1,609,444	19	174	0.995	21	33,968,165	45.70	41.34	11.1%
25	96,574	26	244	0.995	30	2,911,779	65.28	56.58	16.0%
26	369,850	30	266	0.996	32	11,882,731	69.63	65.28	7.1%
31	251,121	24	208	0.994	25	6,315,921	54.40	52.22	4.8%
32	518,998	19	179	0.995	22	11,475,333	47.87	41.34	16.4%
33	670,522	24	208	0.995	25	16,847,286	54.40	52.22	4.7%
40	112,872	31	269	0.995	33	3,743,493	71.81	67.46	7.0%
41	68,557	24	208	0.993	25	1,726,007	54.40	52.22	4.9%
43	60,452	23	196	0.993	24	1,461,076	52.22	50.05	5.1%
47	69,276	25	228	0.995	28	1,949,475	60.93	54.40	12.6%
51	55,575	19	184	0.993	22	1,231,269	47.87	41.34	16.6%
52	322,432	26	244	0.993	30	9,741,148	65.28	56.58	16.2%
	5,054,796					124,031,473			9.9%

C-18

- (1) Average Medical Payments Increased Limits Factor. See page G-8.
- (2) % Medical Payments rates of Bodily Injury rates. Used to iteratively determine statewide base class rate.
- (3) Revised base class Medical Payments rate. Sum of column (11) / Sum of column (6).
- (4) Target base class rate. Derived on page C-1.
- (5) Territory.
- (6) Medical Payments exposures by territory.
- (7) Present \$500 Medical Payments rate.
- (8) Revised 30/60 Bodily Injury rate as determined on page C-13.
- (9) BI Class Plan Offset.
- (10) Revised \$500 Medical Payments rate. (8) x (2).
- (11) Revised base class Medical Payments Premium. (6) x (10) / (9).
- (12) Revised total limits Medical Payments rate. (10) x (1).
- (13) Present total limits Medical Payments rate. (7) x (1).
- (14) Territory percent change (12) / (13) / (9).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
BODILY INJURY LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS  
AND HISTORICAL ADJUSTMENT FACTORS

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) 30/60 PRES. AVG. PREM	(3) 30/60 BASE CLASS RATE	(4) (2)/(3) DISTRIB. ADJUST. FACTOR	(5) (3)/SW(3) HISTORICAL ADJUST. FACTOR
11	112,693	128.43	138	0.931	0.739
13	140,616	188.81	203	0.930	1.088
14	153,733	179.16	193	0.928	1.034
15	49,125	189.86	211	0.900	1.131
16	412,100	174.34	187	0.932	1.002
17	149,622	199.99	218	0.917	1.168
18	160,452	159.18	176	0.904	0.943
24	2,096,663	136.00	158	0.861	0.847
25	139,651	194.33	216	0.900	1.157
26	471,421	210.46	249	0.845	1.334
31	320,503	177.50	197	0.901	1.056
32	685,083	142.85	162	0.882	0.868
33	779,651	170.54	197	0.866	1.056
40	190,443	229.87	256	0.898	1.372
41	109,741	183.60	198	0.927	1.061
43	75,693	172.58	191	0.904	1.023
47	86,044	180.80	204	0.886	1.093
51	72,296	146.06	156	0.936	0.836
52	470,920	205.99	220	0.936	1.179
SW	6,676,450	165.44	186.62	0.887	

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PROPERTY DAMAGE LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS  
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2007	\$25000 PRES. AVG. PREM	\$25000 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	112,693	169.37	182	0.931	0.996
13	140,616	199.98	215	0.930	1.177
14	153,733	190.30	205	0.928	1.122
15	49,125	179.96	200	0.900	1.095
16	412,100	197.65	212	0.932	1.160
17	149,622	202.74	221	0.917	1.210
18	160,452	170.03	188	0.904	1.029
24	2,096,663	140.30	163	0.861	0.892
25	139,651	182.63	203	0.900	1.111
26	471,421	151.30	179	0.845	0.980
31	320,503	171.20	190	0.901	1.040
32	685,083	155.20	176	0.882	0.963
33	779,651	141.10	163	0.866	0.892
40	190,443	202.93	226	0.898	1.237
41	109,741	192.87	208	0.927	1.139
43	75,693	154.51	171	0.904	0.936
47	86,044	148.00	167	0.886	0.914
51	72,296	186.32	199	0.936	1.089
52	470,920	211.61	226	0.936	1.237
SW	6,676,450	162.35	182.69	0.889	



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
MEDICAL PAYMENTS

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) \$500 PRES. AVG. PREM	(3) \$500 BASE CLASS RATE	(4) (2)/(3) DISTRIB. ADJUST. FACTOR
11	74,614	11.53	17	0.678
13	97,778	16.64	24	0.693
14	107,976	15.73	23	0.684
15	35,161	16.54	25	0.662
16	316,509	15.20	22	0.691
17	105,784	17.43	26	0.670
18	111,301	14.04	21	0.669
24	1,609,444	12.12	19	0.638
25	96,574	17.05	26	0.656
26	369,850	18.74	30	0.625
31	251,121	16.00	24	0.667
32	518,998	12.37	19	0.651
33	670,522	15.45	24	0.644
40	112,872	20.35	31	0.656
41	68,557	15.89	24	0.662
43	60,452	15.25	23	0.663
47	69,276	16.41	25	0.656
51	55,575	13.18	19	0.694
52	322,432	17.99	26	0.692
SW	5,054,796	14.61	22.34	0.654
Avg. ILF				2.176
Total				1.423

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
FULL COVERAGE COMPREHENSIVE

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS  
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2007	PRES. AVG. PREM	2009 BASE CLASS* RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	80,474	79.03	40	1.976	0.717
13	98,652	98.98	52	1.903	0.933
14	112,238	86.28	44	1.961	0.789
15	35,931	86.46	44	1.965	0.789
16	321,483	87.26	43	2.029	0.771
17	113,250	89.29	46	1.941	0.825
18	115,688	87.24	44	1.983	0.789
24	1,431,347	104.97	57	1.842	1.022
25	98,144	88.86	47	1.891	0.843
26	306,598	124.06	69	1.798	1.238
31	244,910	103.86	53	1.960	0.951
32	499,114	93.88	49	1.916	0.879
33	509,270	140.86	79	1.783	1.417
40	138,797	100.65	54	1.864	0.969
41	81,598	101.67	57	1.784	1.022
43	55,623	95.24	52	1.832	0.933
47	58,499	91.72	50	1.834	0.897
51	60,959	94.39	43	2.195	0.771
52	365,615	106.27	52	2.044	0.933
SW	4,728,190	104.85	55.75	1.881	

\* Base symbol = 2.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
\$100 DEDUCTIBLE COLLISION

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS  
AND HISTORICAL ADJUSTMENT FACTORS

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) PRES. AVG. PREM	(3) 2009 BASE CLASS* RATE	(4) (2)/(3) DISTRIB. ADJUST. FACTOR	(5) (3)/SW(3) HISTORICAL ADJUST. FACTOR
11	75,336	271.58	235	1.156	0.972
13	94,137	293.26	249	1.178	1.030
14	105,577	277.67	239	1.162	0.989
15	33,664	267.94	235	1.140	0.972
16	308,622	281.53	231	1.219	0.956
17	109,083	289.75	244	1.188	1.010
18	107,058	261.46	229	1.142	0.948
24	1,275,178	251.82	236	1.067	0.976
25	90,764	280.02	248	1.129	1.026
26	287,852	277.27	256	1.083	1.059
31	234,104	272.52	232	1.175	0.960
32	454,010	250.12	226	1.107	0.935
33	475,140	261.37	243	1.076	1.005
40	133,050	358.54	295	1.215	1.221
41	78,167	359.09	290	1.238	1.200
43	53,437	274.83	235	1.169	0.972
47	55,266	261.50	232	1.127	0.960
51	58,907	295.05	229	1.288	0.948
52	352,663	325.00	261	1.245	1.080
SW	4,382,015	273.32	241.68	1.131	

\* Base symbol = 2.

SECTION D  
EXPLANATORY MATERIAL

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Explanatory Memorandum

This memorandum supplements the filing letter and supporting exhibits setting forth a revision of private passenger automobile insurance rates in the State of North Carolina. It is the purpose of this memorandum to describe the source data used and to set forth in detail the insurance ratemaking procedures reflected in the filing. Certain pages in the filing and accompanying material contain a notation "all carriers" or other similar wording. This indicates that the data are combined ISO, ISS and NISS data. Data for certain companies are not included, as noted on page H-7.

Premium, Loss, and Expense Experience

This revision is based upon the combined premium, loss, and expense experience, as applicable, of all licensed companies writing private passenger automobile insurance in this State, except as noted in Section H. In order to have this experience available in all detail necessary for rate review and ratemaking in accordance with accepted standards, all such companies are required to file each year their total private passenger automobile insurance experience with the official statistical agents recorded pursuant to the officially approved statistical plans and reported by the companies in accordance with instructions issued by the statistical agents under the Official Calls for Experience.

The Commissioner appointed the following statistical agents to act on his behalf for the collection of private passenger automobile insurance experience in North Carolina; Insurance Services Office (ISO), Independent Statistical Service (ISS), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Automobile Statistical Plan and the 2007 Official Statistical Programs of ISO, the Automobile Statistical Plan - All Coverages and the 2007 Statistical Programs of ISS, and the Automobile Statistical Plan - All Coverages - Part IV, North Carolina and the 2007 Statistical Programs of NISS. In substance, the statistical plans of all statistical agents are alike in North Carolina, and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined.

The filing of experience is accompanied by an affidavit executed by an officer of the statistical agent responsible for and acquainted with the statistical procedures employed for the production of this end product. Further, the licensing of an organization and its appointment as a statistical agent in the various states is predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time such organizations are called upon by Insurance Department examiners to verify, and do verify the data consolidated by them as statistical agents.

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations extend into the statistical records of the companies.

### Statewide Rate Exhibits

#### 1. Experience

##### A. Private Passenger Automobile Liability

Private passenger automobile liability experience for voluntary and ceded business was compiled on a calendar/accident year basis for the years ended December 31, 2007, 2006 and 2005. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the premiums and number of cars "earned" during the same period.

##### B. Private Passenger Automobile Physical Damage

Private passenger automobile experience for physical damage coverages for both standard and consent to rate (also referred to as non-standard) business was compiled on a calendar year basis for the years ended December 31, 2007, 2006 and 2005, and includes experience for all losses paid in the respective twelve-month periods.

Based on credibility considerations, the overall indicated rates for Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision are based on the loss and expense experience of the year ended December 31, 2007. However, the experience of the earlier two years was also considered and evaluated. Indicated rates for all three years were reviewed to make sure that there were no anomalies or abnormalities associated with the latest year. Because of the smaller volume of experience for Uninsured Motorists and Underinsured Motorists coverage, three years of experience were utilized in the determination of the overall indicated rates, with each year of experience given weight proportional to its earned car years.

##### C. Motorcycles

For liability, the motorcycle data are obtained from a Special Call for Expense Experience issued by the Rate Bureau. The liability data are compiled on a combined voluntary and ceded basis. The motorcycle data are for the years ended December 31, 2007, 2006 and 2005. Because of the small volume of motorcycle experience, each year of the experience period is given weight proportional to its earned premium in the calculation of an indicated change.

## 2. Losses

### A. Private Passenger Automobile Liability

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows: Each year the experience is compiled for the latest three years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months and the next preceding year as of 39 months, all measured from the beginning of each accident year respectively. From reports of prior years, similarly aged experience was obtained so that there are available 3 successive reports for each year except the current and the preceding year. For the latter, 2 successive reports are available.

Further aged data are obtained on each year's incurred losses in the aggregate as of 51 months and as of 63 months. As of 63 months, nearly all incurred losses are paid. From a comparison of the incurred losses for each year at its successive valuation dates, it is determined what the rate of development has been in the past. An average of these developments gives an indication of the future development of the incurred losses for those years which have not yet sufficiently matured. This development is reflected in the incurred losses for the less matured years by the application of loss development factors. These loss development factors are shown on pages C-1, C-3, and C-5.

The derivation of the factors shown above is presented on pages D-16, D-17 and D-18. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

### B. Private Passenger Automobile Physical Damage

Physical Damage losses are reported on a paid basis. These losses are then adjusted to an incurred basis based on Page 15 annual statement data. These adjustment factors are shown on pages C-7, C-9, and C-11. In order to insure stability in Comprehensive rate levels while maintaining adequacy in the event of large, unexpected wind and water losses, an excess wind and water procedure is utilized. This procedure excludes all excess wind and water losses from the experience period and employs a long term factor to account for these losses. Hence, violent shifts in rate level (both upward and downward), which might result from reflecting large, unexpected wind and water losses only in the year in which they occur, will be avoided. The first step in this procedure is to subtract the excess wind and water losses, if applicable, from the total losses for the experience period. Then, an average excess wind and water factor is applied to the losses. The derivation of the factor is shown on page D-15.

3. Loss Adjustment Expense

A. Private Passenger Automobile Liability

The liability unallocated loss adjustment expenses are determined as a percentage of the North Carolina incurred losses and allocated loss adjustment expenses based on a North Carolina expense call. The expense call data and the percentages derived from them are shown on page H-608.

B. Private Passenger Automobile Physical Damage

The physical damage loss adjustment expenses are determined as a percentage of the North Carolina incurred losses based on a North Carolina expense call. The expense call data and the percentages determined from them are shown on pages H-609 and H-610.

4. General Expenses and Other Acquisition Expenses

The general expenses and other acquisition expenses are determined as a percentage of North Carolina earned premiums based on a North Carolina expense call. The expense call data and the percentages determined from them are shown on pages H-608-H-610.

5. Prospective Annual Change in Losses

A. Private Passenger Automobile Liability

The prospective annual changes in liability losses are determined by coverage for the Bodily Injury, Property Damage and Medical Payments coverages. The average annual changes in losses are based upon the available North Carolina average claim cost and claim frequency data, both from collected statistical plan experience and ISO-PCI(ISS) Fast Track data. The claim cost data are used as a measure of the inflationary trend in the cost of claims. The claim frequency data are used as a measure of the expected trend in claim occurrence. Exponential and linear curves of best fit are developed from the claim cost and claim frequency data. The prospective average annual changes in losses used in the determination of the needed rate level change are also based upon consideration of changes in the number of miles driven, the changing cost of gasoline, and the impact of recent legislation. The expected average annual changes in losses have been selected based upon analysis and review of these data.



B. Private Passenger Automobile Physical Damage

The prospective annual changes in physical damage losses are determined by coverage for Comprehensive and Collision. The average annual change in Comprehensive losses is based on trend experience excluding wind and water and "all other" losses. The average annual change in Collision losses is based on available North Carolina Collision data, both from collected statistical plan experience and ISO-PCI (ISS) Fast Track data. The claim cost data are used as a measure of the inflationary trend in the cost of claims. The claim frequency data are used as a measure of the expected trend in claim occurrence. Exponential and linear curves of best fit are developed from the claim cost and claim frequency data. The prospective annual change in Collision losses is also based upon consideration of changes in the number of miles driven, the changing cost of gasoline, and the impact of recent legislation. The expected average annual changes in losses have been selected based upon analysis and review of these data.

C. Annual Changes in Loss for Earlier Years

Since the average annual change in losses determined for each coverage is the appropriate rate of change to apply to losses to project them from average date of accident in the most recent year to the average date of accident for the prospective period, it is necessary to recognize known changes from earlier years to the most recent year. These changes are reflected by means of a current cost factor which reflects the changes in pure premiums for the years ended 12/31/2005 and 12/31/2006 to the year ended 12/31/2007 pure premiums. For the purposes of display and calculation of the indicated change by coverage, these actual changes are compounded with the prospective annual change in losses by means of equivalent annual percentage changes. These calculations are shown on pages D-9 and D-10.

6. Prospective Annual Change in Expenses

The average annual change in expenses is based on consideration of the All Items Consumer Price Index, the All Items - Less Energy Consumer Price Index and the Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service, as shown on pages D-11 through D-14. The expected average annual change in expenses is then selected based on analysis and review of these data.

7. Trend Period

The number of years of projection for losses and loss adjustment expenses is the number of years from the average date of accident in the experience period to the average date of coverage under the filed rates. The average date of accident for accident year ended December 31, 2007 is July 1, 2007.

The changes proposed in this filing are applicable to all new and renewal policies written on or after October 1, 2009. The losses and loss adjustment expenses are projected to July 13, 2010. For 6 month policies, the average date of loss is 9 months after the effective date, since losses will occur under these policies throughout the 18 month period commencing with the anticipated effective date. Similarly, for 12 month policies, the average date of loss is 12 months after the anticipated effective date, since losses will occur under these policies throughout the 24 month period commencing with the assumed effective date for annual policies. The average dates of loss during these periods anticipated are weighted based on the distribution of 6 and 12 month policies.

The most recent distribution of policies by term is:

6 month policies	86%
12 month policies	14%

Other acquisition expenses and general expenses are projected six months beyond the anticipated effective date (April 1, 2010) to reflect expense incurred in writing policies throughout the 12 month period commencing with the anticipated effective date.

8. Expected Loss and Loss Adjustment Ratios

These quantities represent the portion of the present premium income available for losses, loss adjustment expenses, general expenses and other acquisition expenses. They are determined from special calls for North Carolina expense experience and reflect the 2007, 2006 and 2005 results as reported by all companies licensed in North Carolina during those years. The breakdowns of the expected loss and loss adjustment ratios are set forth on Pages D-22 to D-27, E-8 and F-4.

9. Premium Trend

Private Passenger Automobile Physical Damage

The required average premiums per exposure for the physical damage coverages are adjusted to reflect the distribution of exposures by model year and the corresponding model year rating relativities in effect during the prospective rating period.

The physical damage required average premiums per exposure are also adjusted for "symbol drift" which accounts for the anticipated increase in premium revenue due to the increasing prices of new cars. A symbol trend factor is derived using the average symbol factors for recent years, as shown in Section H. The average annual change in the average symbol is then projected from the average date of writing for policies that are earned in the latest year of experience to the anticipated average date of earning under the proposed rates.

## Territory Rate Exhibits

### 1. Base Class Loss Cost

For each coverage, a base class loss cost by territory is derived by dividing the latest three year average pure premium by the latest year distributional adjustment factor. The distributional adjustment factor is determined for each territory by dividing the latest year average rate by the base class rate (see pages C-19-C-23). The average rates reflect the most recent distribution of risks by class in each territory. The pure premium or loss cost (losses / exposures) is based on three years of experience for purposes of stability.

### 2. Credibility

The base class loss cost for each territory is assigned a credibility value on the basis of the number of claims underlying the three year pure premium. The complement of the credibility assigned to the territory base class loss cost is assigned to the statewide base class loss cost. The credibility table utilized is shown on page D-29.

### 3. Formula Base Class Loss Cost

The formula base class loss cost by territory is calculated by multiplying the territory base class loss cost by its credibility value and adding this amount to the statewide base class loss cost multiplied by the complement of the territory credibility and the historical adjustment factor. The historical adjustment factor is calculated as the ratio of the current territory base class rate to the current statewide average base class rate. See pages C-19-C-23.

### 4. Index to State

Territory indices to state are calculated by dividing each territory's credibility-weighted formula base class loss cost with the statewide formula base class loss cost.

### 5. Filed Base Rate

Filed base rates by territory were developed so as to achieve the statewide required base class premium. In addition, the rate change has been distributed in such a way that 100% of the general and other acquisition expenses have been flattened by territory. Offsets are applied to the Physical Damage coverages to reflect the change in base model year from 2009 to 2010, the proposed revisions to the model year relativities, and the proposed revisions to the deductible relativities. Offsets are applied to both the liability and physical damage base rates to reflect proposed changes to the classification rate differentials. The calculation of the flattened general and other acquisition expenses and the application of the offsets are described on page C-17.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SUMMARY OF SELECTED TREND FACTORS

<u>Loss Trends</u>	<u>Cost</u>	<u>Frequency</u>	<u>Total</u>
Bodily Injury (B/L)	6.5%	-4.0%	2.2%
Bodily Injury (T/L)	6.5%		
Property Damage	2.5%	-1.5%	1.0%
Medical Payments	0.5%	-0.5%	0.0%
Uninsured Motorists			0.0%
Underinsured Motorists			7.5%
Comprehensive	1.5%	-1.0%	0.5%
Collision	0.5%	0.0%	0.5%
<u>Expense Trend</u>			3.0%
<u>Symbol Trend</u>			
Comprehensive			0.7%
Collision			0.0%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend  
for 2005 and 2006

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2007 Trend Factor	(6) Annualized Trend (d)
Bodily	2005	1.115	0.944	1.053	1.022	1.024
Injury	2006	1.074	0.971	1.043	1.022	1.027
	2007	1.000	1.000	1.000	1.022	1.022
Property	2005	1.064	0.966	1.028	1.010	1.012
Damage	2006	1.023	0.979	1.002	1.010	1.008
	2007	1.000	1.000	1.000	1.010	1.010
Medical	2005	1.001	0.927	0.928	1.000	0.985
Payments	2006	0.999	0.966	0.965	1.000	0.991
	2007	1.000	1.000	1.000	1.000	1.000
Comprehensive	2005	1.056	0.910	0.961	1.005	0.995
	2006	1.050	0.960	1.008	1.005	1.006
	2007	1.000	1.000	1.000	1.005	1.005
Collision	2005	1.034	0.985	1.018	1.005	1.007
	2006	0.992	1.000	0.992	1.005	1.002
	2007	1.000	1.000	1.000	1.005	1.005

(a) 2005 Claim Cost Change = (2007 Claim Cost) / (2005 Claim Cost).  
2006 Claim Cost Change = (2007 Claim Cost) / (2006 Claim Cost).

(b) 2005 Claim Frequency Change = (2007 Claim Frequency)  
/ (2005 Claim Frequency). 2006 Claim Frequency Change =  
(2007 Claim Frequency) / (2006 Claim Frequency).

(c) Current Cost Factor = Column (2) \* Column (3)

(d) Annualized Trend for 2005 and 2006  

$$= [(COL(5))^m \times (COL(4))^{(1/n)}]$$

where m is the number of years of projection of the 2007 trend factor from 7/1/2007 to 7/13/2010, 3.04, Col (4) represents the Current Cost Factor to 7/1/2007, and n represents the number of years of projection for a given prior year, 4.04 for 2006 and 5.04 for 2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend  
for 2005 and 2006

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2005	\$ 6,124	1.43
	2006	6,359	1.39
	2007	6,830	1.35
Property Damage	2005	\$ 2,580	3.81
	2006	2,685	3.76
	2007	2,746	3.68
Medical Payments	2005	\$ 1,731	1.23
	2006	1,733	1.18
	2007	1,732	1.14
Comprehensive	2005	\$ 539	4.22
	2006	542	4.00
	2007	569	3.84
Collision	2005	\$ 2,921	4.69
	2006	3,043	4.62
	2007	3,019	4.62

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages H-540 and H-543. Paid Claim Cost for Comprehensive is ISO only Full Coverage, \$50, \$100, \$250 and \$500 Deductible combined data, adjusted for catastrophe, as shown on pages H-550 through H-554. Paid Claim Cost for Collision is based on \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductible combined, All Carrier data, as shown on pages H-564 through H-569.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data. Paid Claim Frequency for Comprehensive is ISO only Full Coverage, \$50 Deductible, \$100 Deductible, \$250 Deductible and \$500 Deductible combined data, adjusted for catastrophe, as shown on pages H-555 through H-559. Paid Claim Frequency for Collision is based on \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductible combined All Carrier data, as shown on pages H-570 through H-575.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	
Oct-07	208.9	
Nov-07	210.2	200.8
Dec-07	210.0	
Jan-08	211.1	
Feb-08	211.7	204.1
Mar-08	213.5	
Apr-08	214.8	
May-08	216.6	205.0
Jun-08	218.8	
Jul-08	220.0	
Aug-08	219.1	205.8
Sep-08	218.8	

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.46%	3.00%	3.23%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.55%	3.07%	3.31%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	4.69%	3.16%	3.92%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	6.33%	3.18%	4.75%
(5) Average Annual Index (D)			
Year Ended 3/31/2006	197.04	189.88	
Year Ended 9/30/2006	200.63	192.13	
Year Ended 3/31/2007	202.80	194.60	
Year Ended 9/30/2007	205.34	198.13	
Year Ended 3/31/2008	209.43	201.45	
Year Ended 9/30/2008	214.46	203.93	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 3/31/2006	1.11	1.08	1.10
Year Ended 9/30/2006	1.09	1.07	1.08
Year Ended 3/31/2007	1.08	1.06	1.07
Year Ended 9/30/2007	1.07	1.04	1.06
Year Ended 3/31/2008	1.04	1.02	1.03
Year Ended 9/30/2008	1.02	1.01	1.02

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.  
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	ALL ITEMS - LESS ENERGY <u>CPI INDEX</u>	COMPENSATION <u>COST INDEX</u>
Oct-04	196.0	
Nov-04	196.0	183.6
Dec-04	195.8	
Jan-05	196.4	
Feb-05	197.3	186.3
Mar-05	198.3	
Apr-05	198.6	
May-05	198.6	188.8
Jun-05	198.5	
Jul-05	198.7	
Aug-05	198.9	189.0
Sep-05	199.2	
Oct-05	200.1	
Nov-05	200.2	190.0
Dec-05	200.1	
Jan-06	200.8	
Feb-06	201.6	191.7
Mar-06	202.6	
Apr-06	203.0	
May-06	203.3	193.0
Jun-06	203.6	
Jul-06	203.9	
Aug-06	204.4	193.8
Sep-06	204.9	
Oct-06	205.6	
Nov-06	205.3	194.9
Dec-06	205.1	
Jan-07	206.0	
Feb-07	207.1	196.7
Mar-07	207.9	
Apr-07	208.2	
May-07	208.4	199.5
Jun-07	208.6	
Jul-07	209.0	
Aug-07	209.4	201.4
Sep-07	210.0	
Oct-07	210.7	
Nov-07	210.9	200.8
Dec-07	210.9	
Jan-08	211.8	
Feb-08	212.5	204.1
Mar-08	213.4	
Apr-08	213.9	
May-08	214.1	205.0
Jun-08	214.6	
Jul-08	215.3	
Aug-08	215.9	205.8
Sep-08	216.4	

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items - Less Energy (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	2.58%	3.00%	2.79%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.70%	3.07%	2.89%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.83%	3.16%	2.99%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.14%	3.18%	3.16%
(5) Average Annual Index (D)			
Year Ended 3/31/2006	199.83	189.88	
Year Ended 9/30/2006	202.38	192.13	
Year Ended 3/31/2007	205.00	194.60	
Year Ended 9/30/2007	207.55	198.13	
Year Ended 3/31/2008	210.33	201.45	
Year Ended 9/30/2008	213.37	203.93	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 3/31/2006	1.08	1.08	1.08
Year Ended 9/30/2006	1.07	1.07	1.07
Year Ended 3/31/2007	1.06	1.06	1.06
Year Ended 9/30/2007	1.04	1.04	1.04
Year Ended 3/31/2008	1.03	1.02	1.03
Year Ended 9/30/2008	1.01	1.01	1.01

Notes: (A) All items less energy CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.  
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
COMPREHENSIVE COVERAGES  
DERIVATION OF EXCESS WIND AND WATER FACTOR

Year	(1) Wind & Water Paid Losses (a)	(2) Total Paid Losses (a)	(3) (2)-(1) [Total - Wind & Water]	(4) [Wind & Water] / [Total - Wind & Water]	(5) (4)-Avg. (4) Excess Wind & Water Ratio	(6) (3) x (5) Excess Wind & Water Losses
12/31/78	720,697	11,699,011	10,978,314	0.066	0.000	0
12/31/79	426,482	11,262,032	10,835,550	0.039	0.000	0
12/31/80	970,069	12,639,553	11,669,484	0.083	0.000	0
6/30/82	776,765	12,888,840	12,112,075	0.064	0.000	0
12/31/82	1,241,071	13,864,486	12,623,415	0.098	0.000	0
12/31/83	580,053	13,722,505	13,142,452	0.044	0.000	0
12/31/84	4,856,972	19,768,396	14,911,424	0.326	0.126	1,878,839
12/31/85	5,463,414	20,781,442	15,318,028	0.357	0.157	2,404,930
12/31/86	2,809,049	18,781,759	15,972,710	0.176	0.000	0
12/31/87	1,484,233	19,918,610	18,434,377	0.081	0.000	0
12/31/88	5,074,247	25,070,383	19,996,136	0.254	0.054	1,079,791
12/31/89	11,554,992	32,652,862	21,097,870	0.548	0.348	7,342,059
12/31/90	4,423,094	26,845,160	22,422,066	0.197	0.000	0
12/31/91	1,271,154	21,820,454	20,549,300	0.062	0.000	0
12/31/92	1,928,913	21,696,593	19,767,680	0.098	0.000	0
12/31/93	18,640,617	67,247,004	48,606,387	0.384	0.184	8,943,575
12/31/94	3,267,309	54,565,559	51,298,250	0.064	0.000	0
12/31/95	9,648,334	65,189,949	55,541,615	0.174	0.000	0
12/31/96	49,270,157	121,767,966	72,497,809	0.680	0.480	34,798,948
12/31/97	8,337,582	74,959,385	66,621,803	0.125	0.000	0
12/31/98	36,582,228	109,433,029	72,850,801	0.502	0.302	22,000,942
12/31/99	82,839,636	254,543,319	171,703,683	0.482	0.282	48,420,439
12/31/00	26,900,286	219,752,475	192,852,189	0.139	0.000	0
12/31/01	12,205,306	195,182,807	182,977,501	0.067	0.000	0
12/31/02	19,987,319	207,651,735	187,664,416	0.107	0.000	0
12/31/03	71,165,906	270,447,922	199,282,016	0.357	0.157	31,287,277
12/31/04	18,276,472	181,519,147	163,242,675	0.112	0.000	0
12/31/05	11,835,738	167,368,777	155,533,039	0.076	0.000	0
12/31/06	26,421,451	185,257,098	158,835,647	0.166	0.000	0
12/31/07	13,323,707	176,342,871	163,019,164	0.082	0.000	0
		(7)	Average (4) =	6.010 /30 =	0.200	
		(8)	Average Excess Wind & Water Ratio =	2.090 /30 =	0.070	
		(9)	Excess Wind & Water Factor = 1 + (8)/[1+(7)-(8)] =		1.062	

(a) Losses are for Full Coverage and \$50 Deductible Comprehensive for 1978-6/82.  
Losses are for Full Coverage, \$50 Deductible and \$100 Deductible Comprehensive for 12/82-1990.  
Losses are for Full Coverage, \$50, \$100 and \$250 Deductible Comprehensive for 1991-1992.  
Losses are for Full Coverage, \$50, \$100, \$250 and \$500 Deductible Comprehensive for 1993-1996.  
Losses are for Full Coverage, \$50, \$100, \$250, \$500 and \$1000 Deductible Comprehensive for 1997-2007.  
Data prior to 1999 is for ISO reporting companies only.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					497,362,994
1995				510,695,093	507,711,940
1996			507,244,864	507,972,820	508,379,926
1997		506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	506,516,812
2002	502,055,673	533,149,260	548,869,443	557,723,529	557,289,176
2003	515,817,257	559,094,357	578,617,400	585,187,725	587,656,474
2004	539,624,419	573,780,470	593,251,141	599,181,659	
2005	534,184,208	576,962,347	592,877,647		
2006	555,212,150	598,097,338			
2007	564,072,152				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.994
1996			1.001	1.001
1997		1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	1.003
2002	1.062	1.029	1.016	0.999
2003	1.084	1.035	1.011	1.004
2004	1.063	1.034	1.010	
2005	1.080	1.028		
2006	1.077			
Five Year Average	1.073	1.030	1.013	1.003
Three Year Average (b)	1.073	1.032	1.012	1.002

	Five Year	Three Year
39 to 63 months:	1.016	1.014
27 to 63 months:	1.046	1.046
15 to 63 months:	1.122	1.122

(a) Losses are on a 30/60 level for 2002-2007.  
Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					342,489,519
1995				387,215,933	387,183,990
1996			434,632,796	434,999,549	434,974,174
1997		440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	502,958,797
2002	521,387,936	529,534,675	531,145,335	532,186,698	531,950,120
2003	537,475,817	547,204,102	549,683,599	549,242,647	549,474,560
2004	540,779,130	552,344,575	560,950,492	561,749,173	
2005	560,372,482	572,679,307	574,144,621		
2006	585,759,190	596,197,749			
2007	590,039,880				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	1.000
2002	1.016	1.003	1.002	1.000
2003	1.018	1.005	0.999	1.000
2004	1.021	1.016	1.001	
2005	1.022	1.003		
2006	1.018			
Five Year Average	1.019	1.006	1.001	1.000
Three Year Average	1.020	1.008	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.007	1.009	
15 to 63 months:		1.026	1.029	

(a) Losses are on a \$25,000 level for 2002-2007.  
Losses are on a \$15,000 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					79,248,603
1995				83,077,081	83,224,393
1996			81,935,144	82,511,325	82,792,510
1997		79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	84,208,944
2002	84,407,330	89,375,713	90,811,468	91,440,492	91,468,157
2003	85,399,350	91,379,102	91,931,978	92,675,518	92,750,269
2004	85,271,787	89,295,154	91,165,945	92,016,430	
2005	84,730,224	89,100,195	90,329,957		
2006	91,005,311	92,565,563			
2007	91,030,009				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.002
1996			1.007	1.003
1997		1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	1.000
2002	1.059	1.016	1.007	1.000
2003	1.070	1.006	1.008	1.001
2004	1.047	1.021	1.009	
2005	1.052	1.014		
2006	1.017			

Five Year Average	1.049	1.015	1.008	1.003
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Three Year Average	1.039	1.014	1.008	1.000
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	Five Year	Three Year
39 to 63 months:	1.011	1.008
27 to 63 months:	1.026	1.022
15 to 63 months:	1.076	1.062

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					83,857
1995				90,309	89,961
1996			94,022	93,916	93,519
1997		94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	87,694
2002	96,845	93,413	92,563	92,015	91,069
2003	98,407	94,411	93,472	92,709	92,448
2004	98,867	95,352	94,812	94,243	
2005	96,834	93,155	92,088		
2006	96,429	92,256			
2007	92,006				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.996
1996			0.999	0.996
1997		0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	0.995
2002	0.965	0.991	0.994	0.990
2003	0.959	0.990	0.992	0.997
2004	0.964	0.994	0.994	
2005	0.962	0.989		
2006	0.957			
Five Year Average	0.961	0.991	0.994	0.995
Three Year Average	0.961	0.991	0.993	0.994

Five Year                      Three Year

39 to 63 months:	0.989	0.987
27 to 63 months:	0.980	0.978
15 to 63 months:	0.942	0.940

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					191,119
1995				203,482	203,511
1996			215,087	215,218	215,208
1997		215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	222,788
2002	225,129	226,768	227,050	227,280	227,151
2003	235,482	236,947	237,345	236,866	236,927
2004	239,528	241,668	244,848	245,053	
2005	242,482	245,096	245,287		
2006	243,912	245,951			
2007	242,462				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	0.999
2002	1.007	1.001	1.001	0.999
2003	1.006	1.002	0.998	1.000
2004	1.009	1.013	1.001	
2005	1.011	1.001		
2006	1.008			

Five Year Average	1.008	1.004	1.000	1.000
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Three Year Average	1.009	1.005	1.000	0.999
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	Five Year	Three Year
39 to 63 months:	1.000	0.999
27 to 63 months:	1.004	1.004
15 to 63 months:	1.012	1.013



NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					66,592
1995				69,056	69,057
1996			68,540	68,706	68,723
1997		65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	59,579
2002	60,999	61,948	62,273	62,406	62,393
2003	59,036	60,027	60,458	60,586	60,594
2004	56,892	57,641	58,405	58,675	
2005	56,522	57,491	57,769		
2006	59,284	59,249			
2007	55,847				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.002	1.000
1997		1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	1.000
2002	1.016	1.005	1.002	1.000
2003	1.017	1.007	1.002	1.000
2004	1.013	1.013	1.005	
2005	1.017	1.005		
2006	0.999			
Five Year Average	1.012	1.007	1.003	1.000
Three Year Average	1.010	1.008	1.003	1.000
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.010	1.011	
15 to 63 months:		1.022	1.021	

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF PERMISSIBLE LOSS, LAE,  
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (i)	Physical Damage (ii)
a) Commission + Brokerage (iii)	9.7%	9.7%
b) Taxes, Licenses and Fees (iv)	2.2	2.1
c) Underwriting Profit (v)	11.0	13.0
d) Contingencies (See Exhibit RB-6)	0.0	0.0
e) Total; Variable expenses, Underwriting Profit, and Contingencies	22.9	24.8
f) Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses (vi)	77.1	75.2
g) Total Premium	100.0	100.0

(i) For use with 12/31/2007 Liability data.

(ii) For use with 12/31/2007 Physical Damage data.

(iii) For Liability Commission and Brokerage, the voluntary portion of the ratio is determined using the voluntary/ceded premium distribution and an assumed 10.0% ceded ratio to premiums at collected level. For Physical Damage Commission and Brokerage, the ratio for standard business is used.

(iv) For Physical Damage Taxes, Licenses and Fees, the ratio for standard business is used.

(v) The underwriting profit factor was determined to be necessary in addition to investment income earned or realized by insurers from unearned premium, and loss and loss expense reserve funds generated from business within this state.

(vi) Permissible Loss, LAE, General and Other Acquisition Expense Ratio in (f) equals 100% minus item (e).

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF PERMISSIBLE LOSS, LAE,  
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (i)	Physical Damage (ii)
a) Commission + Brokerage (iii)	10.0%	9.7%
b) Taxes, Licenses and Fees (iv)	2.1	2.0
c) Underwriting Profit (v)	11.0	13.0
d) Contingencies (See Exhibit RB-6)	0.0	0.0
e) Total; Variable expenses, Underwriting Profit, and Contingencies	23.1	24.7
f) Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses (vi)	76.9	75.3
g) Total Premium	100.0	100.0

(i) For use with 12/31/2006 Liability data.

(ii) For use with 12/31/2006 Physical Damage data.

(iii) For Liability Commission and Brokerage, the voluntary portion of the ratio is determined using the voluntary/ceded premium distribution and an assumed 10.0% ceded ratio to premiums at collected level. For Physical Damage Commission and Brokerage, the ratio for standard business is used.

(iv) For Physical Damage Taxes, Licenses and Fees, the ratio for standard business is used.

(v) The underwriting profit factor was determined to be necessary in addition to investment income earned or realized by insurers from unearned premium, and loss and loss expense reserve funds generated from business within this state.

(vi) Permissible Loss, LAE, General and Other Acquisition Expense Ratio in (f) equals 100% minus item (e).

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF PERMISSIBLE LOSS, LAE,  
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (i)	Physical Damage (ii)
a) Commission + Brokerage (iii)	10.4%	9.8%
b) Taxes, Licenses and Fees (iv)	2.3	2.3
c) Underwriting Profit (v)	11.0	13.0
d) Contingencies (See Exhibit RB-6)	0.0	0.0
e) Total; Variable expenses, Underwriting Profit, and Contingencies	23.7	25.1
f) Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses (vi)	76.3	74.9
g) Total Premium	100.0	100.0

(i) For use with 12/31/2005 Liability data.

(ii) For use with 12/31/2005 Physical Damage data.

(iii) For Liability Commission and Brokerage, the voluntary portion of the ratio is determined using the voluntary/ceded premium distribution and an assumed 10.0% ceded ratio to premiums at collected level. For Physical Damage Commission and Brokerage, the ratio for standard business is used.

(iv) For Physical Damage Taxes, Licenses and Fees, the ratio for standard business is used.

(v) The underwriting profit factor was determined to be necessary in addition to investment income earned or realized by insurers from unearned premium, and loss and loss expense reserve funds generated from business within this state.

(vi) Permissible Loss, LAE, General and Other Acquisition Expense Ratio in (f) equals 100% minus item (e).

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

COMPONENTS OF PERMISSIBLE LOSS, LAE,  
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (a)	Physical Damage (b)
Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	77.1	75.2
Loss Adjustment Expense (See pages H-608-H-610)		
Bodily Injury & Medical Payments	13.4	-
Property Damage	11.7	-
Physical Damage	-	13.6 (c)
General Administration (See pages H-608-H-610)	7.2	6.1 (c)
Other Acquisition Expenses (See pages H-608-H-610)	9.1	8.4 (c)

(a) For use with 12/31/2007 Liability data.

(b) For use with 12/31/2007 Physical Damage data.

(c) Physical Damage ratios are for standard and non-standard business combined.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

COMPONENTS OF PERMISSIBLE LOSS, LAE,  
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (a)	Physical Damage (b)
Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	76.9	75.3
Loss Adjustment Expense (See pages H-608-H-610)		
Bodily Injury & Medical Payments	12.7	-
Property Damage	11.1	-
Physical Damage	-	13.7 (c)
General Administration (See pages H-608-H-610)	7.6	6.4 (c)
Other Acquisition Expenses (See pages H-608-H-610)	8.9	8.0 (c)

(a) For use with 12/31/2006 Liability data.

(b) For use with 12/31/2006 Physical Damage data.

(c) Physical Damage ratios are for standard and non-standard business combined.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

COMPONENTS OF PERMISSIBLE LOSS, LAE,  
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (a)	Physical Damage (b)
Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	76.3	74.9
Loss Adjustment Expense (See pages H-608-H-610)		
Bodily Injury & Medical Payments	12.8	-
Property Damage	12.2	-
Physical Damage	-	15.9 (c)
General Administration (See pages H-608-H-610)	5.6	4.9 (c)
Other Acquisition Expenses (See pages H-608-H-610)	9.2	7.3 (c)

(a) For use with 12/31/2005 Liability data.

(b) For use with 12/31/2005 Physical Damage data.

(c) Physical Damage ratios are for standard and non-standard business combined.

### Credibility Factor Determination

Credibility considerations enter into the private passenger ratemaking formula in three areas:

- 1) statewide rate indications in the determination of accident year weights.
- 2) territory rate indications in the determination of the individual territory's formula base class loss cost.
- 3) trend factor determination in the determination to base the average annual change on North Carolina data or a combination of North Carolina and countrywide data.

The first two areas full credibility standard is based on an application of the credibility formula contained in the paper "On The Credibility of The Pure Premium" by Mayerson, Jones and Bowers (PCAS LV, 1968). The full credibility standards contemplate P and K values of 95% and 5% for statewide and 90% and 5% for territory.

The trend credibility procedure is based on the first model discussed in "An Introduction to Credibility Theory" by L. H. Longley-Cook. The full credibility standard is based on P and K values of 99% and 2 1/2%.

For Uninsured Motorists and Underinsured Motorists, each year of the experience period is given weight proportional to its earned car years in the calculation of an indicated premium per exposure.

For Motorcycles, each year of the experience period is given weight proportional to its earned premium at present manual rates in the calculation of an indicated change.



CREDIBILITY TABLES BASED  
UPON NUMBER OF CLAIMS

The projected loss ratios are weighted in accordance with the following:

<u>Average Number of Claim for the Latest Two Years (A)</u>	<u>Weight to Earlier Year</u>	<u>Weight to Later Year</u>
4000 and over	0%	100%
3600 - 3999	10	90
3200 - 3599	20	80
2800 - 3199	30	70
2400 - 2799	40	60
under 2400	50	50

(A) Applied separately by coverage.

<u>Credibility</u>	<u>Determination of Territory Credibility (B)</u>	<u>Credibility</u>	<u>Determination of Trend Factor Credibility (C)</u>
0	0 - 29	0	0 - 26
.10	30 - 119	.05	27 - 105
.20	120 - 269	.10	106 - 238
.30	270 - 479	.15	239 - 424
.40	480 - 749	.20	425 - 663
.50	750 - 1,079	.25	664 - 955
.60	1,080 - 1,469	.30	956 - 1,300
.70	1,470 - 1,919	.35	1,301 - 1,699
.80	1,920 - 2,429	.40	1,700 - 2,150
.90	2,430 - 2,999	.45	2,151 - 2,655
1.00	3,000 or more	.50	2,656 - 3,212
		.55	3,213 - 3,823
		.60	3,824 - 4,487
		.65	4,488 - 5,204
		.70	5,205 - 5,974
		.75	5,975 - 6,798
		.80	6,799 - 7,674
		.85	7,675 - 8,604
		.90	8,605 - 9,586
		.95	9,587 - 10,622
		1.00	10,623 or more

(B) Territory credibility is based on the number of claims underlying the three year pure premium.

(C) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

SECTION E  
UNINSURED MOTORISTS REVIEW

NORTH CAROLINA  
UNINSURED MOTORISTS REVIEW  
PRIVATE PASSENGER CARS  
BASIC LIMITS REVIEW

All Carriers Voluntary and Ceded Combined	Year Ended 12/31/2005	Year Ended 12/31/2006	Year Ended 12/31/2007
(1) Incurred Losses and ALAE (30/60 UMBI) (a)	39,245,403	39,616,946	35,130,761
(2) Incurred Losses and ALAE (\$25,000 UMPD) (a)	11,622,287	11,313,845	11,075,671
(3) Loss Development Factor (30/60 UMBI) (b)	1.011	1.058	1.182
(4) Loss Development Factor (\$25,000 UMPD) (b)	0.979	0.962	0.917
(5) ULAE Factor (BI) (See page H-608)	12.8%	12.7%	13.4%
(6) ULAE Factor (PD) (See page H-608)	12.2%	11.1%	11.7%
(7) Developed Losses and LAE (30/60 UMBI) [(1)x(3)x[1+(5)]]	44,755,772	47,237,899	47,088,850
(8) Developed Losses and LAE (\$25,000 UMPD) [(2)x(4)x[1+(6)]]	12,766,362	12,092,034	11,344,688
(9) Total Developed Losses and LAE [(7)+(8)]	57,522,134	59,329,933	58,433,538
(10) Avg Annual Change in Losses and LAE (See page D-8)	0.0%	0.0%	0.0%
(11) Years of Trend - Losses (c)	5.04	4.04	3.04
(12) Projected Losses and LAE (c)	57,522,134	59,329,933	58,433,538
(13) Earned Exposures (a)(d)	6,074,771	6,207,939	6,346,033
(14) Developed Incurred Claims (UMBI) (a)	6,096	6,061	5,883
(15) Developed Incurred Claims (UMPD) (a)	9,162	8,684	8,312
(16) Total Incurred Claims [(14)+(15)]	15,258	14,745	14,195
(17) Projected B/L Loss and LAE per exposure [(12)/(13)]	9.47	9.56	9.21
(18) Percentage Dividends (e)	0.25%	0.25%	0.25%
(19) Permissible Loss and LAE Ratio (See page E-8)	0.608	0.608	0.608
(20) Adjustment Factor for Increase in MVR Fee (f)	1.00435	1.00000	1.00000
(21) Required B/L Premium per exposure [((17)/((19)-(18)))x(20)]	15.71	15.79	15.21
(22) Average (Weighted on exposures in line (13))		15.57	

(a) Based on the statistical plan data reported by member companies.

(b) Loss development factors are based on five-year averages, through 63 months of development for Uninsured Motorists Bodily Injury and Uninsured Motorists Property Damage. See pages E-3 and E-4.

(c) Projected losses and allocated loss adjustment expenses =  

$$\frac{(11)}{[(9) \times (1 + (10))]}$$
, where (11) = the number of years of projection from the average date of accident to 7/13/2010.

(d) UM earned exposures are estimated to be 95.0% of Bodily Injury Liability earned exposures.

(e) Selected value.

(f) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA  
UNINSURED MOTORISTS REVIEW  
PRIVATE PASSENGER CARS  
TOTAL LIMITS REVIEW

All Carriers Voluntary and Ceded Combined	Year Ended 12/31/2005	Year Ended 12/31/2006	Year Ended 12/31/2007
(1) Incurred Losses and ALAE (T/L UMBI) (a)	49,099,959	49,809,832	41,801,229
(2) Incurred Losses and ALAE (T/L UMPD) (a)	12,471,678	11,316,414	11,123,243
(3) Loss Development Factor (T/L UMBI) (b)	1.016	1.070	1.241
(4) Loss Development Factor (T/L UMPD) (b)	0.974	0.960	0.923
(5) ULAE Factor (BI) (See page H-608)	12.8%	12.7%	13.4%
(6) ULAE Factor (PD) (See page H-608)	12.2%	11.1%	11.7%
(7) Developed Losses and LAE (T/L UMBI) [(1)x(3)x[1+(5)]]	56,270,910	60,065,178	58,826,619
(8) Developed Losses and LAE (T/L UMPD) [(2)x(4)x[1+(6)]]	13,629,399	12,069,635	11,467,963
(9) Total Developed Losses and LAE [(7)+(8)]	69,900,309	72,134,813	70,294,582
(10) Avg Annual Change in Losses and LAE (See page D-8)	0.0%	0.0%	0.0%
(11) Years of Trend - Losses (c)	5.04	4.04	3.04
(12) Projected Losses and LAE (c)	69,900,309	72,134,813	70,294,582
(13) Earned Exposures (a)(d)	6,074,771	6,207,939	6,346,033
(14) Developed Incurred Claims (UMBI) (a)	6,096	6,061	5,883
(15) Developed Incurred Claims (UMPD) (a)	9,162	8,684	8,312
(16) Total Incurred Claims [(14)+(15)]	15,258	14,745	14,195
(17) Projected T/L Loss and LAE per exposure [(12)/(13)]	11.51	11.62	11.08
(18) Percentage Dividends (e)	0.25%	0.25%	0.25%
(19) Permissible Loss and LAE Ratio (See page E-8)	0.608	0.608	0.608
(20) Adjustment Factor for Increase in MVR Fee (f)	1.00435	1.00000	1.00000
(21) Required T/L Premium per exposure [((17)/((19)-(18)))x(20)]	19.09	19.19	18.30
(22) Average (Weighted on exposures in line (13))		18.85	

(a) Based on the statistical plan data reported by member companies.

(b) Loss development factors are based on five-year averages, through 63 months of development for Uninsured Motorists Bodily Injury and Uninsured Motorists Property Damage. See pages E-5 and E-6.

(c) Projected losses and allocated loss adjustment expenses =  

$$\frac{(11)}{[(9) \times (1 + (10))]}$$
 ], where (11) = the number of years of projection from the average date of accident to 7/13/2010.

(d) UM earned exposures are estimated to be 95.0% of Bodily Injury Liability earned exposures.

(e) Selected value.

(f) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					27,736,873
1995				31,439,072	31,176,700
1996			32,492,388	32,306,324	31,794,036
1997		35,255,333	35,901,298	36,875,978	36,519,975
1998	31,585,724	34,066,749	34,181,670	33,882,419	33,680,968
1999	29,239,280	32,978,345	33,190,330	33,444,514	33,492,209
2000	31,236,093	32,637,501	33,073,301	33,677,305	33,379,655
2001	31,401,868	33,755,318	35,021,950	35,507,827	35,426,244
2002	32,704,663	37,596,181	39,565,990	39,583,086	39,653,863
2003	35,307,464	39,489,354	40,993,396	41,853,946	41,929,146
2004	34,894,192	37,454,484	39,846,551	40,160,252	
2005	35,135,790	39,433,924	41,021,443		
2006	37,169,628	41,684,546			
2007	37,203,739				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.992
1996			0.994	0.984
1997		1.018	1.027	0.990
1998	1.079	1.003	0.991	0.994
1999	1.128	1.006	1.008	1.001
2000	1.045	1.013	1.018	0.991
2001	1.075	1.038	1.014	0.998
2002	1.150	1.052	1.000	1.002
2003	1.118	1.038	1.021	1.002
2004	1.073	1.064	1.008	
2005	1.122	1.040		
2006	1.121			
Five Year Average	1.117	1.046	1.012	0.999
Three Year Average	1.105	1.047	1.010	1.001
		Five Year	Three Year	
39 to 63 months:		1.011	1.011	
27 to 63 months:		1.058	1.059	
15 to 63 months:		1.182	1.170	

(a) Losses are on a 30/60 level for 2002-2007.  
 Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Uninsured Motorists Property Damage Basic Limits(a) Incurred Losses as of					
Accident					
Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996					
1997				10,658,220	10,566,331
1998			10,965,606	10,864,638	10,831,683
1999		11,385,922	11,252,921	11,143,920	11,257,504
2000	12,175,598	11,758,667	11,563,960	11,413,456	11,324,557
2001	11,522,357	11,260,876	11,051,061	10,921,388	10,833,455
2002	12,734,308	11,995,876	11,782,745	11,588,557	11,589,837
2003	12,929,486	12,177,961	11,919,457	11,701,679	11,600,679
2004	11,802,989	11,227,531	11,105,182	10,786,663	
2005	12,302,623	11,786,546	11,601,533		
2006	11,776,886	11,461,080			
2007	11,386,161				

Loss Development Factors

Accident				
Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				
1997				0.991
1998			0.991	0.997
1999		0.988	0.990	1.010
2000	0.966	0.983	0.987	0.992
2001	0.977	0.981	0.988	0.992
2002	0.942	0.982	0.984	1.000
2003	0.942	0.979	0.982	0.991
2004	0.951	0.989	0.971	
2005	0.958	0.984		
2006	0.973			
Five Year Average	0.953	0.983	0.982	0.997
Three Year Average	0.961	0.984	0.979	0.994

	Five Year	Three Year
39 to 63 months:	0.979	0.973
27 to 63 months:	0.962	0.957
15 to 63 months:	0.917	0.920

(a) Losses are on a \$25,000 level for 2002-2007.  
 Losses are on a \$15,000 level for 1997-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					33,870,375
1995				40,454,519	40,244,972
1996			42,233,897	42,138,160	41,897,880
1997		41,476,944	43,089,067	45,023,830	45,597,964
1998	34,730,646	39,335,195	40,232,839	40,165,311	39,676,840
1999	33,844,288	39,401,625	40,895,619	41,968,526	42,065,404
2000	34,492,399	39,823,570	40,854,460	42,011,925	41,324,158
2001	38,089,800	42,975,232	45,262,195	46,148,079	46,341,896
2002	38,918,375	47,611,602	50,400,213	50,208,191	50,666,563
2003	42,683,852	48,534,844	50,786,129	52,305,914	52,299,269
2004	44,012,059	48,971,187	51,836,511	52,026,941	
2005	43,302,325	49,506,298	51,967,884		
2006	46,363,207	54,782,444			
2007	47,875,364				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.995
1996			0.998	0.994
1997		1.039	1.045	1.013
1998	1.133	1.023	0.998	0.988
1999	1.164	1.038	1.026	1.002
2000	1.155	1.026	1.028	0.984
2001	1.128	1.053	1.020	1.004
2002	1.223	1.059	0.996	1.009
2003	1.137	1.046	1.030	1.000
2004	1.113	1.059	1.004	
2005	1.143	1.050		
2006	1.182			
Five Year Average	1.160	1.053	1.016	1.000
Three Year Average	1.146	1.052	1.010	1.004
		Five Year	Three Year	
39 to 63 months:		1.016	1.014	
27 to 63 months:		1.070	1.067	
15 to 63 months:		1.241	1.223	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996					
1997				10,743,091	10,651,143
1998			11,114,149	11,012,708	10,944,152
1999		11,537,251	11,423,295	11,369,299	11,482,883
2000	12,388,721	12,006,427	11,819,962	11,638,277	11,537,925
2001	11,822,624	11,591,092	11,354,463	11,189,105	11,098,552
2002	12,833,292	12,129,687	11,933,562	11,679,374	11,680,654
2003	12,994,158	12,324,915	12,034,219	11,810,327	11,710,817
2004	12,196,649	11,581,589	11,458,158	10,950,035	
2005	12,810,536	12,700,498	12,723,745		
2006	11,779,484	11,462,265			
2007	11,436,331				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				
1997				0.991
1998			0.991	0.994
1999		0.990	0.995	1.010
2000	0.969	0.984	0.985	0.991
2001	0.980	0.980	0.985	0.992
2002	0.945	0.984	0.979	1.000
2003	0.948	0.976	0.981	0.992
2004	0.950	0.989	0.956	
2005	0.991	1.002		
2006	0.973			
Five Year Average	0.961	0.986	0.977	0.997
Three Year Average	0.971	0.989	0.972	0.995
		Five Year	Three Year	
39 to 63 months:		0.974	0.967	
27 to 63 months:		0.960	0.956	
15 to 63 months:		0.923	0.928	

Losses exclude unallocated loss adjustment expense.



NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE  
UNINSURED MOTORISTS  
PURE PREMIUM TREND

(1) Accident Year Ended	(2) Basic Limit Losses (A)(B)	(3) Exposures	(4) UM Pure Premium (2) / (3)
12/31/1996	47,456,787	4,798,419	9.89
12/31/1997	50,661,246	4,851,832	10.44
12/31/1998	49,738,954	5,036,177	9.88
12/31/1999	49,502,865	5,253,680	9.42
12/31/2000	50,162,804	5,381,629	9.32
12/31/2001	51,708,399	5,495,729	9.41
12/31/2002	55,404,822	5,646,981	9.81
12/31/2003	57,682,233	5,753,498	10.03
12/31/2004	54,456,228	5,919,084	9.20
12/31/2005	56,923,642	6,074,771	9.37
12/31/2006	59,316,411	6,207,939	9.55
12/31/2007	60,342,440	6,346,033	9.51

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	1.2%
6 points	-0.8%
9 points	0.1%
12 points	-0.5%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

(B) 25/50/15 limits from 12/31/1996 - 12/31/2007.

NORTH CAROLINA

DERIVATION OF PERMISSIBLE LOSS AND LAE RATIO  
FOR UNINSURED AND UNDERINSURED MOTORISTS

Commission & Brokerage	9.7%
Taxes, Licenses, Fees	2.2%
General Administration	7.2%
Other Acquisition Expenses	9.1%
Profit	11.0%
Contingencies	0.0%
Total	0.392
Expected Loss Ratio	0.608

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
UNINSURED MOTORISTS COVERAGE

Uninsured Motorists Bodily Injury

Limit	Present	Filed	Filed
	Single Car Policy Rate	Single Car Policy Rate (a)	Multi-Car Policy Rate (b)
30/60	13	14	33
50/100	14	15	35
100/200	16	17	40
100/300	18	18	42
300/300	21	21	50
250/500	23	22	52
500/500	24	23	54
500/1000	26	25	59
1000/1000	28	27	64

Uninsured Motorists Property Damage

Limit	Present	Filed	Filed
	Single Car Policy Rate	Single Car Policy Rate (c)	Multi-Car Policy Rate (b)
25	2	2	5
50	3	3	7
100	4	4	9
250	6	6	14
500	8	8	19
750	10	10	24
1,000	11	11	26

(a) Filed single car rates for Uninsured Motorists Bodily Injury are calculated as follows:

- 1) Determine the 30/60 UMBI rate by rounding the indicated 30/60/25 rate determined on page E-1 and subtracting the \$25,000 UMPD rate of \$2:  
\$16 - \$2 = \$14.
- 2) Apply the effective excess limit change of -15.4% to the present excess portion of the rate at each limit, and then add the filed basic limit 30/60 UMBI rate of \$14 to the result.

For example, for 50/100:  $(14-13) \times (1-0.154) + 14 = \$15$ .

(b) Filed multi-car policy rates are calculated by multiplying the filed single car policy rates by a factor of 2.36, which is the average number of cars per multi-car policy in North Carolina. This factor was determined from 2000 U.S. census data.

(c) Filed single car policy rates for Uninsured Motorists Property Damage are equal to the present rates.

The total limits effective change is +3.0%.

NORTH CAROLINA

UNDERINSURED MOTORISTS COVERAGE

Underinsured Motorists (UIM) coverage is triggered if the policy limit of the party at fault in an accident causing bodily injury to an insured is less than the insured's UIM policy limit. In this event and if the policy limits of the party at fault are not enough to pay the full amount of damages to the insured, then the insured is entitled to collect up to the limit of his UIM coverage.

Pages E-11 and E-12 display an experience review and the subsequent calculation of the filed rates for Underinsured Motorists coverage.

The indicated required premium per exposure of \$44.28, as shown on Line (15) of page E-11 represents a 13.5% increase from the current average premium per exposure of \$39.03. The overall effect of applying this change to the current rates by limit is +13.4%.

Page E-15 displays current and revised Underinsured Motorists rates.

NORTH CAROLINA  
 UNDERINSURED MOTORISTS REVIEW  
 PRIVATE PASSENGER CARS  
 TOTAL LIMITS REVIEW

All Carriers Voluntary and Ceded Combined	Year Ended 12/31/2005	Year Ended 12/31/2006	Year Ended 12/31/2007
(1) Incurred Losses and ALAE (T/L UIMBI) (a)	56,139,044	59,837,615	44,890,489
(2) Loss Development Factor (T/L UIMBI) (b)	1.068	1.215	1.926
(3) ULAE Factor (BI) (See page H-608)	12.8%	12.7%	13.4%
(4) Developed Losses and LAE (T/L UIMBI) [(1)x(2)x[1+(3)]]	67,630,931	81,935,945	98,044,599
(5) Avg Annual Change in Losses and LAE (See page D-8)	7.5%	7.5%	7.5%
(6) Years of Trend - Losses (c)	5.04	4.04	3.04
(7) Projected Losses and LAE (c)	97,388,541	109,712,230	122,163,570
(8) Earned Exposures (a)(e)	4,009,773	4,097,673	4,188,825
(9) Developed Incurred Claims (UIMBI) (a)	1,289	1,520	1,799
(10) Projected T/L Loss and LAE per exposure [(7)/(8)]	24.29	26.77	29.16
(11) Percentage Dividends (d)	0.25%	0.25%	0.25%
(12) Permissible Loss and LAE Ratio (See page E-8)	0.608	0.608	0.608
(13) Adjustment Factor for Increase in MVR Fee (f)	1.00435	1.00000	1.00000
(14) Required T/L Premium per exposure [((10)/((12)-(11)))x(13)]	40.29	44.21	48.16
(15) Average (Weighted on exposures in line (8))		\$44.28	
(16) Selected		\$44.28	

(a) Based on the statistical plan data reported by member companies.

(b) Loss development factors are based on three-year averages, through 63 months of development for Underinsured Motorists Bodily Injury. See page E-13.

(c) Projected losses and allocated loss adjustment expenses =  

$$\frac{[(10) \times (1 + (11))^{(12)}]}{(12)}$$
 ], where (12) = the number of years of projection from the average date of accident to 7/13/2010.

(d) Selected value.

(e) UIM earned exposures are estimated to be 62.71% of Bodily Injury Liability earned exposures.

(f) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA  
PERSONAL AUTO INSURANCE

CALCULATION OF FILED RATES FOR  
UNDERINSURED MOTORISTS

LIMITS	(1) % OF EARNED EXPOSURES	(2) PRESENT RATE	(3) FILED RATE [ ((6) / (5)) x (2) ]	(4) PERCENT CHANGE [ (3) / (2) ]
50/100	41.0%	\$ 10	\$ 11	10.0%
100/200	1.3%	36	41	13.9%
100/300	46.1%	50	57	14.0%
300/300	5.5%	77	87	13.0%
250/500	4.2%	95	108	13.7%
500/500	0.8%	145	165	13.8%
500/1000	0.3%	165	187	13.3%
1000/1000	0.8%	191	217	13.6%

(5)	AVERAGE PRESENT RATE (a):	\$ 39.03
(6)	SELECTED AVERAGE RATE (b)	\$ 44.28
(7)	AVERAGE FILED RATE (c):	\$ 44.26
(8)	FILED CHANGE [ ((7) / (5)) - 1.0 ]:	13.4%

Notes:

- (a) Column(2) weighted on Column(1)
- (b) See page E-11.
- (c) Column(3) weighted on Column(1)

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					41,679,804
1995				38,600,050	39,545,528
1996			41,906,510	45,507,696	45,933,358
1997		31,228,556	36,908,717	39,911,030	40,453,064
1998	19,555,007	30,462,809	36,458,420	40,879,625	42,204,871
1999	22,430,098	34,418,359	40,993,481	44,827,131	45,514,430
2000	24,055,149	36,995,866	44,712,621	47,905,237	48,554,944
2001	24,421,662	37,415,497	46,420,538	51,011,821	51,502,208
2002	23,147,591	39,559,551	49,215,193	52,127,755	52,109,200
2003	24,095,268	44,137,295	49,768,667	53,408,780	53,363,216
2004	33,532,085	53,425,768	61,714,574	65,515,307	
2005	32,329,148	51,262,138	57,958,809		
2006	37,987,530	59,914,174			
2007	43,909,227				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.024
1996			1.086	1.009
1997		1.182	1.081	1.014
1998	1.558	1.197	1.121	1.032
1999	1.534	1.191	1.094	1.015
2000	1.538	1.209	1.071	1.014
2001	1.532	1.241	1.099	1.010
2002	1.709	1.244	1.059	1.000
2003	1.832	1.128	1.073	0.999
2004	1.593	1.155	1.062	
2005	1.586	1.131		
2006	1.577			
Five Year Average	1.659	1.180	1.073	1.008
Three Year Average	1.585	1.138	1.065	1.003
		Five Year	Three Year	
39 to 63 months:		1.082	1.068	
27 to 63 months:		1.277	1.215	
15 to 63 months:		2.119	1.926	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE  
 UNDERINSURED MOTORISTS  
 PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Total Limit <u>Losses (A)</u>	(3) <u>Exposures</u>	(4) UIM Pure Premium <u>(2) / (3)</u>
12/31/2000	55,377,602	3,346,995	16.55
12/31/2001	56,931,338	3,417,955	16.66
12/31/2002	60,752,864	3,512,024	17.30
12/31/2003	61,202,116	3,605,614	16.97
12/31/2004	73,996,769	3,844,061	19.25
12/31/2005	69,609,023	4,009,773	17.36
12/31/2006	84,860,264	4,097,673	20.71
12/31/2007	104,893,997	4,188,825	25.04

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	10.1%
6 points	6.9%
8 points	5.0%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
UNDERINSURED MOTORISTS COVERAGE

Underinsured Motorists Bodily Injury

Limit	Present Single Car Policy Rate	Filed Single Car Policy Rate (a)	Filed Multi-Car Policy Rate (b)
50/100	10	11	26
100/200	36	41	97
100/300	50	57	135
300/300	77	87	205
250/500	95	108	255
500/500	145	165	389
500/1000	165	187	441
1000/1000	191	217	512

(a) Filed single car rates are calculated on page E-12.

(b) Filed multi-car policy rates are calculated by multiplying the filed single car policy rates by a factor of 2.36, which is the average number of cars per multi-car policy in North Carolina. This factor was determined from 2000 U.S. census data.

SECTION F  
MOTORCYCLE REVIEW

NORTH CAROLINA  
RATE LEVEL SUMMARY  
MOTORCYCLE INSURANCE

	EARNED PREMIUMS AT PRESENT RATES	INDICATED AND FILED RATE LEVEL CHANGE
Liability	30,670	7.2%

(000's omitted)

NORTH CAROLINA

MOTORCYCLE INSURANCE  
LIABILITY COVERAGE

STATEWIDE RATE REVIEW

All Carriers

Voluntary and Ceded Combined	Year Ended 12/31/2005	Year Ended 12/31/2006	Year Ended 12/31/2007
(1) Earned Premiums at Present Rates (a)	\$25,316,169	\$25,652,789	\$30,669,996
(2) Incurred Losses (See page H-611)	11,770,230	13,461,078	18,194,368
(3) Loss Adjustment Expense Factor (b)	0.151	0.151	0.151
(4) Loss Adjustment Expense [(2) x (3)]	1,777,305	2,032,623	2,747,350
(5) General & Other Acquisition Expenses (see page H-611)	3,488,995	4,145,361	4,987,319
(6) Average Annual Change in Losses (c) (See page F-5)	1.6%	1.7%	1.6%
(7) Average Annual Change in Expense Costs (See page D-8)	3.0%	3.0%	3.0%
(8) Projected Losses (d)	12,747,159	14,403,353	19,085,892
(9) Projected Loss Adjustment Expenses (e)	2,063,451	2,290,766	3,005,601
(10) Projected General & Other Acquisition Expenses (f)	4,015,833	4,630,368	5,411,241
(11) Projected Losses, LAE and G & OA Expenses [(8)+(9)+(10)]	18,826,443	21,324,487	27,502,734
(12) Projected Loss, LAE and G & OA Expense Ratio [(11)/(1)]	0.744	0.831	0.897
(13) Permissible Loss, LAE and G & OA Expense Ratio (See page F-4)	0.779	0.767	0.775
(14) Adjustment for Increase in MVR Fee (g)	0.435%	0.000%	0.000%
(15) Indicated Rate Level Change [((12)/(13))+(14)] - 1.0	-4.1%	8.3%	15.7%
(16) Final selected rate level change (weighted by premium from Line (1))		7.2%	

NORTH CAROLINA  
MOTORCYCLE REVIEW

STATEWIDE RATE REVIEW

Notes

- (a) Based on the earned premiums contained in NCRB expense call and shown on pages H-611, adjusted to current voluntary level.
- (b) Based on the average ratio of loss adjustment expenses to losses over the latest three years. See pages H-611.
- (c) The average annual changes in losses for the Liability coverage is determined by weighting the trends shown on line (12) of pages C-1, C-3 and C-5 on total limits developed losses.
- (d) Projected Losses =  $[(2) \times (1 + (6)) ]^n$ , where  
n = The number of years of projection from the average date of accident to 7/13/2010 (2005=5.04, 2006=4.04, 2007=3.04).
- (e) Projected Loss Adjustment Expenses =  $[((4) \times (1 + (7)) )]^n$ , where  
n = The number of years of projection from the average date of accident to 7/13/2010 (2005=5.04, 2006=4.04, 2007=3.04).
- (f) Projected General and Other Acquisition Expenses =  $[(5) \times (1 + (7)) ]^n$ , where  
n = The number of years of projection to the average date of writing, 4/1/2010 (2005=4.75, 2006=3.75, 2007=2.75).
- (g) Estimated effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA  
MOTORCYCLE REVIEW

DETERMINATION OF EXPECTED LOSS RATIO AND PROFIT PROVISION

	<u>Liability</u>		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
Commission and Brokerage Expense	0.091	0.101	0.093
Taxes, etc. to Written Premium	0.020	0.022	0.022
Profit	0.110	0.110	0.110
Contingencies	0.000	0.000	0.000
Total	0.221	0.233	0.225
Losses, LAE, General Administration Expenses and Other Acquisition Expenses	0.779	0.767	0.775

NORTH CAROLINA

Motorcycle Insurance

Calculation of Loss Trend Factors

		PP Auto Liability		
		Auto	Total Limits	Weighted
	<u>Cov</u>	<u>Trend(a)</u>	<u>Dev. Losses</u>	<u>Trend</u>
2007	BI	1.022	786,345,074	
	PD	1.010	607,762,237	
	MP	1.000	96,368,069	
			1,490,475,380	1.016
2006	BI	1.027	766,293,696	
	PD	1.008	600,163,960	
	MP	0.991	93,912,767	
			1,460,370,423	1.017
2005	BI	1.024	722,741,246	
	PD	1.012	572,396,283	
	MP	0.985	90,375,816	
			1,385,513,345	1.016

(a) See page D-9.

NORTH CAROLINA  
MOTORCYCLE INSURANCE

CALCULATION OF RATE RELATIVITIES

Private Passenger  
Liability

COVERAGE	TOTAL LIMITS PREMIUM WEIGHT	FILED CHANGE
Bodily Injury	\$1,416,795	6.5%
Property Damage	1,092,132	2.5%
(1) Liability Total	2,508,927	4.8%

(2) Medical Payments 9.9%

Motorcycles FILED  
CHANGE

(3) Liability 7.2%

(4) Motorcycle Liability factor = 1.023  
 $[(1.0 + (3)) / (1.0 + (1))]$

(5) Motorcycle Med Pay factor = 0.975  
 $[(1.0 + (3)) / (1.0 + (2))]$

Liability  
Relativities

	(6) Present	(7) (6) x (4) Revised
Engine Size (cc)		
0-499	15%	15%
500-1249	24%	25%
1250-1499	33%	34%
1500-up	44%	45%

<u>Medical Payments Relativities</u>	(8) Present	(9) (8) x (5) Revised
All Engine Sizes	36%	35%



SECTION G  
INCREASED LIMITS REVIEW

NORTH CAROLINA

Increased limits Revision

This filing proposes a change to the increased limits factors for Bodily Injury. This change is based upon the review of experience for Bodily Injury contained on page G-2. For Property Damage, no change to the current increased limits factors is indicated, based on the review of experience on page G-3.

This review produces a uniform indication over all limits of coverage. On an excess limits basis, the indicated change for Bodily Injury is -19.9%. On a total limits basis, the indicated change for Bodily Injury is -4.3%. In consideration of the recent revisions to the Bodily Injury increased limits factors, the Rate Bureau has selected a change of -10.0% to be applied to the current higher limits increments. The residual indicated excess change is applied to the basic limits Bodily Injury rates. The total limits effect of the residual excess change to be applied to the basic limits rates is -2.2%, as shown on page G-2.

The selected excess change of -10.0% was applied uniformly to the excess portion of the current Bodily Injury increased limits factors, resulting in the indicated increased limits factors for Bodily Injury Liability as shown on page G-4.

The total limits effect of the change in BI increased limits relative to a 30/60 base is -2.2%, as determined on page G-5. This change, combined with the 30/60 BI basic limit (including the residual excess) effective change of +8.9%, as shown on page A-2, yields the BI total limits effective change of +6.5%, as shown on page A-1.

Pages G-6-7 display the calculation of the average increased limits factors for Bodily Injury and Property Damage on a 30/60/25 basis for use in the determination of the uniform indications shown on pages G-2-3, and for use in the determination of the premium weights shown on page A-1.

Page G-8 displays the calculation of the Medical Payments average increased limits factor. This factor is used in the determination of the distributional adjustment factor on page C-21 and in the determination of the premium weights shown on page A-1.

NORTH CAROLINA  
REVIEW OF BODILY INJURY INCREASED LIMITS

Voluntary and Ceded Business	12/31/2005	12/31/2006	12/31/2007	3 Years Combined
(1) Basic limits losses (a)(b)	591,928,733	597,011,843	567,582,581	1,756,523,157
(2) Basic limits loss dev. factor (See page D-16)	1.014	1.046	1.122	
(3) Basic limits claim cost trend (See page D-8)	6.5%	6.5%	6.5%	
(4) Years of trend (See page C-2)	5.04	4.04	3.04	
(5) Basic limits trend factor $[1+(3)]^{(4)}$	1.374	1.290	1.211	
(6) Basic limits losses, trended and developed (1)x(2)x(5)	824,696,420	805,571,960	771,198,291	2,401,466,671
(7) Total limits losses (b)	714,171,191	722,918,581	671,515,862	2,108,605,634
(8) Total limits loss dev. factor (See page H-447)	1.012	1.060	1.171	
(9) Total limits claim cost trend (See page D-8)	6.5%	6.5%	6.5%	
(10) Years of trend (See page C-2)	5.04	4.04	3.04	
(11) Total limits trend factor $[1+(9)]^{(10)}$	1.374	1.290	1.211	
(12) Total limits losses, trended and developed (7)x(8)x(11)	993,046,471	988,518,868	952,263,885	2,933,829,224
(13) Indicated average ilf (12)/(6)	1.204	1.227	1.235	1.222
(14) Average increased limits factor (See page G-6)	1.271	1.278	1.282	1.277 (c)
(15) Indicated change to excess limits increments $\{[(13)-1]/[(14)-1]\}-1$				-19.9%
(16) Indicated total limits change $\{(13)/(14)\}-1$				-4.3%
(17) Selected change to excess limits increments				-10.0%
(18) Residual change to basic limits rates $\{(13)/[(((14)-1)x(1+(17)))+1]\}-1$				-2.2%

(a) Basic limits are 30/60.

(b) Based on the statistical plan data reported by member companies.

(c) Three Year Average

NORTH CAROLINA  
REVIEW OF PROPERTY DAMAGE INCREASED LIMITS

Voluntary and Ceded Business	12/31/2005	12/31/2006	12/31/2007	3 Years Combined
(1) Basic limits losses (a)(b)	567,623,764	591,073,405	587,782,773	1,746,479,942
(2) Basic limits loss dev. factor (See page D-17)	1.001	1.009	1.029	
(3) Basic limits losses, developed (1)x(2)	568,191,388	596,393,066	604,828,473	1,769,412,927
(4) Total limits losses (b)	571,824,459	595,400,754	591,784,067	1,759,009,280
(5) Total limits loss dev. factor (See page H-448)	1.001	1.008	1.027	
(6) Total limits losses, developed (4)x(5)	572,396,283	600,163,960	607,762,237	1,780,322,480
(7) Indicated average increased limits factor (6) / (3)	1.007	1.006	1.005	1.006
(8) Average increased limits factor (See page G-7)	1.006	1.006	1.007	1.006 (c)
(9) Indicated change to excess limits increments {[(7)-1]/[(8)-1]}-1				0.0%
(10) Indicated total limits change {(7)/(8)}-1				0.0%

G-3

(a) Basic limits are \$25,000.

(b) Based on the statistical plan data reported by member companies.

(c) Three Year Average

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF INCREASED LIMITS FACTORS

Bodily Injury Increased Limits Factors

	(1)	(2)
<u>Policy Limit</u>	<u>Current ILF 30/60 Base</u>	<u>Indicated Increased Limits Factor</u>
30/60	1.00	1.00
50/100	1.21	1.19
100/100	1.37	1.33
100/200	1.46	1.41
100/300	1.48	1.43
300/300	1.74	1.67
250/500	1.79	1.71
500/1000	2.01	1.91
1000/1000	2.14	2.03
1000/2000	2.21	2.09

(2) =  $(((1)-1.00) \times 0.900) + 1.00$  where -10.0% is the selected change to excess increments as shown on page G-2.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE

CALCULATION OF TOTAL LIMITS CHANGES

North Carolina Year Ending 12/31/2007

Voluntary and Ceded Bodily Injury

Limit Of Liability	(1) Written Premium	(2) Current ILF	(3) (1)/(2) 30/60 Premium	(4) Revised ILF	(5) (3)x(4) T/L Premium	(6) (5)/(1) Percent Change
30/60	294,735,988	1.00	294,735,988	1.00	294,735,988	0.0%
50/100	289,189,809	1.21	238,999,842	1.19	284,409,812	-1.7%
100/200	6,520,839	1.46	4,466,328	1.41	6,297,522	-3.4%
100/300	418,031,476	1.48	282,453,700	1.43	403,908,791	-3.4%
250/500	71,232,287	1.79	39,794,574	1.71	68,048,722	-4.5%
300/300	50,176,797	1.74	28,837,240	1.67	48,158,191	-4.0%
1000/1000	2,109,216	2.14	985,615	2.03	2,000,798	-5.1%
All Other	12,286,196	1.272	9,658,959	1.244	12,015,745	-2.2%
	1,144,282,608		899,932,246		1,119,575,569	-2.2%

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS

Year Ending 12/31/2007

Voluntary and Ceded Bodily Injury - 30/60 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	294,735,988	1.00	294,735,988	1.00	294,735,988
50/100	289,189,809	1.15	251,469,399	1.21	304,277,973
100/200	6,520,839	1.33	4,902,886	1.46	7,158,214
100/300	418,031,476	1.35	309,652,945	1.48	458,286,359
250/500	71,232,287	1.57	45,370,883	1.79	81,213,881
300/300	50,176,797	1.54	32,582,336	1.74	56,693,265
1000/1000	2,109,216	1.83	1,152,577	2.14	2,466,515
All Other	12,286,196	1.204	10,204,482	1.282	13,082,146
	1,144,282,608	1.204	950,071,496	1.282	1,217,914,341

Year Ending 12/31/2006

Voluntary and Ceded Bodily Injury - 30/60 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF*	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	281,330,131	1.00	281,330,131	1.00	281,330,131
50/100	262,504,279	1.15	228,264,590	1.21	276,200,154
100/200	6,127,145	1.32	4,641,777	1.46	6,776,994
100/300	385,411,466	1.34	287,620,497	1.48	425,678,336
250/500	62,891,710	1.55	40,575,297	1.79	72,629,782
300/300	42,233,842	1.53	27,603,818	1.74	48,030,643
1000/1000	1,773,272	1.80	985,151	2.14	2,108,223
All Other	12,444,787	1.197	10,396,647	1.278	13,286,915
	1,054,716,632	1.197	881,417,908	1.278	1,126,041,178

Year Ending 12/31/2005

Voluntary and Ceded Bodily Injury - 30/60 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	286,543,021	1.00	286,543,021	1.00	286,543,021
50/100	244,485,471	1.14	214,460,939	1.21	259,497,736
100/200	5,960,694	1.30	4,585,149	1.46	6,694,318
100/300	363,474,528	1.32	275,359,491	1.48	407,532,047
250/500	57,691,787	1.52	37,955,123	1.79	67,939,670
300/300	37,232,564	1.50	24,821,709	1.74	43,189,774
1000/1000	1,531,632	1.76	870,245	2.14	1,862,324
All Other	4,616,283	1.180	3,912,104	1.271	4,972,284
	1,001,535,980	1.180	848,507,781	1.271	1,078,231,174

\* Prior increased limits factors for year ending 12/31/2006 are a weighted average of the increased limits factors effective 5/15/2006 and those in effect prior to 5/15/2006.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS

Year Ending 12/31/2007

Voluntary and Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
25,000	275,282,104	1.000	275,282,104	1.000	275,282,104
50,000	414,418,396	1.010	410,315,244	1.006	412,777,135
100,000	167,440,121	1.030	162,563,224	1.018	165,489,362
250,000	2,656,562	1.059	2,508,557	1.035	2,596,356
300,000	192,986	1.069	180,529	1.041	187,931
500,000	608,500	1.113	546,721	1.068	583,898
1,000,000	165,890	1.202	138,012	1.121	154,711
All Other	8,235,256	1.011	8,145,654	1.007	8,202,674
	868,999,815	1.011	859,680,045	1.007	865,274,171

Year Ending 12/31/2006

Voluntary and Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
25,000	282,358,943	1.000	282,358,943	1.000	282,358,943
50,000	408,113,467	1.010	404,072,740	1.006	406,497,176
100,000	155,023,503	1.030	150,508,255	1.018	153,217,404
250,000	2,303,286	1.059	2,174,963	1.035	2,251,087
300,000	178,999	1.069	167,445	1.041	174,310
500,000	554,031	1.113	497,782	1.068	531,631
1,000,000	161,026	1.202	133,965	1.121	150,175
All Other	7,835,112	1.010	7,757,537	1.006	7,804,082
	856,528,367	1.010	847,671,630	1.006	852,984,808

Year Ending 12/31/2005

Voluntary and Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
25,000	293,419,144	1.000	293,419,144	1.000	293,419,144
50,000	396,648,918	1.010	392,721,701	1.006	395,078,031
100,000	144,956,368	1.030	140,734,338	1.018	143,267,556
250,000	2,104,046	1.059	1,986,823	1.035	2,056,362
300,000	180,196	1.069	168,565	1.041	175,476
500,000	506,893	1.113	455,429	1.068	486,398
1,000,000	162,270	1.202	135,000	1.121	151,335
All Other	4,711,999	1.010	4,665,346	1.006	4,693,338
	842,689,834	1.010	834,286,346	1.006	839,327,640



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS  
MEDICAL PAYMENTS

Year Ending 12/31/2007

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Current ILF	(1)/(2) B/L Premium
\$500	1,635,393	1.00	1,635,393
750	54,909	1.33	41,285
1,000	44,501,835	1.60	27,813,647
2,000	49,078,451	2.34	20,973,697
3,000	354,639	2.79	127,111
5,000	28,743,866	3.38	8,504,102
10,000	9,607,363	3.86	2,488,954
All Other	4,350,058	2.176	1,999,108
<b>Total</b>	<b>138,326,514</b>	<b>2.176</b>	<b>63,583,297</b>

Year Ending 12/31/2006

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Current ILF	(1)/(2) B/L Premium
\$500	1,343,374	1.00	1,343,374
750	118,756	1.33	89,290
1,000	38,201,769	1.60	23,876,106
2,000	41,769,314	2.34	17,850,134
3,000	276,932	2.79	99,259
5,000	24,672,872	3.38	7,299,666
10,000	7,629,547	3.86	1,976,567
All Other	3,616,170	2.170	1,666,438
<b>Total</b>	<b>117,628,734</b>	<b>2.170</b>	<b>54,200,834</b>

Year Ending 12/31/2005

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Current ILF	(1)/(2) B/L Premium
\$500	1,462,964	1.00	1,462,964
750	47,951	1.33	36,053
1,000	38,140,177	1.60	23,837,611
2,000	41,031,632	2.34	17,534,885
3,000	225,618	2.79	80,867
5,000	24,051,123	3.38	7,115,717
10,000	6,938,438	3.86	1,797,523
All Other	3,365,359	2.157	1,560,204
<b>Total</b>	<b>115,263,262</b>	<b>2.157</b>	<b>53,425,824</b>

SECTION H  
SUPPLEMENTAL MATERIAL

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SUPPLEMENTAL MATERIAL

North Carolina G.S. 58-36-15(h) specifies that the following information must be included in all policy form, rule and rate filings filed under Article 12B. 11 NCAC 10.1104 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current rate levels; losses and loss adjustment expenses, each on a paid and incurred basis; the loss ratio anticipated at the time rates were promulgated for the experience period.	H-1-433
2. Credibility factor development and application.	H-434-436
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	H-437-524
4. Trending factor development and application.	H-525-601
5. Changes in premium base resulting from rating exposure trends.	H-602-605
6. Limiting factor development and application.	H-606
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	H-607-611
8. Percent rate change.	H-612
9. Final proposed rates.	H-613
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	H-614-684
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	H-685-690
12. Investment earnings on capital and surplus.	H-691
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	H-692
14. Additional supplemental information (as per 11 NCAC 10.1104)	H-693-697

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

1. NORTH CAROLINA EARNED PREMIUMS AT THE ACTUAL AND CURRENT RATE LEVEL
- LOSSES AND LOSS ADJUSTMENT EXPENSES, EACH ON PAID AND INCURRED BASES  
WITHOUT TRENDING OR OTHER MODIFICATION FOR THE EXPERIENCE PERIOD
- LOSS RATIOS ANTICIPATED AT THE TIME THE RATES WERE PROMULGATED FOR THE  
EXPERIENCE PERIOD
- (1) Earned premiums at collected and current levels. H-3-4
  - (1) Paid/incurred losses and loss adjustment expense. H-5
  - (1) Anticipated loss ratios. H-6
    - (a) Companies excluded - rate level, trend, loss development, investment income and expenses. H-7
    - (b) Increased limits factors and deductible credits. H-8
    - (c) Adjustments to premium, losses, loss adjustment expenses and exposures. H-9
    - (d) Calculation of earned premium at present rates. H-10
    - (e) Written and earned premiums and market shares for the ten largest writers. H-11
    - (f) Composite loss and premium information from each of the latest two annual statements for the 50 largest writers.
      - Part 2, lines 19 and 21
      - Part 3, lines 19 and 21
      - Page 15, lines 19.1, 19.2 and 21.1 H-12-20
    - (g) Deviations. H-21-365
    - (h) Dividends. H-366-367
    - (i) Loss and loss adjustment expenses. H-368-371
    - (j) Excess losses (Comprehensive) H-372
    - (k) Territory data. H-373-433

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
EARNED PREMIUM

## I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Bodily Injury	\$912,522,036	\$951,449,557	\$1,050,108,444
Property Damage	906,799,236	932,579,743	966,433,854
Medical Payments	118,098,924	121,932,331	147,430,048
Uninsured Motorists	103,313,630	105,578,419	107,926,983
Underinsured Motorists	61,336,439	65,192,143	79,575,142
Comprehensive	486,514,951	515,239,864	478,596,586
Collision	1,056,230,243	1,088,483,867	1,002,064,822

## II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Bodily Injury	\$1,060,332,368	1,081,561,393	\$1,105,144,647
Property Damage	1,038,835,188	1,060,472,758	1,084,540,292
Medical Payments	155,127,971	158,148,289	160,756,785
Uninsured Motorists	91,121,565	93,119,085	95,190,495
Underinsured Motorists	156,510,433	159,941,470	163,499,367
Comprehensive	469,609,026	482,615,084	496,006,411
Collision	1,116,404,442	1,156,485,196	1,198,355,443

- (a) Liability premiums are at 30/60 level for Bodily Injury, \$25,000 for Property Damage, Total Limits for Medical Payments and Underinsured Motorists, and 30/60/25 for Uninsured Motorists. For Comprehensive premiums, Full Coverage, \$50, \$100, \$250, \$500 and \$1,000 Deductibles are included. For Collision, \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductibles are included. Premiums at current level are earned premiums at present voluntary manual rates. Premiums at collected level are the earned premiums at present voluntary manual rates adjusted to a collected level. The collected level factors are as follows:

	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
BI	0.8606	0.8797	0.9502
PD	0.8729	0.8794	0.8911
MP	0.7613	0.7710	0.9171
UM	1.1338	1.1338	1.1338
UIM	0.3919	0.4076	0.4867
Comp	1.0360	1.0676	0.9649
Coll	0.9461	0.9412	0.8362

Physical Damage premiums are untrended.

Liability, Uninsured Motorists, and Underinsured Motorists data is Voluntary and Ceded combined. Physical Damage data is Standard and Non-Standard business combined.

NORTH CAROLINA  
MOTORCYCLE INSURANCE

I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Year</u>	<u>Liability (b)</u>
12/31/2005	27,043,109
12/31/2006	26,135,507
12/31/2007	29,354,122

II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Year</u>	<u>Liability (b)</u>
12/31/2005	25,316,169
12/31/2006	25,652,789
12/31/2007	30,669,996

(a) Earned premium at collected level are the earned premiums shown on page H-611. Earned premium at current level are the earned premium at collected level adjusted to a current level. The factors to convert to a current level are:

	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Liability	0.9361	0.9815	1.0448

(b) Voluntary and ceded business combined.

NORTH CAROLINA  
VOLUNTARY AND CEDED  
PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

<u>Year</u>	<u>Paid Losses (a)</u>	<u>Incurred Losses (a)</u>
Bodily Injury		
12/31/2005	\$625,694,931	\$712,711,462
12/31/2006	545,456,484	722,208,351
12/31/2007	312,090,900	671,226,597
Property Damage		
12/31/2005	\$569,058,502	\$570,077,507
12/31/2006	592,054,499	594,224,092
12/31/2007	579,703,156	591,459,426
Medical Payments		
12/31/2005	\$88,447,334	\$89,323,482
12/31/2006	89,872,427	91,632,269
12/31/2007	76,964,799	90,693,591

(a) Paid and incurred losses are undeveloped and on a total limits basis, and do not include unallocated loss adjustment expense. These expenses are reflected via a factor. For Bodily Injury and Medical Payments these factors are 12.8%, 12.7%, and 13.4% for year ended 12/31/2005, 12/31/2006 and 12/31/2007 respectively. For Property Damage, these factors for each year are 12.2%, 11.1%, and 11.7% respectively. See page H-608.

NORTH CAROLINA

ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

PRIVATE PASSENGER AUTO

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Bodily Injury	.601	.650	.703
Property Damage	.615	.665	.699
Medical Payments	.679	.715	.742
Uninsured Motorists (a)	.644	.642	.582
Underinsured Motorists (a)	.993	.928	1.154
Comprehensive	.638	.670	.671
Collision	.654	.682	.708

MOTORCYCLES

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Liability (a)	.559	.612	.653

(a) Voluntary and ceded business combined.



## NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

## EXCLUDED COMPANIES

(The marketshare for each company mentioned, based on the total 2007 page 15 private passenger automobile written premium unless otherwise indicated, is found in parentheses after the company name.)

Universal Insurance Co. (0.88%) has been excluded from loss development for all years. Their data were inaccurately reported to their statistical agent.

ISO Minimum Plan companies have been excluded from trend and loss development. Data reported under this plan is not available in sufficient detail to allow its inclusion. The companies which reported data under this plan for 2005-2007 are St. Paul Fire and Marine Insurance Co. (0.00%), St. Paul Mercury Insurance Co. (0.00%), St. Paul Guardian Insurance Co. (0.00%), American Southern Insurance Co. (0.00%), Builders Mutual Insurance Company (0.01%), Church Mutual Insurance Company (0.00%), Merastar Insurance Co. (0.03%), and Yasuda Fire and Marine insurance Co. (0.00%).

Ohio Casualty Insurance Co. (0.13%) has been excluded from the loss development split between voluntary and ceded business for the 1993, 1994, and 1995 accident years. They did not properly distinguish between voluntary and ceded business in their reporting of the 1993, 1994, and 1995 accident years.

Great American Insurance Co. (0.00%), American Alliance Insurance Co. (0.00%), American Spirit Insurance Co. (0.00%), Eagle American Insurance Co. (0.00%), American National Fire Insurance Co. (0.00%), Worldwide Insurance Company (0.0%), and Agricultural Insurance Co. (0.00%) have been excluded from loss development for 2000 and prior. Their data were inaccurately reported to their statistical agent, and corrected data were not provided.

Electric Insurance Company (0.06%), Hanover American Insurance Co. (0.03%), Massachusetts Bay Insurance Co. (0.03%), Pacific Indemnity Company (0.02%), Federal Insurance Co. (0.01%), companies from Royal Insurance Group (0.00%), and Allmerica Financial Group (0.00%) have been excluded from all Physical Damage rate levels. Their data were inaccurately reported to their statistical agent, and corrected data have not been provided.

American States Preferred Insurance Co. (0.41%) and State Automobile Mutual Insurance Co. (0.00%) have been excluded from all liability rate levels. Their data were inaccurately reported to their statistical agent.

Cincinnati Insurance Co. (0.04%), Safeco Insurance Co. (0.00%), Safeco Insurance Company of America (0.05%), First National Insurance Company of America (0.08%), Auto Owners Insurance Co. (0.55%), Owners Insurance Co. (0.27%), and State Automobile Property and Casualty Insurance Co. (0.46%) have been deleted for all rate levels. Their data were inaccurately reported to their statistical agents.

The increased limits review is contained in Section G.

The deductible relativity review is contained in Section I.

The classification plan review is contained in Section J.

The review of model year relativities is contained in Section K.

See also prefiled testimony of P. Woods and M. Miller.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
ADJUSTMENTS TO PREMIUMS AND LOSSES

Physical Damage required base class premiums per exposure were adjusted to reflect the effects of model year trend and "symbol drift". The factors used and their application are shown and described on pages C-7 and C-8.

The liability losses were adjusted by loss development factors to place them on an ultimate settlement basis. The factors used and their application are shown on pages C-1, C-3, and C-5.

The Physical Damage losses have been adjusted by a paid-to-incurred factor based on the data contained in Page 15 of the Annual Statement. The factors used and their application are shown on pages C-7, C-9, and C-11.

In addition, the Comprehensive losses have been adjusted to incorporate a long-term excess wind and water factor of 1.062 and to exclude excess wind and water losses in the year in which they occur. The development of the Comprehensive losses is shown on RB-8.

## PREMIUM AT PRESENT MANUAL RATES CALCULATION

The liability earned premium at manual rates by coverage is calculated by the following formula within each class, by territory.

EPMR = Exposures by Class x Territory Base Rate x [Class Rating Factor + Safe Driver Insurance Plan Factor] x Average Airbag Discount\* x Average Increased Limits Factor\*

\*For Medical Payments only

These EPMR's are then summed over all classes and territories to generate the statewide earned premium at manual rates shown on page H-3.

The physical damage earned premium at manual rates by coverage is calculated by the following formula within each class, by territory:

EPMR = Exposures by Class x Territory Base Rate x [Class Rating Factor + Safe Driver Insurance Plan Factor] x Territory Average Model Year and Symbol Factor

The EPMR's are then summed over all classes and territories to generate the statewide earned premium at manual rates which is shown on pages H-3. To account for model year trend, the EPMR's are adjusted by a factor of 1.055 for Comprehensive and 1.064 for Collision (see page H-603). To account for "symbol drift", the EPMR's are adjusted by a factor of 1.021 for Comprehensive and 1.000 for Collision (see pages C-8 and H-604-605). The result is trended premium at manual rates.

A hypothetical sample calculation of the earned premium at manual rates for a single class and territory combination is shown below for Bodily Injury and Full Coverage Comprehensive in Territory 11 for Work less than 10 miles and one SDIP point (Class 116101)

Bodily Injury

(1) Earned exposures	50
(2) Bodily Injury territory 11 base rate	138
(3) Class rating factor	1.050
(4) SDIP factor	0.250
(5) Combined rating factor (3)+(4)	1.300
(6) Premium at manual rates (1)x(2)x(5)	\$8,970

Full Coverage Comprehensive

(1) Earned exposures	11
(2) Full coverage Comprehensive territory 11 base rate	40
(3) Class rating factor	1.200
(4) SDIP factor	0.250
(5) Combined rating factor (3)+(4)	1.450
(6) Full coverage Comprehensive, territory 11 average model year and symbol factor	1.918
(7) Premium at manual rates (1)x(2)x(5)x(6)	\$1,224

## TOP TEN AUTOMOBILE INSURANCE WRITERS

<u>COMPANY NAME</u>	<u>2007(a) WRITTEN PREMIUM</u>	<u>2007 WRITTEN PREMIUM MARKET SHARE</u>	<u>2007 (a) EARNED PREMIUM</u>	<u>2007 EARNED PREMIUM MARKET SHARE</u>
State Farm Mutual Automobile Insurance Company	567,141,387	13.22%	563,034,662	13.24%
Nationwide Mutual Insurance Company	422,799,246	9.86%	435,184,712	10.23%
North Carolina Farm Bureau Mutual Insurance Company	378,756,455	8.83%	374,241,684	8.80%
Integon National Insurance Company	327,252,383	7.63%	329,996,172	7.76%
Allstate Indemnity Company	256,260,140	5.98%	262,972,212	6.18%
Nationwide Property & Casualty Insurance Company	250,076,536	5.83%	231,615,555	5.45%
Government Employees Insurance Company	202,783,187	4.73%	195,503,077	4.60%
Allstate Insurance Company	187,193,161	4.36%	191,147,911	4.49%
Nationwide Mutual Fire Insurance Company	104,351,695	2.43%	117,501,570	2.76%
Progressive Southeastern Insurance Company	101,368,957	2.36%	101,279,368	2.38%
TOTAL	\$ 2,797,983,147	65.24%	\$ 2,802,476,923	65.88%
Grand Total	4,288,556,199		4,253,682,103	

(a) Per the 2007 Annual Statement, Statutory Page 14.

liab &amp; phy dmg combined

NORTH CAROLINA  
PERSONAL AUTO LIABILITY INSURANCE  
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TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,345,288	631,927	626,126	1,351,088
2 Allied lines	813,029	380,630	389,258	804,402
3 Farmowners	343,098	153,611	164,049	332,661
4 Homeowners	17,674,095	9,342,035	9,517,643	17,498,486
5 Comm multi peril	6,327,737	2,878,159	2,978,090	6,227,806
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	292,189	128,754	131,467	289,476
9 Inland marine	1,778,774	623,084	656,274	1,745,585
10 Financial guaranty	0	0	0	0
11 Medical malpractice	32,743	15,705	12,975	35,473
12 Earthquake	153,140	93,880	80,233	166,786
13 Group A & H	1,068,370	52,596	64,621	1,056,346
14 Credit A & H	9,411	15,983	19,211	6,183
15 Other A & H	1,070,703	909,050	864,881	1,114,871
16 Worker's comp	7,995,651	1,938,777	2,097,075	7,837,353
17 Other liability	6,234,356	3,239,369	3,440,657	6,033,069
18 Products liability	384,811	142,081	152,098	374,794
19 Auto liability	55,252,364	16,095,080	16,287,286	55,060,158
21 Auto phys. damage	36,261,804	10,497,965	10,744,481	36,015,289
22 Aircraft	299,398	96,147	121,133	274,412
23 Fidelity	113,706	63,195	60,139	116,763
24 Surety	326,132	161,559	195,752	291,938
26 Burglary + theft	16,654	6,327	6,805	16,176
27 Boiler and machinery	92,693	39,935	39,728	92,900
28 Credit	35,075	5,683	14,682	26,076
29 International	38,812	20,042	19,784	39,070
30 Reinsurance	1,799,556	18,719	501,313	1,316,962
31 Miscellaneous	28,755	83,445	79,790	32,409
32 TOTALS	139,788,344	47,633,880	49,265,693	138,156,532

NORTH CAROLINA  
PERSONAL AUTO LIABILITY INSURANCE  
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TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,339,252	629,142	623,529	1,344,865
2 Allied lines	808,411	378,817	387,328	799,900
3 Farmowners	342,988	153,392	163,963	332,416
4 Homeowners	17,826,993	9,425,260	9,606,097	17,646,155
5 Comm multi peril	6,518,517	2,977,535	3,079,428	6,416,624
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	288,428	127,221	130,022	285,626
9 Inland marine	1,794,952	632,219	666,379	1,760,793
10 Financial guaranty	0	0	0	0
11 Medical malpractice	32,745	15,684	12,961	35,468
12 Earthquake	155,544	94,965	81,572	168,937
13 Group A & H	1,068,370	52,598	64,621	1,056,347
14 Credit A & H	9,411	15,983	19,211	6,183
15 Other A & H	1,070,703	909,050	864,881	1,114,871
16 Worker's comp	8,064,791	1,973,711	2,133,735	7,904,767
17 Other liability	6,170,584	3,209,201	3,413,282	5,966,503
18 Products liability	382,772	141,335	151,293	372,815
19 Auto liability	55,443,959	16,176,544	16,373,284	55,247,219
21 Auto phys. damage	36,434,830	10,567,869	10,817,825	36,184,874
22 Aircraft	299,441	96,140	121,175	274,406
23 Fidelity	113,139	62,639	59,617	116,161
24 Surety	326,563	161,256	195,750	292,069
26 Burglary + theft	16,840	6,404	6,895	16,349
27 Boiler and machinery	90,268	38,805	38,626	90,447
28 Credit	35,074	5,680	14,681	26,073
29 International	38,690	20,030	19,690	39,031
30 Reinsurance	1,798,739	18,495	501,098	1,316,135
31 Miscellaneous	28,739	83,439	79,783	32,395
32 TOTALS	140,500,742	47,973,552	49,626,866	138,847,428

NORTH CAROLINA  
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE  
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TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,348,349	620,988	650,347	1,318,990
2 Allied lines	820,880	369,696	392,703	797,873
3 Farmowners	380,341	172,196	183,486	369,051
4 Homeowners	17,675,354	9,351,083	9,507,144	17,519,292
5 Comm multi peril	5,845,875	2,748,862	2,785,963	5,808,774
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	205,556	103,752	101,931	207,377
9 Inland marine	1,907,324	624,308	644,992	1,886,640
10 Financial guaranty	0	0	0	0
11 Medical malpractice	11,358	3,490	3,088	11,760
12 Earthquake	146,219	88,529	74,525	160,223
13 Group A & H	571,678	374	605	571,447
14 Credit A & H	111,435	33,476	34,593	110,319
15 Other A & H	757,249	559,366	661,247	655,367
16 Worker's comp	5,626,594	918,918	1,074,294	5,471,219
17 Other liability	3,701,176	1,557,475	1,665,326	3,593,325
18 Products liability	337,210	130,675	136,433	331,452
19 Auto liability	54,185,159	15,394,867	15,502,264	54,077,761
21 Auto phys. damage	36,240,483	10,492,520	10,696,434	36,036,569
22 Aircraft	57,274	16,621	18,483	55,412
23 Fidelity	37,784	23,677	24,980	36,482
24 Surety	292,661	132,840	159,864	265,638
26 Burglary + theft	8,106	4,308	4,431	7,983
27 Boiler and machinery	64,436	29,699	28,763	65,372
28 Credit	39,309	14,388	26,051	27,646
29 International	38,690	20,030	19,690	39,031
30 Reinsurance	1,798,369	18,494	500,779	1,316,085
31 Miscellaneous	293,337	466,204	550,458	209,084
32 TOTALS	132,502,208	43,896,838	45,448,875	130,950,171



NORTH CAROLINA  
 PERSONAL AUTO PHYSICAL DAMAGE INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,487,647	676,681	683,552	1,480,775
2 Allied lines	876,852	399,733	423,106	853,478
3 Farmowners	381,829	172,676	184,178	370,327
4 Homeowners	17,915,212	9,519,977	9,677,181	17,758,009
5 Comm multi peril	6,233,781	2,950,232	2,974,050	6,209,962
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	300,518	133,789	135,811	298,497
9 Inland marine	2,070,151	707,779	737,653	2,040,277
10 Financial guaranty	0	0	0	0
11 Medical malpractice	32,745	15,684	12,961	35,468
12 Earthquake	156,392	95,933	82,622	169,702
13 Group A & H	1,069,891	52,819	64,663	1,058,047
14 Credit A & H	111,435	33,476	34,593	110,319
15 Other A & H	1,072,779	909,188	865,103	1,116,864
16 Worker's comp	7,967,347	1,960,449	2,098,890	7,828,905
17 Other liability	6,214,129	3,233,929	3,437,573	6,010,485
18 Products liability	383,136	141,551	151,506	373,182
19 Auto liability	55,142,122	16,145,024	16,275,831	55,011,315
21 Auto phys. damage	36,666,059	10,809,008	11,018,711	36,456,355
22 Aircraft	299,441	96,140	121,175	274,406
23 Fidelity	111,307	62,233	58,614	114,926
24 Surety	310,589	159,058	186,723	282,924
26 Burglary + theft	16,625	6,394	6,791	16,228
27 Boiler and machinery	90,285	38,808	38,631	90,463
28 Credit	35,153	5,680	14,681	26,152
29 International	38,690	20,030	19,690	39,031
30 Reinsurance	1,798,369	18,495	500,779	1,316,085
31 Miscellaneous	225,075	338,191	404,912	158,354
32 TOTALS	141,007,558	48,703,096	50,210,119	139,500,535

NORTH CAROLINA  
PERSONAL AUTO LIABILITY INSURANCE  
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TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses	Net Losses	Losses
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments	Unpaid Current Year	Unpaid Previous Year	Incurred Current Year
1 Fire	578,838	929,620	855,222	653,236	456,417	415,418	694,235
2 Allied lines	739,761	884,471	1,203,040	421,191	269,378	385,487	305,082
3 Farmowners	169,832	112,650	80,689	201,793	120,049	94,911	226,931
4 Homeowners	6,872,561	8,860,778	6,608,079	9,125,261	4,498,472	4,332,691	9,291,042
5 Comm multi peril	1,850,387	3,474,614	2,813,209	2,511,792	4,511,689	4,325,788	2,697,693
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	257,979	469,074	586,213	140,840	230,844	213,600	158,085
9 Inland marine	1,037,614	969,919	1,207,168	800,365	368,778	422,353	746,791
10 Financial guaranty	0	0	-1	1	85	1,765	-1,679
11 Medical malpractice	5,881	308,978	213,781	101,078	260,741	363,992	-2,173
12 Earthquake	1,425	1,101	942	1,584	5,357	8,453	-1,512
13 Group A & H	374,044	491,889	178,910	687,023	189,877	169,520	707,380
14 Credit A & H	2,884	0	9	2,875	3,872	3,817	2,930
15 Other A & H	602,429	60,498	73,847	589,081	571,865	542,458	618,488
16 Worker's comp	2,485,042	5,473,091	5,050,650	2,907,483	18,802,412	16,482,080	5,227,815
17 Other liability	1,554,923	3,960,338	3,191,962	2,323,299	13,469,054	12,165,637	3,626,717
18 Products liability	166,568	378,595	365,217	179,947	2,406,086	2,428,793	157,239
19 Auto liability	26,177,574	17,638,652	10,873,385	32,942,841	41,890,754	40,341,608	34,491,987
21 Auto phys. damage	16,443,435	10,047,269	5,717,400	20,773,303	2,043,186	1,942,184	20,874,305
22 Aircraft	140,529	222,601	244,918	118,212	278,105	282,062	114,255
23 Fidelity	4,301	94,296	33,342	65,255	146,541	170,452	41,344
24 Surety	35,315	117,240	113,087	39,468	351,979	317,544	73,903
26 Burglary + theft	2,421	1,058	2,185	1,294	4,410	5,506	197
27 Boiler and machinery	12,728	88,182	76,603	24,308	32,681	43,409	13,580
28 Credit	21,486	31,886	9,028	44,344	5,855	4,763	45,436
29 International	14,142	113,701	69,030	58,813	100,323	126,503	32,633
30 Reinsurance	0	989,579	447,012	542,567	1,544,094	1,708,941	377,719
31 Miscellaneous	542	36,341	11,022	25,861	5,608	9,569	21,901
32 TOTALS	59,552,640	55,756,423	40,025,948	75,283,115	92,568,512	87,309,304	80,542,323

NORTH CAROLINA  
PERSONAL AUTO LIABILITY INSURANCE  
AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses Unpaid Current Year	Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments			
1 Fire	576,455	921,908	848,334	650,029	451,650	411,738	689,941
2 Allied lines	738,936	882,463	1,201,898	419,501	266,107	382,040	303,569
3 Farmowners	163,218	112,584	74,075	201,727	120,228	95,020	226,935
4 Homeowners	7,294,429	9,006,890	7,047,720	9,253,599	4,529,002	4,363,284	9,419,316
5 Comm multi peril	1,820,701	3,590,314	2,807,150	2,603,865	4,686,045	4,494,649	2,795,261
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	259,091	467,421	587,325	139,187	228,310	211,518	155,979
9 Inland marine	1,063,072	981,699	1,232,693	812,078	366,363	419,877	758,564
10 Financial guaranty	0	0	-1	1	85	1,765	-1,679
11 Medical malpractice	5,861	306,494	213,764	98,592	255,915	356,761	-2,255
12 Earthquake	1,425	1,109	942	1,593	5,292	8,479	-1,594
13 Group A & H	374,044	491,889	178,910	687,023	189,877	169,520	707,380
14 Credit A & H	2,884	0	9	2,875	3,872	3,817	2,930
15 Other A & H	602,429	60,498	73,847	589,081	571,865	542,458	618,488
16 Worker's comp	2,434,752	5,504,834	4,993,783	2,945,802	18,735,949	16,416,424	5,265,327
17 Other liability	1,544,373	3,953,904	3,191,778	2,306,499	13,321,147	12,026,204	3,601,443
18 Products liability	161,186	375,616	359,839	176,963	2,385,713	2,406,075	156,601
19 Auto liability	27,343,749	17,775,150	12,046,108	33,072,791	42,038,322	40,473,432	34,637,681
21 Auto phys. damage	17,341,620	10,146,217	6,610,797	20,877,040	2,045,594	1,946,985	20,975,649
22 Aircraft	140,525	222,278	244,914	117,889	277,557	281,682	113,765
23 Fidelity	4,487	94,103	33,517	65,073	145,424	169,374	41,122
24 Surety	35,218	116,417	112,990	38,645	346,087	311,779	72,953
26 Burglary + theft	2,440	1,060	2,204	1,296	4,312	5,378	229
27 Boiler and machinery	11,696	87,443	75,484	23,655	31,955	42,671	12,939
28 Credit	21,486	31,870	9,028	44,328	5,694	4,586	45,435
29 International	14,142	112,432	69,030	57,544	100,148	125,136	32,556
30 Reinsurance	0	983,936	446,963	536,974	1,514,948	1,677,900	374,021
31 Miscellaneous	542	36,341	11,022	25,861	5,608	9,569	21,901
32 TOTALS	61,958,761	56,264,870	42,474,122	75,749,508	92,633,071	87,358,122	81,024,457

NORTH CAROLINA  
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE  
AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses	Net Losses	Losses
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments	Unpaid Current Year	Unpaid Previous Year	Incurred Current Year
1 Fire	433,127	816,652	618,237	631,542	331,066	339,053	623,555
2 Allied lines	784,016	649,535	1,057,083	376,467	195,013	202,178	369,302
3 Farmowners	185,358	113,687	79,545	219,500	132,955	106,072	246,383
4 Homeowners	6,868,518	8,827,265	6,581,533	9,114,249	4,470,044	4,317,289	9,267,004
5 Comm multi peril	1,608,680	3,372,364	2,521,882	2,459,162	4,199,824	4,133,501	2,525,485
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	77,127	232,109	221,147	88,089	142,906	120,629	110,366
9 Inland marine	880,940	768,227	837,368	811,800	279,017	320,917	769,900
10 Financial guaranty	0	0	-1	1	85	24	61
11 Medical malpractice	5,411	275,933	203,867	77,476	177,763	244,038	11,200
12 Earthquake	1,425	1,046	942	1,530	5,186	8,306	-1,590
13 Group A & H	252,182	287,970	39,002	501,151	61,453	62,266	500,337
14 Credit A & H	37,400	4,148	29,452	12,096	18,503	13,069	17,529
15 Other A & H	448,111	-3,418	7,227	437,466	416,134	407,236	446,363
16 Worker's comp	1,469,998	4,417,036	3,882,835	2,004,198	14,333,243	12,657,516	3,679,926
17 Other liability	1,138,153	2,140,844	2,128,340	1,150,658	7,931,337	6,975,231	2,106,764
18 Products liability	144,094	349,633	333,045	160,681	2,243,157	2,286,700	117,138
19 Auto liability	25,588,807	16,745,957	9,870,976	32,463,787	41,109,988	39,674,544	33,899,231
21 Auto phys. damage	16,455,120	9,866,233	5,614,305	20,707,048	2,043,306	1,934,056	20,816,298
22 Aircraft	41,420	10,052	29,874	21,599	68,589	62,363	27,825
23 Fidelity	1,857	29,549	22,745	8,661	43,237	40,630	11,269
24 Surety	45,618	118,430	123,535	40,512	281,308	251,850	69,970
26 Burglary + theft	2,391	599	1,989	1,001	3,709	5,098	-388
27 Boiler and machinery	11,016	53,082	49,231	14,867	17,781	17,963	14,684
28 Credit	32,122	973	17,996	15,100	5,686	4,623	16,163
29 International	14,142	112,432	69,030	57,544	100,148	125,136	32,556
30 Reinsurance	0	998,517	448,448	550,069	1,580,850	1,749,528	381,392
31 Miscellaneous	163,490	45,743	86,338	122,895	19,221	23,175	118,941
32 TOTALS	56,690,523	50,234,597	34,875,971	72,049,149	80,211,510	76,082,992	76,177,667

NORTH CAROLINA  
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 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses Unpaid Current Year	Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments			
1 Fire	606,277	961,635	877,770	690,143	465,173	421,935	733,380
2 Allied lines	801,923	897,878	1,264,619	435,181	270,502	386,676	319,007
3 Farmowners	184,582	114,226	78,770	220,039	133,545	106,572	247,012
4 Homeowners	7,320,503	9,048,966	7,070,937	9,298,532	4,542,584	4,388,006	9,453,110
5 Comm multi peril	1,765,191	3,585,641	2,729,309	2,621,522	4,548,329	4,470,550	2,699,302
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	267,652	472,321	594,516	145,458	229,940	213,763	161,635
9 Inland marine	1,153,294	1,198,671	1,406,907	945,058	384,799	440,293	889,564
10 Financial guaranty	0	0	-1	1	85	1,765	-1,679
11 Medical malpractice	5,861	306,494	213,764	98,592	255,915	356,761	-2,255
12 Earthquake	1,425	1,109	942	1,593	5,294	8,480	-1,593
13 Group A & H	375,052	491,889	179,363	687,578	190,574	170,703	707,449
14 Credit A & H	37,400	4,148	29,452	12,096	18,503	13,069	17,529
15 Other A & H	603,131	60,498	74,351	589,279	572,048	542,680	618,647
16 Worker's comp	2,404,839	5,496,743	4,931,846	2,969,736	18,629,924	16,378,634	5,221,026
17 Other liability	1,554,020	3,960,808	3,194,248	2,320,581	13,341,665	12,059,723	3,602,523
18 Products liability	160,179	375,616	358,788	177,007	2,385,640	2,406,046	156,601
19 Auto liability	27,204,868	17,738,568	11,894,539	33,048,897	41,865,376	40,426,397	34,487,876
21 Auto phys. damage	17,467,869	10,256,563	6,746,079	20,978,353	2,081,114	1,982,434	21,077,033
22 Aircraft	140,525	222,278	244,914	117,889	277,557	281,682	113,765
23 Fidelity	4,417	94,051	33,457	65,012	145,331	169,334	41,009
24 Surety	33,196	115,903	109,208	39,892	344,550	314,116	70,326
26 Burglary + theft	2,440	1,060	2,202	1,298	4,312	5,378	231
27 Boiler and machinery	11,696	87,443	75,484	23,655	31,955	42,671	12,939
28 Credit	21,495	31,870	9,028	44,337	5,700	4,591	45,446
29 International	14,142	112,432	69,030	57,544	100,148	125,136	32,556
30 Reinsurance	0	998,461	448,448	550,014	1,580,010	1,749,528	380,496
31 Miscellaneous	89,314	37,142	52,209	74,246	16,073	18,159	72,160
32 TOTALS	62,231,293	56,672,416	42,690,179	76,213,530	92,426,646	87,485,079	81,155,097

2007 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	96,463	2,403,220,274	1,671,414,617
Earned Premium	83,800	2,373,492,491	1,657,288,998
Dividends	0	27,779,531	21,334,703
Unearned Prem Reserves	89,724	671,892,712	477,483,880
Losses Paid	75,962	1,578,074,422	959,299,524
Losses Incurred	69,808	1,683,340,409	961,708,694
Losses Unpaid	92,768	1,467,104,307	79,100,543
Alloc. Adj. Exp. Paid	1,966	35,116,630	2,357,025
Alloc Adj. Exp. Incurred	2,638	37,711,547	2,240,707
Alloc. Adj. Exp. Unpaid	3,768	126,236,762	3,820,023
Commissions	15,808	229,264,536	174,510,749
Taxes	28,927	51,138,890	34,998,876

2006 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ 471,194	\$ 2,256,484,695	\$ 1,726,356,441
Earned Premium	220,094	2,195,982,663	1,757,385,877
Dividends	0	5,009,679	4,562,392
Unearned Prem Reserves	251,103	641,013,898	461,846,164
Losses Paid	90670	1,492,943,162	939,136,077
Losses Incurred	213,428	1,623,398,256	942,281,934
Losses Unpaid	122,757	1,381,322,630	77,301,917
Alloc. Adj. Exp. Paid	575	35,298,441	3,599,665
Alloc Adj. Exp. Incurred	3,670	30,916,900	4,158,764
Alloc. Adj. Exp. Unpaid	3,095	124,697,542	3,918,584
Commissions	53,984	220,676,971	177,862,472
Taxes	8,190	47,032,541	35,186,893

(a) Top 50 Writers

## **AUTOMOBILE**

### **ACE American Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

### **ACE Fire Underwriters Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

### **ACE Property & Casualty Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

### **AMEX Assurance Company**

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for single-car & multi-car policyholders for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount. Eff. 5-14-04 pc070179

### **All America Insurance Company**

- Withdrawn

### **Allstate Indemnity Company**

#### **Preferred Program**

- Territory Deviations: Applies to auto bodily injury, property damage, med pay, collision and

- comprehensive coverages: Credit varies.
- Tier Deviation: Certain criteria must be met.
  - Years Licensed Deviation: Applies to auto bodily injury, property damage, comprehensive & collision coverages: Credit varies by coverage.
  - Accident Rating Deviation: Years since last accident 0 - 3+: Factors vary 1.00 – 1.20.
  - Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
  - 55 and Over Discount: 15% credit when principal operator is 55 or less than 71 yrs. of age, 1% credit when 71 yrs. or older: Other criteria apply.
  - New Car Discount: 0 – 2+ yrs.: Factors vary .95 – 1.00: Other criteria apply.
  - The Good Hands People Discount: 10% credit applies to qualifying named insureds.
  - Electronic Funds Transfer Deviation: \$1 installment fee.

#### Regular Auto Program

- 22.5% non-fleet private passenger auto bodily injury & property damage for policies with 12-15 SDIP pts. for single car policies.
- 16.0% non-fleet private passenger auto bodily injury & property damage for policies with 12-15 SDIP pts. for multi-car policies.
- Installment Pay Plan: \$1 per installment by Easy Payment Plan (EPP) Electronic Funds Transfer.
- Installment Pay Plan: Payroll deduction for Allstate Employees (NC); Installment charges waived.
- 10% discount on collision & comprehensive for member of an approved Allstate Corporation and its subsidiaries (The Good Hands People Discount). Eff 7-1-04 PC072275

#### Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer. Effective 7-1-04 PC072554

#### American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments Eff. 10-01-03



American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided. Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates. Eff. 9-1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household. Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis. Eff. 11-20-01
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American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply. Eff. 9-1-00

American & Foreign Insurance Company

- Installment Payment Plan waiver.

Eff. 5-15-04 PC068691

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.

- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes. Eff. 12-20-02

#### American Insurance Company

- Various deviations on Comprehensive for vehicles equipped with Alarm only device.
- Discount on comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-lock brake discount.
- Various deviations on on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit.
- Installment Payments Eff. 10-01-03

#### American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
  - a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxication liquors by motor vehicle.
  1. 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
  2. 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
  3. 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
  4. 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
  5. 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
  6. 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
  7. 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
  8. 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.

9. 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
10. 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
11. 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
12. 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
13. 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
14. 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
15. 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation. Effective 8-27-04 PC073480

#### American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies. Eff 7-1-03

#### American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply. Eff 7-1-03

#### American Professionals Insurance Company

- Installment charge waived on initial payment: \$3 charge for each installment thereafter: Applies to all policies. Eff. 7-1-99

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies. Eff 7-1-03

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.  
Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.

- Eff. 6-15-04 PC071954

#### American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household. Eff. 4-19-91

#### American States Preferred Insurance Company

- See exception pages on the NC Department of Insurance website [www.ncdoi.com](http://www.ncdoi.com).  
Eff. 8-19-04 PC072161

#### AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.
- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
- Downward deviations to one year short-rate cancellation.  
Eff. 11-1-04 PC074206

#### Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates. Eff 9-29-92

#### Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies. Eff. 4-1-00

#### Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.

- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments Eff. 10-01-03

#### Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees. Eff. 1-1-96

#### Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts. Eff. 2-15-98

#### Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
- 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts. Eff. 7-1-94

#### **MOTORCYCLE**

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage. Eff. 7-1-91

#### **Atlantic Indemnity Company**

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

**LIABILITY** All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
  - 45% for multi car policies with 12-20 SDIP pts. Eff. 11-1-95

#### **Auto Owners Insurance Company**

##### **Premier Program**

- **Mature Driver Discount:** Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of

age: Credit varies 2%.

- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.

#### Standard Program

- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.
- Accidental Death Indemnity
- Total Disability Indemnity
- PC072354 Eff. 7-22-04

#### Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

#### Builders Mutual Insurance Company

- 5% deviation on bodily injury, property damage, medical payments, comprehensive, & collision, if primary driver has at least 30 yrs. driving experience.
- Rating plan factor reduced by .05 for comprehensive & collision if the risk qualifies for multi car discount & has no inexperienced operator.
- Rating plan factor reduction by .05 for bodily injury, property damage, medical payments, comprehensive & collision, if the risk is classified as having 0 SDIP pts.
- 5% deviation on bodily injury & property damage, if the vehicle is equipped with anti-lock brakes.
- 5% deviation for comprehensive only, if vehicle is equipped with an active anti-theft device: 10% deviation, if vehicle is equipped with a passive anti-theft device. Eff. 10-1-99

#### Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates. Eff. 5-28-87

#### CGU Insurance Company

- 5% Account Credit is applicable to Personal Auto Policies where named insured has his/her Homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes. Eff. 9-15-91



### Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Pay Plan deviation - 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from banking account to insurance company account.
- Deviation (7.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation (12.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Superior Drivers. Certain criteria apply.
- Eff 7-1-03 SPC 062332

### Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates. Eff. 6-1-89

### The Charter Oak Fire Insurance Company

- Pricing Factors Deviation: Applies to private passenger auto: 15% for liability coverages: 15% for property damage coverages.
- 9% Account Discount Deviation applies to all insureds who have both an auto & homeowners policy with Travelers.
- Contributing Vehicle Credit: 35% credit private passenger autos, pickups, vans and classic autos for bodily injury, property damage, medical payments coverage for single car policy & have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% credit private passenger autos, pickups, vans and classic autos for collision coverages for insured who have a single car policy & have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% credit priv pass autos, pickups, vans and classic autos for Comprehensive, Fire/Fire and theft/fire, theft, CAC coverages for insured who have a single car policy and have more than one private passenger auto insured with The Travelers.
- 3% Renewal Credit applies to private passenger auto rates if insured has maintained an auto policy with Travelers for the last 6 or more consecutive years. Eff. 7-1-03 PC062965

### The Cincinnati Insurance Company

- 0% non-fleet private passenger auto liability rate deviation.
- 40% non-fleet private passenger auto physical damage rate deviation.
- 10% non-fleet private passenger liability & physical damage rate deviation, if policyholder has package policy with Cincinnati Insurance Company.
- Installment Payment Plan charge waived for personal autos & autos written in conjunction with a homeowner policy. Eff. 7-1-03

#### Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%. Eff. 9-1-94

#### Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive. Eff. 1-1-98

#### Commercial Insurance Company of Newark, New Jersey

##### Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.  
Eff. 8-1-00

Consolidated American Insurance Company

- 10% non-fleet private passenger comprehensive & 15% collision rates. Deviation applies multi-car risk, all classes except farm use classes. No inexperienced operators in household & 0 SDIP pts. applicable. Eff. 12-1-92

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount. Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met. Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag: 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices: 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.

- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation. Eff. 6-01-01

#### Electric Insurance Company

- Preferred Rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Super Preferred rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Accident and Violation Free Discount: Credit varies 5% - 15% when criteria is met.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision for risks that meet Elfun Society Membership.
- 5% Mass Marketing Discount.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision if principal operator of vehicle is 55 yrs or older. Vehicle with inexperience operator surcharge is not eligible.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer Eff. 1-20-04 pc066981

#### Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.  
Eff. 5-25-97

#### Encompass Indemnity Company

- Anti-Theft Device Discount: Apply factor of .95 to the Comprehensive Premium on vehicles equipped with alarm only device or active disabling device. Apply factor of .85 to the Comprehensive Premium on vehicles equipped with either of the following: a passive disabling device or a retrieval system which incorporates a device installed on the vehicle which emits a signal to allow for the vehicle's tracking and retrieval.
- VIN Etching Discount: Apply a factor of .95 to the Comprehensive Premium for any vehicle when the vehicle id number is etched into all of the windows of the vehicle and must be no

smaller than one-eighth of an inch and must be non removable and permanent.

- Accident/Violation Free Discount: 10% discount to BI, PD, MED PAY and Coll provided that risk has not been assigned any driving points (sub-class 0). The discount applies only to private pass autos.
- Daytime Running Light Discount: 5% discount applies to the premium for BI, PD, MED PAY and Coll for autos equipped with factory installed daytime running lights.
- Companion Discount: 10% discount applies to the premiums for BI, PD, MED PAY, Comp and Coll if the named insured is also a named insured on an HO Policy with any of the Encompass Insurance Companies.
- Various Discounts for Airbags: Med Pay only, factory installed airbags which conforms to the federal crash protection requirements and
  - A: 20% discount when installed on driver side only
  - B: 35% discount when installed in both front outboard seat positions
  - C: 35% discount for an automatic belt restraint systemIf the vehicle has both airbags and an automatic belt restraint system, only the higher percentage discount shall apply.
- Anti-Lock Braking System Discount: 5% discount to the premiums for BI, PD for factor installed four wheel anti-lock braking system (ABS). Priv Pass only.
- Preferred Plus Tier: .85 factor applied to all policies written in the Fireman's Insurance Company which meet the certain criteria.
- Group Program Deviation: 5% deviation applies to Auto Liab, Med Pay Comp and Coll when written through CAN's Prop and Cas Group Program to members of any employee or affinity group.
- Effective 10-1-04 PC075213

Encompass Indemnity Company  
Antique automobile program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC

Encompass Indemnity Company  
Classic Automobile Program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC 075210

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria

apply.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operators are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 or newer model vehicles with factory-installed anti-lock brake systems on all four wheels.
- 5% non-fleet private passenger comprehensive for all vehicles with etching a vin or serial number or active anti-theft devices.
- 10% non-fleet private passenger comprehensive for all vehicles with alarm or passive anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs. Deviation 1 pt. - 15%, 2 pts. - 40%, 3 pts. - 65%.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Non-fleet private passenger auto base rate deviation for bodily injury, property damage, medical payments, comprehensive & collision coverage by territory. Credit varies.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage when insured has both comprehensive & collision.
- Pro rata cancellation for all policies.
- Multi-Policy Discount: 10% credit when Homeowner or Mobile homeowner policy is written with The Erie and named insured must be same on all policies.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met. Eff. 1-1-04
- PC066417

#### Erie Insurance Exchange

- Base Rate Deviation by territory for bodily injury, property damage, medical payments, comprehensive & collision territory. Credit varies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device: 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge – Installment payments deviation.
- Comprehensive Deductible Factors Deviation: 5% deviation other than full coverage.
- Multi Policy Discount: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.

- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met. Eff. 7-1-03

#### Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968

#### Farmers Insurance Exchange

- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comprehensive, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision. Eff. 7-1-03

#### Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits. Eff. 7-1-03

#### Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies. Eff. 4-21-95

#### Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage -

- factors vary. Eff. 1-1-04
- PC063945

#### Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.  
Eff. 01-01-04
- PC064886

#### Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive. Eff. 1-1-98

#### Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

#### Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.



- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

#### Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge. Eff. 10-1-03 PC064658

#### Firemans Fund Insurance Company of Wisconsin

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured/underinsured motorist, comprehensive & collision.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator age 55 and older with no inexperience operators.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator(s) have a minimum of 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage medical payments, comprehensive & collision for renewal discount where all operators have been written in the Fireman's Fund Direct program for at least 3 yrs. & are free of chargeable accidents & free of convictions. Eff. 11-24-97

#### Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount. Eff. 7-3-01

#### Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage. Eff. 11-1-94

#### First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates. Eff. 12-7-87

#### First Liberty Insurance Corporation

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% when all operators are 55 or older, no inexperienced operators.
- 1% non-fleet private passenger auto bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 on first installment of installment plan.
- Multi Car Discount: 4% for collision only and 5% for Liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability and 18% applies to phys dam per vehicle when insured maintains an eligible Homeowners policy.
- Single liability limits deviation by territory, credit varies.
- Split liability limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation by territory, credit varies. Eff. 7-1-03 PC062604

#### First National Insurance Company of America

- 15% Deviation on bodily injury, property damage, and med pay coverages. 10% deviation on comprehensive & collision coverages.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision if policyholder has had auto insurance with any Safeco Company for 3 consecutive yrs.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision for having a Safeco homeowners policy in force.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision for certain specified 4 door vehicles.
- Additional 10% deviation on comprehensive & collision for mature drivers age 55 or older.
- Checkless Pay Plan: Waive \$3 installment charge.
- Additional 5% deviation on bodily injury, property damage, med pay, comprehensive & collision for specified territories.
- Additional 5% deviation on bodily injury, property damage, med pay, comprehensive & collision for owning & occupying a home or condominium.
- Additional 10% deviation on comprehensive & collision for drivers with a driving record sub-classification of 0 and free of violation incidences. Eff. 9-20-01

GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments. Eff. 11-22-04 PC077136

General Insurance Company of America

- All deviation components under PC043992 have been eliminated. Eff. 10/24/04 PC072365

Generali - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43. Eff. 2-9-94

Globe Indemnity Company

- Installment Payment Plan - Agency Payroll Deduction: Certain criteria apply. Eff. 5-15-04 pc069382

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision and Liability limit of 300/300 by territory, credit varies.
- 10% non-fleet private passenger auto comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- 8% deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit: Non-fleet private passenger auto bodily injury, property damage, uninsured motorist, medical payments, personal injury, comprehensive & collision coverage. Certain criteria apply. Credit varies 10% - 20%.
- 5 Year Good Driving Discount: 8% non-fleet private passenger auto bodily injury, property damage, medical payment, collision & comprehensive: Certain criteria apply.
- Associate Discount: 8% credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies 7%-10%.
- 15% Ultra Preferred Tier (2) Discount: Applies to bodily injury, property damage, collision,

comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.

- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments. Eff. 11-22-04 PC076001

#### Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- Eff 10-15-04 PC072536

#### Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11. Eff. 12-1-00 PC036563

#### Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1. Eff. 2-15-02

Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1. Eff. 2-15-02

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. DUI violation involving drugs.

Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

Physical Damage

- 21% deviation with 3 or more SDIP pts. Eff. 1-4-04 pc067647

GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual. Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.

- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met. Eff. 4-1-02

#### The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment. Eff. 4-1-02q

#### Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts. Eff 2-1-94

#### Harleysville Mutual Insurance Company

- StarPak Program Discount – Certain criteria, credits vary. Eff 7-1-03 PC062196

#### Harleysville Preferred Insurance Company

- Preferred Customer Discount applies when the insured meets qualifying rating and/or certain characteristics credit varies.
- StarPak Program Discount - Certain criteria, credits vary. Eff 7-1-03 PC062197

#### Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect



with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.) Eff. 4-15-03

#### Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%: Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met. Eff. 4-1-03

#### Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

#### Horace Mann Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 2% deviation when certain criteria is met.
- Member Only Deviation 2% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment fees are based on the number of installments.
- Installment Payments - No charge on first installment for new business policies written on an installment Payments basis.
- Eff 7-1-04 PC070873

Horace Mann Property & Casualty Insurance Company

- Deviation on non-fleet private passenger auto rates by territory Credit varies.
- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 6% deviation when certain criteria is met.
- Deviation on BI and PD premium 4%; if insured is a member in good standing of a sponsoring education association and the policy is completely voluntary. No deviation will apply if the policy has comp & Phys Dam only.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment fees are based on the number of installments.
- Installment Payments - No charge on first installment for new business policies written on an installment payment basis.
- Credit Rating Deviation: credit 5% if certain criteria is met.
- Eff. 05-01-04 PC069814

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies. Eff. 1-27-03

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.

- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met. Eff. 02-01-02

### Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
  - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
  - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
  - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
  - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
  - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
  - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
  - Installment payment plans fees waived for GMAC insurance employees.
  - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%. Eff. 7-1-03

### Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%. Eff. 7-1-03

Integon Indemnity CorporationNon Preferred Program

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%. Eff. 7-1-03

Integon National Insurance CompanyPreferred Program

- 6% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on multi-car policies in the ultra-preferred underwriting tier where the policy has "0" SDIP points and married drivers with 14-43 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 6% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 4% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies with proof of prior limits of 100/300 or higher. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 20% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier where any driver has one or more of the following: a) prayer for judgement continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier where any driver has one or more at fault accident. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting

tier. This factor applies only to policies where there is an operator with 4 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.10 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 10% factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. Applies to 1) GMAC mortgage customers 2) GMAC auto loan customer 3) GMAC auto lease customer 4) GM Credit card customer 5) GM Demand /Smart Note Customer 6) GM Employee/retire or member of an approved employee group 7) Save our students member.
- 1.08 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 50/100. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 12% factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 250/500. Deviation available only is risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 1.15 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with 2 to less than 3 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.05 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 25% applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an ultra credit score. . Deviation available only is risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 2.00 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with no proof of prior insurance. If the resulting rate is equal to or greater than ncrb rates, the policy is ineligible for any deviation.
- 30% factor applies on all non-fleet priv pass auto BI, PD, med pay, UM/UIM in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 4% on all non-fleet priv pass auto Comp and Coll insurance rates on multi car policies in the

ultra preferred u/w tier where the policy has '0' SDIP points and married drivers with 14-43 years of driving experience. . Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.

- 25% on all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 12% on all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than ncrb rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.22 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 1 year driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.18 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 1 to less than 2 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.18 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 3 to less than 4 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.

### Non-Preferred Program

- 58% non fleet private passenger auto BI & PD liability for single car with 12-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 47% non fleet private passenger auto BI & PD liability for multi car with 12-20 SDIP pts. with a

12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.

- 5.7% non fleet private passenger auto physical damage for 5 or more SDIP pts. Non owner policies do not qualify.

#### Both Preferred and Non-Preferred Programs

- Installment Payment plan fees waived for GMAC Insurance employees – both programs.
- 3% on all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on all policies eligible for voluntary liav under rthe company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- PC070782 Eff 04-25-04

#### Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts.

with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.

- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%. Eff. 7-1-03

#### Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount. Eff. 9-1-00

#### Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - d. Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
  - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience. Eff. 4-1-99

#### Liberty Mutual Insurance Company



- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Anti-lock brake system - 1% non-fleet private passenger automobile bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 - 1st installment of installment plan.
- Multi Car Discount: 7% for collision coverage and deviate an additional 5% for liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.
- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation, credit varies. Eff. 7-1-03

#### LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment. Eff. 7-11-03

#### Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply. Eff 7-1-03

#### Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.

- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy). Eff. 2-15-98

#### Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

#### Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured has both auto and homeowners insurance with Merastar.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's Safe and Sound Discount.
- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Waiver of installment charge on policies paid through pre-authorized checking or payroll deduction.

- Eff. 7-1-03

#### Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met. Eff. 11-2-00

#### Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met. Eff. 7-1-03

#### Montgomery Mutual Insurance Company

- Deviation Withdrawn Eff. 10-15-02

#### Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines. Eff. 10-1-85

#### Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing of knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors

by motor vehicle. Eff. 6-7-95

National Alliance Insurance Company

- Deviation is withdrawn. Eff 10-16-02

National Grange Mutual Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.
- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955

National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met. Eff. 2-6-95
- *Name changed from State National Specialty Insurance Company effective 3/16/04*

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor varies by driving record.
- Unverifiable Driving History Deviation.
- Eff. 12/6/04 PC 077167

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation: 1/2% applies to medical payments only.
- Home and Car Deviation/Homeowner Deviation: Applies to auto bodily injury, property damage, comprehensive & collision: Credit varies depending on combination of deviation & territory.
- Multi-Car Rating Factor N.C. Rate Bureau shall apply when certain conditions are met.
- Miscellaneous Vehicle Deviation: 5% applies to bodily injury, property damage, comprehensive & collision.
- Preferred Driver Deviation 10% applies to BI, PD, Comprehensive and Collision coverages – if certain criteria is met.
- Combined deviation: BI, PD, COMP, COLL, AND MED PAY. Not applicable to motorcycles, antique or classic autos, or any vehicle not subject to the SDIP. Eff. 7-1-03

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – applies to new private passenger auto business for BI, PD, Med Pay and Collision coverages. Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation – 3% deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named insure is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation – applies to BI, PD, Med Pay, and Coll according to certain criteria.
- Intra-Agency Transfer Deviation – 6% deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and 3% dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation – 4% applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation – 4% applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviation – 5% deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviation – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviation – 4% deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Effective 11-1-04 PC074176

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older. Eff. 10-15-02

New South Insurance Company

Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liav devs is equal to or greater than 3%.
- Eff. 7-1-03

New York Central Mutual Fire Insurance Company

- Withdrawn Eff 12-8-03

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.

Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- See exceptions pages 1-30 on file with the NC Department of Insurance.
- Effective 10-1-04 PC073969

Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust. Eff. 7-19-01

Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply. Eff. 9-1-00

Omni Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. Driving while under the influences of drugs.
  - f. Instructing while under the influence.
  - g. Aiding and abetting or felony using a motor vehicle.
- Deviation for single car, not all operators are married, 12-26 SDIP pts., least experienced operator has 5-60+ yrs. licensed driving experience. Credit varies 5%-52%.
  - Deviation for multi car, not all operators are married, 12-20 SDIP pts., least experienced operator has 5-59 yrs. licensed driving experience. Credit varies 5%-37%.
  - Deviation for single car, married, 12-20 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Credit varies 14%-46%.
  - Deviation for multi car, married, 12-20 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Credit varies 14%-41%.
  - Deviation for single car, married, 21-26 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%.
  - Deviation for multi car, not all operators, married, 17-26 SDIP pts., least experienced operator has 5-13 yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%-13%.
  - Deviation for multi car, married, 21-26 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 5% deviation for single car, with 4-6 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- 5% deviation for single car, with 7-12 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.
- 5% deviation for multi car, with 4-6 SDIP pts. where driver with least licensed driving



experience has 7-59 yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.

- 6% deviation for multi car, with 7-12 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.
- 5% non fleet private passenger auto bodily injury increase limit of 50/100.
- 5% non fleet private passenger auto bodily injury increase limit of 100/300.
- 15%, if insured presents six months proof of prior auto insurance or proof of homeownership. The cumulative deviation only applies to policies that qualify for any other liability deviation that does not require the existence of prior insurance or homeownership.
- 5% if the insured has a qualifying homeowners policy with a member company of The Hartford Financial Services Group. Form 4 does not qualify for deviation.
- 5% if the insured pays their policy in full. Premium financed business does not qualify for the deviation.
- 7.5% deviation for policies obtained through one of the Hartford Financial Services Groups Affinity based marketing channels.
- 20% for policies with 7 or more SDIP pts., where driver with least licensed driving experience has 7+ yrs. of driver experience. Applies to qualifying policies regardless of prior auto insurance or homeownership.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger other than collision & collision.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. Driving while under the influences of drugs.
  - f. Instructing while under the influence.
  - g. Aiding and abetting or felony using a motor vehicle.
- Deviation for single car, unmarried driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5-9 or more yrs. of driver experience. Credit varies 5%-46%.
  - 5% deviation for single car, unmarried driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
  - Deviation for single car, married driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. or more of driver experience. Credit varies 14%-46%.
  - 5% deviation for single car, married driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
  - 5%-18% deviation for multi car, unmarried driver with 12-16 SDIP pts. where driver with least licensed driving experience has 5-13 yrs. of driver experience..
  - 5%-10% deviation for multi car, unmarried driver with 17-26 SDIP pts. where driver with least licensed driving experience has 5-13 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
  - 5%-37% deviation for multi car, unmarried driver with 12-20 SDIP pts. where driver with least licensed driving experience has 14 or more yrs. of driver experience.

- 14%-41% deviation for multi car, married driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience.
- 5% deviation for multi car, married driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger other than collision & collision.

- 20% deviation with 7 or more SDIP pts. where driver with least of licensed driving experience has 7 or more yrs. of driver experience. Deviation applies to all qualifying policies regardless of the existence (or non existence) of prior auto insurance or homeownership.
- 15%, if insured presents six months proof of prior auto insurance or proof of homeownership. The cumulative deviation only applies to policies that qualify for any other physical damage deviation that does not require the existence of prior insurance or homeownership.
- 5% if the insured has a qualifying homeowners policy with a member company of The Hartford Financial Services Group. Form 4 does not qualify for deviation.
- 5% if the insured pays their policy in full. Premium financed business does not qualify for the deviation. Eff. 2-1-00
- Base rate deviation by territory: Factor varies 0.66 - 0.74.

#### OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis. Eff. 11-20-01

#### OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation. Eff. 11-20-01

#### Owners Insurance Company

- Mature Driver Discount: Varied credit of 5% - 15% if the operators are age 55 – 74 yrs. of age.
- Multi-Car deviation, comprehensive and collision.
- Owners Discount: More than 14 yrs. driving experience: 2.5% BI, PD & MP: 2.5% Comprehensive: 2.5% Collision.
- Auto/Home Discount: Certain Criteria Apply: 10% BI, PD, MP, Comprehensive & Collision.
- Life/Auto Discount: Named insured must have a life insurance policy with Auto Owners in addition to auto policy: 5 % BI, PD, MP, Comprehensive & Collision.
- Accidental Death Indemnity.

- Total Disability Indemnity.
- PC072355 Eff 7-22-04

#### Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

#### Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations. Eff. 7-1-03

#### Peerless Insurance Company

- 7% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. The policy must be a part of Personal Protector Program.
- 6% discount on BI, PD, and MED PAY coverages on risks in territories 11,13,14,16,17,18,24,25,31,32,33,47,51, and 77 in the Supreme Tier.
- 10% discount on BI, PD, AND MED PAY coverages on risks in terr 15 and 52 in the Supreme Tier
- 5% discount on Comp and Coll coverages on risks in terr 11,13,14,16,17,18,24,25,31,32,33,47,51,77 in the Supreme Tier.
- 8% discount on Comp and Coll coverages on risks in terr 15 and 52 in the Supreme Tier.
- 10% discount on BI PD Med Pay Comp and Coll coverages on risks with a cpattract score greater that 824 in the Supreme Tier.
- 6.4% discount on BI, PD, m Med Pay, Comp and Coll, coverages on risks with a cpattract scored greater than 824 in the Standard Tier.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Eff. 08-1-04 PC070955

#### Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments. Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit: 5% applied to final auto premium when homeowners is written through the same company & certain criteria is met.
- 5% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision if Pennsylvania National Mutual Casualty is unable to write homeowners due to exposure of windstorm or hail.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured motorist, comprehensive & collision when principal operator is age 55 or over & all drivers are licensed more than 3 yrs.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Program. Credit varies.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Advantage Program. Credit varies. Eff 01-01-04 pc065111

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Multi-Policy: Credit varies 5%-10% when criteria is met.
- Installment Payments: \$1 charge for installment payments. Eff. 7-1-03

Phoenix Insurance Company

- 5% deviation for liability coverages and a 5% deviation for physical damage coverages will be applied to voluntary private passenger automobiles.
- 9% Account Discount applies when both voluntary non-fleet private passenger auto policy & homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto, pickups, vans & classic auto's bodily injury, property damage, medical payments & collision for single car policy and have more than one private passenger auto insured with The Travelers. 30% deviation on non-fleet private passenger auto, pickups, vans & classic auto's for collision coverage for single car policy and have more than one private passenger auto insured with The Travelers. 10% deviation on non-fleet private passenger auto, pickups, vans & classic auto's for comprehensive, fire/fire and theft/fire, and cac coverages for those insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- 3% credit will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six or more consecutive years. Eff 7-1-03 PC 062966

Progressive American Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. Deviation available only if risk is

eligible for voluntary liability under the company's underwriting guidelines.

1. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at fault accident and more than zero SDIP points.
2. 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at fault accidents and more than zero SDIP points.
3. 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at fault accidents and more than zero SDIP points.
4. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at fault accident and more than zero SDIP points.
5. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at fault accidents and more than zero SDIP points.
6. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at fault accidents and more than zero SDIP points
7. 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points.
8. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points.
9. 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
10. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
11. 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
12. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
13. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
14. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines
15. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
16. 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.

17. 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
18. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
19. 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified
20. 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
21. 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
22. 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
23. 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
24. 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators.
25. 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators.
26. 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators.
27. 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators.
28. 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.

- 29. 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured.
- 30. 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 31. Territory factors for non-fleet private passenger auto bodily injury, property damage and medical payments rates:

<u>Territory</u>	<u>Factor</u>
11	1.21
13	1.07
14	1.11
15	1.00
16	1.14
17	1.19
18	1.17
24	1.21
25	1.24
26	1.18
31	1.20
32	1.19
33	1.12
40	1.10
41	1.04
43	1.21
47	1.09
51	1.25
52	1.13

- 32. The \$3 installment fee will be waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- 33. Policies paying installment fees by electronic funds transfer will receive a \$1 installment fee instead of the \$3 installment fee.
- 34. Driver group factors for non-fleet private passenger auto bodily injury, property damage and medical payments rates:

<u>Driver Group</u>	<u>Factor</u>
16	1.08
15	1.15
14	1.23
13	1.34
12	1.40
11	1.50
10	1.56
9	1.66
8	1.76
7	1.87
6	1.98
5	2.13

4	2.29
3	2.53
2	2.80
1	3.25

- 35. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for single car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for liability deviation 37. See chart on file with the North Carolina Department of Insurance PC072283.
- 36. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for multi-car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for liability deviation 37. See chart on file with the North Carolina Department of Insurance PC072283.
- 37. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for multi-car policies. These deviations apply to risks with 12 or more SDIP point violation that is not one of the following:
  - a. manslaughter or negligent homicide,
  - b. prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing,
  - c. failure to stop and render aid when involved in an accident resulting in bodily injury or death,
  - d. transporting illegal intoxicating liquors by motor vehicle.

See chart on file with the North Carolina Department of Insurance PC072283.

- 38. Deviations for proof of homeownership and/or payment in full on non-fleet private passenger auto bodily injury, property damage and medical payments rates.

Single Car

	Paid in Full <u>only</u>	Home Ownership only <u>(excluding mobile home)</u>	Paid in Full and Home <u>Ownership</u>
<u>Underwriting</u>			
<u>Market</u>			
Ultra-preferred	8%	2%	8%
Preferred	8%	2%	8%
Standard	8%	3%	8%
Middle Market	8%	4%	9%
Non-Standard	8%	4%	9%

Multi Car

	Paid in Full <u>only</u>	Home Ownership only <u>(excluding mobile</u>	Paid in Full and Home <u>Ownership</u>
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<u>Underwriting</u>		<u>home)</u>	<u>Ownership</u>
<u>Tier</u>			
Ultra-preferred	8%	none	8%
Preferred	8%	none	8%
Standard	8%	none	8%
Middle			
Market	8%	2%	8%
Non-Standard	8%	2%	8%

## PHYSICAL DAMAGE

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

1. 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points.
2. 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points.
3. 1.23 factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accident and more than zero SDIP points.
4. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points.
5. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points.
6. 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points.
7. 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
8. 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
9. 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
10. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
11. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
12. 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines.

13. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
14. 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators.
15. 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators.
16. 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators.
17. 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators.
18. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with an operator with less than 5 years licensed driving experience who is not the principal named insured.
19. 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years licensed driving experience who is not the principal named insured.
20. 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years licensed driving experience who is the principal named insured.
21. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accident and more than zero SDIP points.
22. 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accident and more than zero SDIP points.
23. 3% on non-fleet private passenger auto physical damage rates for policies with proof of home ownership (excluding mobile home). This deviation does not apply to policies that are paid in full.
24. Driver group factors for non-fleet private passenger auto physical damage rates:

<u>Driver Group</u>	<u>Factor</u>
1	3.50
2	2.80
3	2.32
4	1.82
5	1.65
6	1.65
7	1.65
8	1.57
9	1.53
10	1.42
11	1.41
12	1.41
13	1.28
14	1.16
15	1.16
16	1.10

- 25. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for single car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for physical damage deviation 30. (on file with the North Carolina Rate Bureau and the North Carolina Department of Insurance PC067187).
- 26. 9% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation does not apply to policies with proof of home ownership.
- 27. 12% on non-fleet private passenger auto physical damage rates for policies that are paid in full and have proof of home ownership (excluding mobile home).
- 28. Territory factors for non-fleet private passenger auto physical damage rates:

<u>Territory</u>	<u>Factor</u>
11	1.54
13	1.35
14	1.33
15	1.31
16	1.38
17	1.82
18	1.47
24	1.38
25	1.38
26	1.34
31	1.45
32	1.42
33	1.38
40	1.29
41	1.01
43	1.23
47	1.16
51	1.44
52	1.46

- 29. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for single car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for physical damage deviation 25. See chart on file with the North Carolina Department of Insurance PC072283
- 30. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for multi-car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for physical damage deviation 25. See chart on file with the North Carolina Department of Insurance PC072283)

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Progressive Northern Insurance Company

LIABILITY

1. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in the territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Territory	Factor
11	2.09
13	1.80
14	1.92
15	1.55
16	1.90
17	1.71
18	1.86
24	2.07
25	1.94
26	2.09
31	1.85
32	1.75
33	1.84
40	1.81
41	1.81
43	2.04
47	1.75
51	1.91
52	1.80

2. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.25
2	2.80
3	2.53
4	2.29
5	2.13
6	1.98
7	1.87
8	1.76
9	1.66
10	1.56
11	1.50
12	1.40
13	1.34
14	1.23

15	1.15
16	1.08

3. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, a single car, and the SDIP points shown in the table "Liability Single Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072284.
4. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, multiple cars, and the SDIP points in Table "Liability – Multi-Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072284.

5. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with DWI, single car & multiple cars, and the SDIP points shown in table "Liability – Single and Multi-car with DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072284.
6. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
7. 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
8. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle market underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
9. 6% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
10. 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
11. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
12. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
13. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

14. 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

25. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



35. 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
41. 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
46. There will be a \$1 per installment fee for policies utilizing electronic funds transfer as the method of payment.

#### **PHYSICAL DAMAGE**

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

1. The following factors apply to non-fleet private passenger auto physical damage rates for risks garaged in territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.

Territory	Factor
11	1.92
13	2.35
14	2.16
15	2.16
16	2.07
17	2.14
18	2.25
24	2.26
25	2.06
26	2.25
31	2.06
32	2.01
33	2.18
40	1.99
41	2.11
43	2.35
47	2.15
51	2.05
52	2.14

2. The following factors apply to non-fleet private passenger auto physical damage rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.56
2	2.83
3	2.62
4	2.17
5	1.99
6	1.84
7	1.76
8	1.64
9	1.56
10	1.48
11	1.40
12	1.31
13	1.25
14	1.18
15	1.11
16	1.06

3. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have a single car, No DWI, & the SDIP points shown in the table "Physical Damage – Single Car, No DWI" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.

4. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have No DWI, multiple cars, 1 vehicle with collision coverage, & the SDIP points shown in Table "Physical Damage Multi-car, No DWI, 1 vehicle with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.

5. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 with No DWI, multiple cars, 2+ vehicles with collision coverage & the SDIP points shown in table "Physical Damage Multi-car, No DWI, 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.
6. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, a single car & the SDIP points shown in table "Physical Damage Single Car with DWI" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.

7. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, multiple cars, 1 or more vehicles with collision coverage, & the SDIP points shown in table "Physical Damage, Multi-car with DWI, 1 or 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.

8. 5% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
9. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
10. 5% on non-fleet private passenger auto physical damage rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
11. 6% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
12. 11% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
13. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the nonstandard and middle market underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
14. 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.23 factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

20. 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
25. 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.08 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.27 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.19 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



30. 1.49 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.04 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.14 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.25 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.12 factor applies to non-fleet private passenger physical damage rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

41. 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
43. 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Effective 7-1-04 PC072284

### Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating
- employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.

- Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
- Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
- Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

**LIABILITY** All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.

- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
- 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
- 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.

- **Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction. Eff. 7-1-99**

Progressive Southeastern Insurance Company

**LIABILITY**

1. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in the territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Territory	Factor
11	2.04
13	1.75
14	1.87
15	1.51
16	1.8
17	1.66
18	1.81
24	2.01
25	1.89
26	2.04
31	1.80
32	1.71
33	1.79
40	1.76
41	1.76
43	1.98
47	1.7
51	1.86
52	1.75

2. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.25
2	2.80

3	2.53
4	2.29
5	2.13
6	1.98
7	1.87
8	1.76
9	1.66
10	1.56
11	1.50
12	1.40
13	1.34
14	1.23
15	1.15
16	1.08

3. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, a single car, and the SDIP points shown in the table "Liability Single Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072285.
4. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, multiple cars, and the SDIP points in Table "Liability – Multi-Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072285.

5. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with DWI, single car & multiple cars, and the SDIP points shown in table "Liability – Single and Multi-car with DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072285.
6. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
7. 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
8. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle market underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
9. 6% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
10. 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
11. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
12. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
13. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

14. 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



25. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

34. 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
41. 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
43. There will be a \$1 per installment fee for policies utilizing electronic funds transfer as the method of payment.

#### **PHYSICAL DAMAGE**

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

1. The following factors apply to non-fleet private passenger auto physical damage rates for risks garaged in territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.

Territory	Factor
11	1.76
13	2.16
14	1.98
15	1.98
16	1.90
17	1.96
18	2.06
24	2.07
25	1.89
26	2.06
31	1.89
32	1.84
33	2.00
40	1.83
41	1.94
43	2.16
47	1.97
51	1.88
52	1.96

2. The following factors apply to non-fleet private passenger auto physical damage rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.56
2	2.83
3	2.62
4	2.17
5	1.99
6	1.84
7	1.76
8	1.64
9	1.56
10	1.48
11	1.40
12	1.31
13	1.25
14	1.18

15	1.11
16	1.06

3. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have a single car, No DWI, & the SDIP points shown in the table "Physical Damage – Single Car, No DWI" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
4. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have No DWI, multiple cars, 1 vehicle with collision coverage, & the SDIP points shown in Table "Physical Damage Multi-car, No DWI, 1 vehicle with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.

5. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 with No DWI, multiple cars, 2+ vehicles with collision coverage & the SDIP points shown in table "Physical Damage Multi-car, No DWI, 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
6. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, a single car & the SDIP points shown in table "Physical Damage Single Car with DWI" (next 2 pages). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.

7. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, multiple cars, 1 or more vehicles with collision coverage, & the SDIP points shown in table "Physical Damage, Multi-car with DWI, 1 or 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
8. 5% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
9. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
10. 5% on non-fleet private passenger auto physical damage rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
11. 6% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
12. 11% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
13. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the nonstandard and middle market underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
14. 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.23 factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

19. 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
25. 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.08 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.27 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.19 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.49 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

31. 1.04 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.14 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.25 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.12 factor applies to non-fleet private passenger physical damage rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
41. 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
43. 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



Effective 7-1-04 PC072285

### Providence Washington Insurance Company

#### Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

#### Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. Eff.7-1-02

### Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11. Eff. 12-1-00  
PC 036564

### Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.  
Eff. 7-15-96 PC 034398

Royal Indemnity Company

- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.

Effective 5-15-04 pc069376

Royal Insurance Company of America

- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction: \$3 charge waived.  
Eff. 5-15-04 pc069375

Safeco Insurance Company of America

For deviations see North Carolina Department of Insurance Website [www.ncdoi.com](http://www.ncdoi.com) PC072366.  
Eff. 10/24/04

Safeguard Insurance Company

- Installment Payment Plan Payroll Deduction: \$3 charge waived.

Effective 5-15-03 pc069383

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment. Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperience operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.

- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met. Eff. 3-1-00

#### St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates. Eff. 1-1-88

#### Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types). Eff. 6-20-88

#### Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation. Eff. 9-1-00

#### Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.  
Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment. Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies. Eff. 1-27-03

South Carolina Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-52 yrs. of driving experience. 47%- 60% credit.
- Deviation for multi- car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-42 yrs. of driving experience. 43% -55% credit.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. Driving motor vehicle while intoxicated.

- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 5% credit.
- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 1.5% credit.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 5% non-fleet private passenger auto comprehensive & collision for policies that are insured with South Carolina Insurance Company with no lapse in coverage between policies & have 12-20 SDIP pts. & all drivers licensed 5-52 yrs.
  - 15% non-fleet private passenger auto comprehensive & collision for policies with 12-20 SDIP pts. & all drivers licensed 5 - 52 yrs.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. Driving motor vehicle while intoxicated.
- 25% non-fleet private passenger auto comprehensive & collision for policies with 12 - 20 SDIP pts., all drivers licensed 5 - 52 yrs. & no driver with an at fault accident within the last 12 months preceding policy effective date. Eff.10-21-98

Southern Fire & Casualty Insurance Company – Withdrawn 1-1-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees. Eff. 7-1-00

Southern Insurance Company of Virginia

**STANDARD PROGRAM**

- 3% credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for all operators in household who have 14-44 yrs of driving experience.
- Multi-Car Discount: Certain Criteria apply.
- Downward deviation by territories: Applies to Comprehensive & Collision coverages: Credit varies
- Recreational trailer rates for collision premium each additional \$1,000 varies per deductible.
- Loss Free Renewal Discount: Loss free yrs. 3-5 yrs.: Discount varies 5% - 10% for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Passive Restraint - Airbag Discount: Applies to med pay only: 20% credit when installed driver side only: 30% credit when installed in both front seat positions.
- Anti Lock Braking System Discount: 5% credit for BI and PD coverages when factory installed four wheel ABS.
- Anti Theft Devices Discount: 5% credit applies to comprehensive coverage for alarm only and active disabling devices: 15% credit for passive disabling devices.
- Account credit plan 5%

### PREFERRED PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- 7% credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for all operators in household who have 14-44 yrs of driving experience.
- Multi-Car Discount: Certain Criteria apply.
- Downward deviation by territories: Applies to Comprehensive & Collision coverages: Credit varies 10%-25%.
- Recreational trailer rates for collision premium each additional \$1,000 varies per deductible.
- Loss Free Renewal Discount: Loss free yrs. 3-5 yrs.: Discount varies 5% - 10% for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- New Business Automobile Discount: 5% deviation applies to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision when criteria are met.
- Passive Restraint - Airbag Discount: Applies to med pay only: 20% credit when installed driver side only: 30% credit when installed in both front seat positions.
- Anti Lock Braking System Discount: 5% credit for BI and PD coverages when factory installed four wheel ABS.
- Anti Theft Devices Discount: 5% credit applies to comprehensive coverage for alarm only and active disabling devices: 15% credit for passive disabling devices.
- Account credit plan 5% Eff. 11-15-03

### Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile

policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.

- **Mature Driver Discount:** Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a %% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- **Accident Free Discount:** 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a veicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- **Multi Policy Discount:** 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile. Eff. 5-1-03

#### Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - 11% when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - credit varies.
- Effective 9-1-04 PC074485

#### State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with

State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.

- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 35% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured who is 55-69 yrs. of age and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Electronic Funds Transfer: \$1 monthly service charge per policy. Eff. 9-1-00

#### State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems. Eff. 2-1-93

#### State Capital Insurance Company

- Installment Payment Plan: Waive initial installment charge.
- 10% credit applicable to auto policy when named insured has Homeowners policy with State Capital, Northwestern National, or American Professionals Insurance Company.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

#### State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- 5%-15% - not applicable to motorcycle.
- 9% deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged



55 and over when there is no inexperienced operator in the household. (not motorcycles).

- Multi Policy Discount: 5% credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- 2% on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for BI/PD, Med Pay, and Collision: 30%
- Eff 8-15-04 PC073540

#### TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision. Eff. 3-1-98

#### Teachers Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 3% deviation when certain criteria is met.
- Member Only Deviation 1% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment payments by Electronic Funds Transfer shall be made on a monthly basis. For new business, the initial payment are 1/3 of the 6 month premium: the remaining monthly payment are of equal amounts. For renewals, there are equal monthly payments. The installment fees are based on the number of installments.
- Eff 7-1-04 PC070874

#### Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage &

medical payments; 5% collision, 10% comprehensive coverage.

- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.  
Eff. 12-17-93

#### Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates. Eff. 10-15-92

#### Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates. Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

#### Travelers Indemnity Company

- 9% Account Discount when insured has private passenger auto policy & homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments; 30% collision; 10% for comprehensive, fire/fire, and theft/fire, theft and CAC coverage for those insureds who have single car policy & have more than one private passenger auto with The Travelers.
- 3% Renewal Credit: Non-fleet private passenger auto rates if insured has maintained auto coverage with the Travelers for last 6 or more consecutive yrs.
- 1% deviation for private passenger auto rates for employees of Multi-Line Insurance and Financial Services Institution.
- 1% for private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted.
- 1% deviation for private passenger auto rates for North Carolina State University employees as part as of an Employer Payroll Deduction Premium Payment Plan. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of A Credit Union Family. Installment charge deleted.
- 1% deviation for private passenger auto rates for Employees of Research and Development Institutions. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of AAA Group. Installment charge deleted.
- 1% deviation for private passenger auto rates for employees of Philip Morris Companies as apart as a payroll deduction premium payment plan. Installment charge deleted. Eff. 7-1-03

#### Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – 9% account discount will be applied to all insureds that have both a voluntary

private passenger automobile policy and a dwelling homeowners policy with the Travelers.

- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC coverages for insureds who have a single car policy and have more than one private pass auto insured with The Travelers.
- Renewal Credit: 3% non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted. Eff. 7-1-03 PC062256

#### The Travelers Indemnity Company of Connecticut

- pricing Factors – 10% deviation for liability coverages and 10% deviation for property damage coverages will be applied to voluntary private passenger automobiles.
- Account Discount – 9% discount will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – 3% credit will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years. Eff. 7-1-03

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met. Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - 11% when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Effective 9-1-04 PC074486

Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.) Eff.4-15-03

USAA Casualty Insurance Company

- Base Rate Deviation for liability and physical damage, extended transportation and towing & labor, and employee non-owned auto coverages - credit varies by territory.
- 5% non-fleet private passenger auto other than collision coverage for vehicles with active disabling anti-theft devices.
- 5% non-fleet private passenger auto other than collision coverage. for vehicles equipped with a window identification system.
- 10% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices & for vehicles equipped with a vehicle recovery system.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.

- 100% on rates for covered property coverage for trailers insured for other than collision coverage.
- 100% on rates for customizing equipment coverage.
- 30% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bags both sides.
- 10% non-fleet private passenger auto medical payments coverage for vehicles equipped with passive seat belt both sides or drivers side only.
- 10% non-fleet private passenger auto liability & physical damage if principal operator is age 55 or older.
- 5% non-fleet private passenger auto collision for vehicles equipped with a daytime running light device.
- Safe Driver Incentive Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, other than collision, collision uninsured motorist, fire, theft & combined additional coverage when criteria is met.
- Deviation on 6 month and annual short rate cancellation tables.
- 20% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bag drivers side only.
- Extended Billing Plan and Regular Plan - no installment charge:
- Eff 9-28-04 PC074435

#### USAA General Indemnity Company

- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 100% deviation for trailers insured for other than collision coverage.
- 100% deviation for vehicles insured for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan: Regular Plan and Extended Plan - installment charge waived.
- PC071545 Eff 5-1-04

#### Underwriters Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply. Eff. 10-1-99

#### Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.

- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6. Eff. 9-5-89

### Unisun Insurance Company

- Preferred Driver Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premium. Credit applies to each vehicle when criteria is met.
- Full Coverage Discount: 3% non-fleet private passenger auto bodily injury, property damage, medical payments collision & other than collision when criteria is met.
- Multi-Vehicle Discount: 5% additional credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Eff. 12-15-96

### United Services Automobile Association

- Base Rate Deviation for liability and physical damage, extended transportation and towing & labor, and employees non-owned auto coverages - credit varies by territory.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with active anti-theft disabling devices or vehicles using steering wheel bar locks.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with a window identification system.
- 10% non-fleet private passenger auto other than collision coverage for vehicles with passive disabling anti-theft devices & vehicle recovery system.
- 100% private passenger non-fleet auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 10% non-fleet private passenger auto medical payments coverage for vehicles with passive seat belt restraint.
- 10% non-fleet private passenger auto liability & physical damage rates if principal operator is age 55 & older.
- 100% on rates for covered property for trailers insured for other than collision coverage.
- 100% on rates for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with a daytime running light device.
- Safe Driver Incentive Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, other than collision, collision uninsured motorist, fire, theft & combined additional coverages.
- Deviation on 6 month & annual short rate cancellation tables.
- Extended Billing Plan: No service charge for Regular Plan or Extended Plan.
- Eff. 9-28-04 PC074434

### United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.

- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

#### Unitrin Auto and Home Insurance Company

- Voluntary Liability Deviation – Bodily Injury and Property Damage credit varies by territory and tiers.
- Voluntary Physical Damage Deviation – Collision and Comprehensive credit varies by territory and tiers.
- Safety Equipment Discounts – Passive Restraint Discount – medical payments only – auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements. Credit varies according to installed equipment.
- Anti-lock Braking System Discount – 5% discount for single limit liability or bodily injury and property damage liability coverage shall be afforded for those private passenger auto equipped with a factory installed four wheel anti-lock braking system (abs).
- Extended Transportation Expenses Coverage-Package Plus Only \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge, \$50/\$1500 increased transportation expenses coverage may be substituted for the \$30/\$900 limit on the package plus policy for an additional charge of \$12..
- Cancellation – Package Plus Only – compute return premium on a Pro Rata basis per chart.
- Classifications – Experienced Operator Credit
- Deferred Premium Payment Plans
- Network Discount – 7% discount applied to BI, PD, Med Pay, Coll & Comp if individual is a member of the Network Group.
- Anti-theft Devices – 5% alarm only and active disabling devices, 15% Passive Disabling Device.
- Premium Determination - Package Plus Only certain criteria apply, credit varies.  
Eff 05-3-04 pc071376

#### Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.

- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver. Eff. 2-1-98

#### Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met. Eff. 12-1-00

#### Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts. Eff. 2-15-98

#### Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits. Eff. 7-1-03



Virginia Mutual Insurance Company

- Multi-car risk and drivers either occasional or principle having more than 10 years but less than 49 yrs driving experience and zero SDIP driving record points. Credit varies according to coverage. Eff. 2-15-04

West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply. Eff. 9-1-00

Windsor Insurance Company

LIABILITY Applicable to non-fleet private passenger auto bodily injury, damage & medical payments coverage for all listed components.

Group I

12 point violation that is not one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 14% - 43%.
  - Deviation for single car policies, married driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 23% - 70%.
  - Deviation for single car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 20% - 70%.
  - Deviation for single car policies, married driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 40% - 75%.
  - Deviation multi-car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 10% - 43%.
  - Deviation multi-car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 20% - 70%.
  - Deviation multi-car policies, married driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 28% - 70%.
  - Deviation multi-car policies, married driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 41% - 75%.
  - 7% deviation applies to auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse.
  - 3% deviation to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto insurance coverage with no lapse.

- 10% deviation applies to auto BI, PD and Med Pay when the total policy premium is paid with the application or renewal quote.
- 12% auto BI & PD policies with proof of 6 months prior auto insurance coverage with no lapse & BI limit on the prior proof are higher than 25/50.
- 8% deviation applies to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto coverage with no lapse & the BI limits on the prior proof are higher than 30/60.
- 8% deviation applies to BI & PD coverages on risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 8% deviation applies to BI & PD coverage on Elite Program risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 5% deviation applies to BI, PD & med pay coverages on Elite Program risks when the total premium is paid with the application or the renewal quote.
- 2% deviation applies to BI & PD coverages on Elite Program risks must reside in rented residence for which he or she can provide proof of contents insurance or must reside in an owned mobile home for which he or she can provide proof of homeowners insurance.

#### Group II

Contain either no 12 point violation or a 12 point violation that is one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation single-car policies, married driver, 2-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 30%.
  - Deviation single-car policies, married driver, 2-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 2% - 34%.
  - Deviation single-car policies, unmarried driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit 3% - 35%.
  - Deviation single-car policies, unmarried driver, 2-20 SDIP pts. & least experienced operator has 7-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 30%.
  - Deviation multi-car policies, married driver, 3-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 26%.
  - Deviation multi-car policies, married driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 1% - 28%.
  - Deviation multi-car policies, unmarried driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 3% - 20%.
  - Deviation multi-car policies, unmarried driver, 4 - 20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% or 20%.
  - 10% deviation applies to auto BI, PD & Med Pay when the total policy premium is paid with the application or renewal quote.
  - 15% auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse & BI limit on the prior proof are higher than 25/50.
  - 10% deviation applies to auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse.

- 3% deviation to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto insurance coverage with no lapse.
- 8% deviation applies to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto coverage with no lapse & the BI limits on the prior proof are higher than 30/60.
- 8% deviation applies to BI & PD coverages on risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 8% deviation applies to BI & PD coverage on Elite Program risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 5% deviation applies to BI, PD & med pay coverages on Elite Program risks when the total premium is paid with the application or the renewal quote.
- 2% deviation applies to BI & PD coverages on Elite Program risks must reside in rented residence for which he or she can provide proof of contents insurance or must reside in an owned mobile home for which he or she can provide proof of homeowners insurance. Eff. 7-22-02

## **AUTOMOBILE**

### **ACE American Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

### **ACE Fire Underwriters Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

### **ACE Property & Casualty Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

### **AMEX Assurance Company**

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for single-car & multi-car policyholders for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 5-14-04 PC070179 [Filing Detail](#)

### **All America Insurance Company**

- Withdrawn

### **Allstate Indemnity Company**

#### **Preferred Program**

- Territory Deviations
- Tier Deviation: Certain criteria must be met.

- Years Licensed Deviation
- Accident Rating Deviation: Years since last accident 0 - 3+
- Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
- 55 and Over Discount
- New Car Discount
- The Good Hands People Discount
- Installment Payment Fee for Electronic Funds Transfer Deviation

#### Regular Auto Program

- Liability Coverage Deviations
- Pay Fee Deviation
- The Good Hands People Discount
- Eff 6/13/05 PC081967 Filing Detail

#### Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.
- Effective 7-1-04 PC072554 Filing Detail

#### American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments
- Eff. 10-01-03 PC 064659 Filing Detail

#### American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
- Eff. 3-15-86

#### American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates.
- Eff. -1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 Filing Detail

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medl pay, uninsured motorists, comp & coll coverages.
- Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00 PC 035767 Filing Detail

American & Foreign Insurance Company

- Installment Payment Plan waiver.
- Eff. 5-15-04 PC068691 Filing Detail

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 Filing Detail

American Insurance Company

- See Progressive American Insurance Company

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
  - a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation.
- Effective 8-27-04 PC073480 Filing Detail

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

#### American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

#### American Professionals Insurance Company

- Installment charge waived on initial payment: \$3 charge for each installment thereafter: Applies to all policies.  
Eff. 7-1-99

#### American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.



- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

#### American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.  
Eff. 2-1-86

#### American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

#### American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

#### American States Preferred Insurance Company

For deviations see North Carolina Department of Insurance Website  
Eff. 10-1-05 **PC085790** Filing Detail

#### AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists,

comprehensive & collision.

- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.
- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
- Downward deviations to one year short-rate cancellation.
- Eff. 11-1-04 PC074206 Filing Detail

#### Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates.
- Eff 9-29-92

#### Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Eff. 4-1-00

#### Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments.
- Eff. 10-01-03

#### Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees.
- Eff. 1-1-96

#### Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

#### Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - Eff. 7-1-94

#### MOTORCYCLE

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage.
- Eff. 7-1-91

## Atlantic Indemnity Company

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

LIABILITY All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
  - 45% for multi car policies with 12-20 SDIP pts.
  - Eff. 11-1-95

## Auto Owners Insurance Company

### Premier Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount Auto/Home: BI, PD, Med Pay, comprehensive & collision.
- Multi Policy Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.
- Premier Discount, bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Eff 8-1-05 PC084831 Filing Detail

### Standard Program

- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.
- Accidental Death Indemnity
- Total Disability Indemnity
- Eff. 7-22-04 PC072354 Filing Detail

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

Builders Mutual Insurance Company

- 5% deviation on bodily injury, property damage, medical payments, comprehensive, & collision, if primary driver has at least 30 yrs. driving experience.
- Rating plan factor reduced by .05 for comprehensive & collision if the risk qualifies for multi car discount & has no inexperienced operator.
- Rating plan factor reduction by .05 for bodily injury, property damage, medical payments, comprehensive & collision, if the risk is classified as having 0 SDIP pts.
- 5% deviation on bodily injury & property damage, if the vehicle is equipped with anti-lock brakes.
- 5% deviation for comprehensive only, if vehicle is equipped with an active anti-theft device: 10% deviation, if vehicle is equipped with a passive anti-theft device.
- Eff. 10-1-99

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates.
- Eff. 5-28-87

CGU Insurance Company

- 5% Account Credit is applicable to Personal Auto Policies where named insured has his/her Homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- Eff. 9-15-91

Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per installment / withdrawal.
- Deviation (7.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Exceptional Drivers.

- Deviation for single car risks with additional company-owned vehicles.
- Deviation (12.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Superior Drivers. Certain criteria apply.
- Eff 7-1-03 PC062332 Filing Detail

#### Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 6-1-89

#### The Charter Oak Fire Insurance Company

- Pricing Factors –deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Eff 3-20-05 PC079542 Filing Detail

#### The Cincinnati Insurance Company

- 0% non-fleet private passenger auto liability rate deviation.
- 40% non-fleet private passenger auto physical damage rate deviation.
- 10% non-fleet private passenger liability & physical damage rate deviation, if policyholder has package policy with Cincinnati Insurance Company.
- Installment Payment Plan charge waived for personal autos & autos written in conjunction with a homeowner policy.
- Eff. 7-1-03

#### Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if

no drivers have smoked in the past 15 months.

- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

#### Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

#### Commercial Insurance Company of Newark, New Jersey

##### Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.
- Eff. 8-1-00

#### Consolidated American Insurance Company

- 10% non-fleet private passenger comprehensive & 15% collision rates. Deviation applies multi-car risk, all classes except farm use classes. No inexperienced operators in household & 0 SDIP pts. applicable.
- Eff. 12-1-92

#### Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag: 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices: 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01

Electric Insurance Company

- Preferred Rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Super Preferred rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Accident and Violation Free Discount: Credit varies 5% - 15% when criteria is met.



- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision for risks that meet Elfun Society Membership.
- 5% Mass Marketing Discount.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision if principal operator of vehicle is 55 yrs or older. Vehicle with inexperienced operator surcharge is not eligible.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 1-20-04 PC066981 Filing Detail

#### Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

#### Encompass Indemnity Company

- Effective 10-1-04 **PC075213** Filing Detail

##### Encompass Indemnity Company Antique automobile program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC

##### Encompass Indemnity Company Classic Automobile Program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Eff 9-1-04 PC 075210 Filing Detail

#### Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operators are age 55 or older & there is no inexperienced

operator in household.

- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 or newer model vehicles with factory-installed anti-lock brake systems on all four wheels.
- 5% non-fleet private passenger comprehensive for all vehicles with etching a vin or serial number or active anti-theft devices.
- 10% non-fleet private passenger comprehensive for all vehicles with alarm or passive anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs. Deviation 1 pt. - 15%, 2 pts. - 40%, 3 pts. - 65%.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Non-fleet private passenger auto base rate deviation for bodily injury, property damage, medical payments, comprehensive & collision coverage by territory. Credit varies.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage when insured has both comprehensive & collision.
- Pro rata cancellation for all policies.
- Multi-Policy Discount: 10% credit when Homeowner or Mobile homeowner policy is written with The Erie and named insured must be same on all policies.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Effective 3-1-05 PC079920 Filing Detail

### Erie Insurance Exchange

- Base Rate Deviation by territory for bodily injury, property damage, medical payments, comprehensive & collision territory. Credit varies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device; 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge – Installment payments deviation.
- Comprehensive Deductible Factors Deviation: 5% deviation other than full coverage.
- Multi Policy Discount: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.

- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Eff 3-1-05 PC079918 Filing Detail

#### Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968 Filing Detail

#### Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comp, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision.
- Eff. 9/1/05 PC082833 Filing Detail

#### Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.
- Eff. 7-1-03

#### Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

#### Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.

- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary.
- Eff. 1-1-04 PC063945 Filing Detail

#### Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.
- Eff. 01-01-04 PC064886 Filing Detail

#### Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

#### Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

#### Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any

of the USF&G Group Marketing Plans.

- Eff. 9-1-00

#### Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658 Filing Detail

#### Firemans Fund Insurance Company of Wisconsin

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured/underinsured motorist, comprehensive & collision.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator age 55 and older with no inexperience operators.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator(s) have a minimum of 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage medical payments, comprehensive & collision for renewal discount where all operators have been written in the Fireman's Fund Direct program for at least 3 yrs. & are free of chargeable accidents & free of convictions.
- Eff. 11-24-97

#### Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount
- Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

First Liberty Insurance Corporation

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% when all operators are 55 or older, no inexperienced operators.
- 1% non-fleet private passenger auto bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 on first installment of installment plan.
- Multi Car Discount: 4% for collision only and 5% for Liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability and 18% applies to phys dam per vehicle when insured maintains an eligible Homeowners policy.
- Single liability limits deviation by territory, credit varies.
- Split liability limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation by territory, credit varies.
- Short Rate Cancellation Deviation.
- Eff. 9-26-05 PC086161 Filing Detail

First National Insurance Company of America

- For deviations see North Carolina Department of Insurance Website
- Eff. 10-1-05 PC085787 Filing Detail

GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Eff. 5-1-05 PC081831 Filing Detail

General Insurance Company of America

- For deviations see North Carolina Department of Insurance Website.
- Effective 10-1-05 **PC085788** Filing Detail

Generali - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

Globe Indemnity Company

- Installment Payment Plan - Agency Payroll Deduction: Certain criteria apply.
- Eff. 5-15-04 PC069382 Filing Detail

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision and Liability limit of 300/300 by territory, credit varies.
- 10% non-fleet private passenger auto comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- 8% deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit: Non-fleet private passenger auto bodily injury, property damage, uninsured motorist, medical payments, personal injury, comprehensive & collision coverage. Certain criteria apply. Credit varies 10% - 20%.
- 5 Year Good Driving Discount: 8% non-fleet private passenger auto bodily injury, property damage, medical payment, collision & comprehensive: Certain criteria apply.
- Associate Discount: 8% credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies 7%-10%.
- 15% Ultra Preferred Tier (2) Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Eff. 5-1-05 PC081830 Filing Detail

Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.

- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- New Policy Credit.
- Eff 9-15-05 PC085131 Filing Detail

#### Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 Filing Detail

#### Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

#### Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.



- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043048 Filing Detail

#### Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

#### Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.

- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

#### Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1.
- Eff. 2-15-02

#### Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1.
- Eff. 2-15-02

#### Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. DUI violation involving drugs.

### Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

### Physical Damage

- 21% deviation with 3 or more SDIP pts.
- Eff. 1-4-04 PC067647 Filing Detail

### GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

### Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02

### The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.

- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02q

#### Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

#### Harleysville Mutual Insurance Company

- StarPak Program Discount – Certain criteria, credits vary.
- Eff 7-1-03 PC062196

#### Harleysville Preferred Insurance Company

- Preferred Customer Discount applies when the insured meets qualifying rating and/or certain characteristics credit varies.
- StarPak Program Discount - Certain criteria, credits vary.
- Eff 7-1-03 PC062197 Filing Detail

#### Hartford Casualty Insurance Company

- Agency Book Transfer credit, HC-3
- Eff 3-1-05 PC079093 Filing Detail

#### Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit.
- Eff 3-1-05 PC079091 Filing Detail

#### Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.

- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%: 6 or more yrs. - 8%: Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met.
- Eff. 4-1-03

#### Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

#### Horace Mann Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 2% deviation when certain criteria is met.
- Member Only Deviation 2% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment fees are based on the number of installments.
- Installment Payments - No charge on first installment for new business policies written on an installment Payments basis.
- Eff 7-1-04 PC070873 Filing Detail

#### Horace Mann Property & Casualty Insurance Company

- Territory Deviation
- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation
- Member only Deviation
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment fees are based on the number of installments.

- Installment Payments - No charge on first installment for new business policies written on an installment payment basis.
- Credit Rating Deviation: credit 5% if certain criteria is met.
- Eff. 6/15/05 PC081334 Filing Detail

#### IDS Property

- Accident Free Discount.
- Auto/Homeowner Discount
- Comprehensive and Collision Discount.
- Installment Pay Plan.
- Work Site Discount.
- Costco Member Discount.
- Multi-car Discount.
- Bodily Injury and Property Damage base rate Discount.
- Eff 9/1/06 Filing Detail

#### Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

#### Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03

#### Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

#### Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.

- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met.
- Eff. 02-01-02

### Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
  - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
  - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
  - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
  - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
  - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
  - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
  - Installment payment plans fees waived for GMAC insurance employees.
  - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
  - Eff. 7-1-03

### Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.

- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03

### Integon Indemnity Corporation

#### Non Preferred Program

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03

### Integon National Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 10-01-05 **PC085453** Filing Detail

### Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor



- vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03

#### Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount.
- Eff. 9-1-00

#### Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - d. Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
  - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.

experience.

- 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
- Eff. 4-1-99

### Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Anti-lock brake system - 1% non-fleet private passenger automobile bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 - 1st installment of installment plan.
- Multi Car Discount: 7% for collision coverage and deviate an additional 5% for liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.
- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation, credit varies.
- Short Rate Cancellation deviation.
- Eff. 9-26-05 PC086160 Filing Detail

### LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03

### Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.

- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

### Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

### Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

### Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured has both auto and homeowners insurance with Merastar or its designated joint venture business partners.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's

Safe and Sound Discount.

- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Wavier of installment charge on policies paid through pre-authorized checking or payroll deduction; \$1.00 installment charge for policies paid by Auto Bank Draft.
- Eff. 11/15/05 PC088277 [Filing Detail](#)

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met.
- Eff 1-10-05 PC 078576 [Filing Detail](#)

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

Montgomery Mutual Insurance Company

- Deviation Withdrawn
- Eff. 10-15-02

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide: B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death: C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing: D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death: C. Pre-arranged racing or knowingly lending a vehicle to be used in pre-arranged racing: D. Transporting illegal intoxicating liquors by motor vehicle.
- Eff. 6-7-95

#### National Alliance Insurance Company

- Deviation is withdrawn.
- Eff 10-16-02

#### National Grange Mutual Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.
- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955 Filing Detail

#### National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met.
- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

#### National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.

- Installment Payments.
- Eff 10-1-03 PC 064662 [Filing Detail](#)

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor varies by driving record.
- Unverifiable Driving History Deviation.
- Eff. 11-1-05 PC085030 [Filing Detail](#)

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Eff. 11-1-05 PC085030 [Filing Detail](#)

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – applies to new private passenger auto business for BI, PD, Med Pay and Collision coverages. Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation – 3% deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named insure is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation – applies to BI, PD, Med Pay, and Coll according to certain criteria.
- Intra-Agency Transfer Deviation – 6% deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and 3% dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation – 4% applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation – 4% applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviation – 5% deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviation – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.

- Home and Car Deviation – 4% deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Motorcycle Deviation – 35% deviation applies to Collision for Motorcycles if the driver has 17 or more years of driving experience and operates certain motorcycle types.
- Effective 4-1-05 PC080609 Filing Detail

#### Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

#### New South Insurance Company

##### Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liav devs is equal to or greater than 3%.
- Eff. 7-1-03

#### New York Central Mutual Fire Insurance Company

- Withdrawn
- Eff 12-8-03

#### Newark Insurance Company

- Withdrawn
- Eff. 10-24-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
- Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- See exceptions pages 1-30 on file with the NC Department of Insurance.
- Eff 10-1-04 PC073969 Filing Detail

Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.



- Eff. 1-1-01

### Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

### Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 **PC041974 Filing Detail**

### OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

### OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.
- Eff. 11-20-01

### Owners Insurance Company

- Mature Driver Discount: Varied credit of 5% - 15% if the operators are age 55 – 74 yrs. of age.
- Multi Policy Auto/Home Discount: BI, PD, MP, Comprehensive & Collision.
- Multi policy Life/Auto Discount for BI, PD, MP, Comprehensive & Collision.
- Owners Deviation for bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Eff 8-1-05 PC084832 Filing Detail

### Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03

Peak Insurance Company

Liability – All deviation applicable to no-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
  - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - Transporting illegal intoxicating liquors by motor vehicle.
- 65% deviation to single car with 12 SDIP points.
  - 50% deviation to single car with 13-15 SDIP points.
  - 30% deviation to single car with 16-20 SDIP points.
  - 49% deviation to single car with 12-15 SDIP points.
  - 33% deviation to single car with 16-20 SDIP points.
  - Eff 2-28-05 PC079090 Filing Detail

Peerless Insurance Company

- 12% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program
- 6.1% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, and 77 in the Supreme Tier for CPAtract scores greater than 824.
- 12.2% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 52 in the Supreme Tier for CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, 77 in the Supreme Tier for CPAtract scores greater than 824.
- 10.2% discount on Comprehensive and Collision coverages on risks in territories 52 in the Supreme Tier for CPAtract scores greater than 824.
- 7.6% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages on risks with a CPAtract score greater than 824 in the Supreme Tier.
- 3.9% discount on Bodily Injury, Property Damage and Medical Payments, coverages on risks with a CPAtract score greater than 824 in the Standard Tier.
- 1.1% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in the Standard Tier with CPAtract scores greater than 824.
- 10.1 discount on Bodily Injury, Property Damage, and Medical Payments in territory 15 in the Supreme Tier with CPAtract scores greater than 824.

- 8.0% discount on Comprehensive and Collision coverages on risks in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 4.1% discount on Bodily Injury, Property Damage, and Medical Payments in territory 24 in the Supreme Tier with CPAtract scores greater than 824.
- 2.9% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 8.3% discount on Bodily Injury, Property Damage, and Medical Payments in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 7.3% discount on Comprehensive and Collision coverages in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 3.0% discount on Comprehensive and Collision coverages for risks in the Standard Tier with CPAtract scores between and including 725 and 824.
- 4.3% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 3.2% discount on Comprehensive and Collision coverages on risk in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 6.0% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 5.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 1.0% discount on Comprehensive and Collision coverages on risks in territories 40, 41, 43, and 76 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 3.5% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier CPAtract scores between and including 650 and 724.
- 2.5% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 650 and 724.
- 7.0 % discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with form HO-6 that are part of the Personal Protector Program.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 4-1-05 PC079505 Filing Detail

#### Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.
- Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit: 5% applied to final auto premium when homeowners is written through the same company & certain criteria is met.
- 5% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision if Pennsylvania National Mutual Casualty is unable to write homeowners due to exposure of windstorm or hail.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured motorist, comprehensive & collision when principal operator is age 55 or over & all drivers are licensed more than 3 yrs.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Program. Credit varies.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Advantage Program. Credit varies.
- Eff 01-01-04 PC065111 Filing Detail

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Personal Auto and Homeowners/Mobile Homeowners Combination Premium Credit
- Installment Payments: \$1 charge for installment payments.
- Eff 7-1-03 PC061809 Filing Detail

Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 Filing Detail

Phoenix Insurance Company

- Pricing Factors –deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Effective 3-20-05 PC079540 Filing Detail

Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website  
Effective 4-1-05 **PC080249 Filing Detail**

Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.  
Eff 1-1-05 **PC077563 Filing Detail**

Progressive Premier Insurance Company of Illinois

For deviations see North Carolina Department of Insurance Website  
Eff. 4-1-05 **PC080250 Filing Detail**

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating
- employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
- Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
- Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.

- Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
- Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

**LIABILITY** All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of

qualified participating employers when risks meet underwriting guidelines.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
- 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
- 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

#### Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-05 **PC077564 Filing Detail**

Progressive Universal Insurance Company of Illinois

- For deviations see North Carolina Department of Insurance Website
- Eff 4-1-05 **PC080248 Filing Detail**

Providence Washington Insurance CompanyStandard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 Filing Detail

Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.



- Eff. 7-15-96 PC 034398 Filing Detail

#### Royal Indemnity Company

- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.
- Eff 5-15-04 PC069376 Filing Detail

#### Royal Insurance Company of America

- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction: \$3 charge waived.
- Eff. 5-15-04 PC069375 Filing Detail

#### Safeco Insurance Company of America

- For deviations see North Carolina Department of Insurance Website
- Eff 10-1-05 **PC085789** Filing Detail

#### Safeguard Insurance Company

- Installment Payment Plan Payroll Deduction: \$3 charge waived.
- Eff 5-15-03 PC069383

#### St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.
- Eff. 1-1-95

#### St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperienced operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property

damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.

- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

#### St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

#### Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

#### Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation.
- Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment.
- Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies.
- Eff. 1-27-03

South Carolina Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-52 yrs. of driving experience. 47%- 60% credit.
- Deviation for multi- car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-42 yrs. of driving experience. 43% -55% credit.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. Driving motor vehicle while intoxicated.

- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 5% credit.
- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 1.5% credit.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 5% non-fleet private passenger auto comprehensive & collision for policies that are insured with South Carolina Insurance Company with no lapse in coverage between policies & have 12-20 SDIP pts. & all drivers licensed 5-52 yrs.
  - 15% non-fleet private passenger auto comprehensive & collision for policies with 12-20 SDIP pts. & all drivers licensed 5 - 52 yrs.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. Driving motor vehicle while intoxicated.
- 25% non-fleet private passenger auto comprehensive & collision for policies with 12 - 20 SDIP pts., all drivers licensed 5 - 52 yrs. & no driver with an at fault accident within the last 12 months preceding policy effective date.
  - Eff.10-21-98

Southern Fire & Casualty Insurance Company

- Withdrawn 1-1-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage,

medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.

- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

Southern Insurance Company of Virginia

STANDARD PROGRAM

- Experienced Operator Discount
- Multi-Car Discount
- Recreational trailer rates
- Loss Free Renewal Discount
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Southern Automobile Account credit plan 5%
- Automatic Payment Plan
- Eff 8-1-05 PC083400 Filing Detail

PREFERRED PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- Eff. 8-1-05 PC083399 Filing Detail

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles

owned by employees of the University of North Carolina – Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.

- Mature Driver Discount: Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a %% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- Accident Free Discount: 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a veicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- Multi Policy Discount: 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile.
- Eff. 5-1-03

#### Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - credit varies.
- Eff 8-15-05 PC085622 Filing Detail

#### State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs.

- driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 35% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured who is 55-69 yrs. of age and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Electronic Funds Transfer: \$1 monthly service charge per policy.
- Eff. 9-1-00

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

State Capital Insurance Company

- Withdrawn Effective 2-15-02 PC047795 Filing Detail

State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Various deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged 55 and over when there is no inexperienced operator in the household. (not motorcycles).
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.

- **Installment Payment Charge:** \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- **Deviation on non-fleet private passenger automobile rates** applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- **Additional Deviation** applicable to Classic vehicles for BI/PD, Med Pay, and Collision.
- Eff 4-15-05 PC081009 Filing Detail

### TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision.
- Eff. 3-1-98

### Teachers Insurance Company

- **Driving Quality Deviation** Must meet certain criteria Credit varies.
- **Home and Auto Deviation** 3% deviation when certain criteria is met.
- **Member Only Deviation** 1% deviation when certain criteria is met.
- **Surcharge Forgiveness** policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- **Electronic Funds Transfer** - The installment payments by Electronic Funds Transfer shall be made on a monthly basis. For new business, the initial payment are 1/3 of the 6 month premium: the remaining monthly payment are of equal amounts. For renewals, there are equal monthly payments. The installment fees are based on the number of installments.
- Eff 7-1-04 PC070874 Filing Detail

### Travelers Casualty & Surety Company

- **Anti-Lock Brake Deviation:** 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- **Anti-Theft Device Deviation:** 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- **7% Loss & Conviction Free Renewal Deviation:** Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- **Mature Driver Deviation:** 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- **Passive Restraint Discount:** 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- **7% Loss & Conviction Free Renewal Deviation;** Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- **Mature Driver Deviation:** 5% non-fleet private passenger auto collision coverage & 10%



comprehensive coverage.

- Eff. 12-17-93

#### Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

#### Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

#### Travelers Indemnity Company

- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments; 30% collision; 10% for comprehensive, fire/theft, and theft/fire, theft and CAC coverage for those insureds who have single car policy & have more than one private passenger auto with The Travelers.
- 1% deviation for private passenger auto rates for employees of Multi-Line Insurance and Financial Services Institution.
- 1% for private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted.
- 1% deviation for private passenger auto rates for North Carolina State University employees as part as of an Employer Payroll Deduction Premium Payment Plan. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of A Credit Union Family. Installment charge deleted.
- 1% deviation for private passenger auto rates for Employees of Research and Development Institutions. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of AAA Group. Installment charge deleted.
- 1% deviation for private passenger auto rates for employees of Philip Morris Companies as apart as a payroll deduction premium payment plan. Installment charge deleted.
- Eff. 3-20-05 PC079543 [Filing Detail](#)

#### Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol priv pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/theft & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.

- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC coverages for insureds who have a single car policy and have more than one private pass auto insured with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Eff 3-20-05 PC079545 Filing Detail

#### The Travelers Indemnity Company of Connecticut

- Pricing Factors –deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Effective 3-20-05 PC079544 Filing Detail

#### Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage,

medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.

- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

#### Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Company Pricing Factor
- Eff 08-15-05 PC085623 [Filing Detail](#)

#### Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.).
- Agency Book Transfer Credit
- Eff 3-1-05 PC079092 [Filing Detail](#)

#### USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Deviation on Other Than Collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for other than collision coverage.

- Discount for customizing equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Eff 8-2-05 PC081214 Filing Detail

#### USAA General Indemnity Company

- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 100% deviation for trailers insured for other than collision coverage.
- 100% deviation for vehicles insured for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan: Regular Plan and Extended Plan - installment charge waived.
- Eff 5-1-04 PC071545 Filing Detail

#### Underwriters Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

#### Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

#### Unisun Insurance Company

- Preferred Driver Discount: 10% non-fleet private passenger auto bodily injury , property damage, medical payments, collision & other than collision premium. Credit applies to each vehicles when criteria is met.
- Full Coverage Discount: 3% non-fleet private passenger auto bodily injury, property damage, medical payments collision & other than collision when criteria is met.

- Multi-Vehicle Discount: 5% additional credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Eff. 12-15-96

#### United Services Automobile Association

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Deviation on Other Than Collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for other than collision coverage.
- Discount for customizing equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Eff. 8/2/05 PC081215 **Filing Detail**

#### United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

#### Unitrin Auto and Home Insurance Company

- Voluntary Liability Deviation – Bodily Injury and Property Damage credit varies by territory and tiers.
- Voluntary Physical Damage Deviation – Collision and Comprehensive credit varies by territory and tiers.
- Safety Equipment Discounts – Passive Restraint Discount – medical payments only – auto must

be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements. Credit varies according to installed equipment.

- Anti-lock Braking System Discount – 5% discount for single limit liability or bodily injury and property damage liability coverage shall be afforded for those private passenger auto equipped with a factory installed four wheel anti-lock braking system (abs).
- Extended Transportation Expenses Coverage-Package Plus Only \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge, \$50/\$1500 increased transportation expenses coverage may be substituted for the \$30/\$900 limit on the package plus policy for an additional charge of \$12..
- Cancellation – Package Plus Only – compute return premium on a Pro Rata basis per chart.
- Classifications – Experienced Operator Credit
- Deferred Premium Payment Plans
- Network Discount – 7% discount applied to BI, PD, Med Pay, Coll & Comp if individual is a member of the Network Group.
- Anti-theft Devices – 5% alarm only and active disabling devices, 15% Passive Disabling Device.
- Premium Determination - Package Plus Only certain criteria apply, credit varies.
- Eff 05-3-04 PC071376 **Filing Detail**

### Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

### Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy

is insured by Utica National Insurance Group.

- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- Eff. 12-1-00

#### Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

#### Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03

#### Virginia Mutual Insurance Company

- Multi-car risk and drivers either occasional or principle having more than 10 years but less than 49 yrs driving experience and zero SDIP driving record points. Credit varies according to coverage.
- Eff. 2-15-04

#### West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured

motorists, comprehensive & collision coverages.

- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

Windsor Insurance Company

For Deviations see the North Carolina Department of Insurance Website.

Eff 9-1-00 **PC035427 Filing Detail**



## AUTOMOBILE

### ACE American Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

### ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

### AMCO Insurance Company

- Territory Deviation Applicable to BI, PD and Collision
- Eff. 12-1-06 PC093851 North Carolina Department of Insurance

### ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

### AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 9-1-06 PC095703 North Carolina Department of Insurance

### Allied Property and Casualty Insurance Company

- Territory Deviation applicable to BI, PD, and collision coverages.
- Eff. 12-1-06 PC093850 North Carolina Department of Insurance

### Allstate Indemnity Company

#### Preferred Program

- Territory Deviations
- Tier Deviation: Certain criteria must be met.
- Years Licensed Deviation
- Accident Rating Deviation: Years since last accident 0 - 3+
- Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
- 55 and Over Discount
- New Car Discount
- The Good Hands People Discount
- Installment Payment Fee for Electronic Funds Transfer Deviation

#### Regular Auto Program

- Liability Coverage Deviations
- Pay Fee Deviation
- The Good Hands People Discount
- Eff 6/13/05 PC081967 North Carolina Department of Insurance

Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.
- Effective 7-1-04 PC072554 [Filing Detail](#)

American and Foreign Insurance Company

- Installment Payment Plan waiver.
- Effective 5/15/04 PC068691

American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments
- Eff. 10-01-03 PC 064659 [Filing Detail](#)

American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
- Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates.
- Eff. -1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 [Filing Detail](#)

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medl pay, uninsured motorists, comp & coll coverages.
- Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00 PC 035767 [Filing Detail](#)

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.

- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 Filing Detail

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
  - a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation.
- Effective 8-27-04 PC073480 Filing Detail

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

American Professionals Insurance Company

- Installment charge waived on initial payment: \$3 charge for each installment thereafter: Applies to all policies.

Eff. 7-1-99

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.
- Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.

- Eff. 4-19-91

American States Preferred Insurance Company

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.

Eff. 11/21/06 PC097560 North Carolina Department of Insurance

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.
- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
- Downward deviations to one year short-rate cancellation.
- Eff. 11-1-04 PC074206 Filing Detail

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates.
- Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Eff. 4-1-00

Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments.
- Eff. 10-01-03

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees.
- Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - Eff. 7-1-94

**MOTORCYCLE**

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage.
- Eff. 7-1-91

Atlantic Indemnity Company

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

LIABILITY All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.

- c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
  - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
  - 45% for multi car policies with 12-20 SDIP pts.
  - Effective 11-1-95

Auto Owners Insurance Company

**Premier Program**

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount Auto/Home; Auto/Life; Auto/Umbrella Discount for BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity & \$5,000 at no additional charge.
- Total Disability Benefits \$35 weekly at no additional charge.
- Auto Owners Premier Discount, bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid in full discount.
- Eff 5-19-06 PC088329

**Standard Program**

- Multi Policy Discount: (Auto/Home; Auto/Life; Auto/Umbrella) 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity
- Total Disability Indemnity
- Paid in Full Benefits Discount
- Eff. 5/19/06 PC088330

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates.
- Eff. 5-28-87

Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per installment / withdrawal.
- Deviation for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation for eligible Superior Drivers. (Central Premier) Certain criteria apply.
- Custom Loyalty Credit
- Deviation for Acceptable Drivers
- Eff 2/1/06 PC089112

Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 6-1-89

The Charter Oak Fire Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi Policy)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Hybrid Vehicle Discount – type of fuel used 10% discount.
- Eff 12-6-06 PC096384 North Carolina Department of Insurance

The Cincinnati Insurance Company

- 29% deviation on collision rates.
- 25% deviation on other than collision rates.
- 10% downward deviation applied to liability & physical damage rates for companion policy.
- Installment Payment Plan charge waived.
- 6% downward deviation on NCRB BI rates.
- 3% downward deviation on NCRB PD rates.
- 3% downward deviation on NCRB Combines Single Limit rates.
- Downward deviation on NCRB Uninsured Increased Limits.
- Downward deviation on NCRB Combines Uninsured/underinsured Motorists Increased Limits.
- Downward deviation on NCRB Increased Limits for BI..
- Eff. 8/15/06 PC094648 North Carolina Department of Insurance

Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Commercial Insurance Company of Newark, New Jersey

Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.
- Eff. 8-1-00

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.



- Anti-Lock Braking System Discount.
- Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag: 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices: 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01

Electric Insurance Company

- Territory Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Tier Level Deviations when criteria is met.
- Safe driver discount when criteria is met.
- Elfun Society Membership discount.
- Mass Marketing Discount.
- Operator of vehicle is 55 yrs or older.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 11-16-06 PC095961 North Carolina Department of Insurance

Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

Encompass Indemnity Company

- Effective 10-1-04 **PC075213**

Encompass Indemnity Company

Antique automobile program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.

- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC  
**Classic Automobile Program**
- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Eff 9-1-04 PC 075210

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- Age 55 and over deviation
- Anti-lock brake deviation systems on BI and PD on all four wheels.
- Anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles:
- Pro rata cancellation and Pro-Rata Table.
- Multi-Policy Discount:
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Effective 5-15-06 PC089588

Erie Insurance Exchange

- Base Rate Deviation by territory.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device: 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge – Installment payments deviation.
- Comprehensive Deductible Factors Deviation.
- Multi Policy Discount:
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Eff 1-1-06 PC086602

Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968

Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comp, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision.
- Eff. 9/1/05 PC082833

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.
- Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary.
- Eff. 1-1-04 PC063945

Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.
- Eff. 01-01-04 PC064886

Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.

- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658

Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount
- Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

First Liberty Insurance Corporation

- Group Plus Discount Program applicable to Collision, Comprehensive, Bodily Injury and Property Damage rates when insureds pays premium by salary deduction
- Mature Driver Discount applicable to Bodily Injury, Property Damage, Collision and Comprehensive rates provided all operators in the household is age 55 or older and there is no inexperience operator in the household.
- Waive the additional \$3.00 charge on the first installment on the Installment Payment Plan
- College Education Discount Program - 10% discount on Bodily Injury, Property Damage, Medical Payments and Physical Damage
- Homeowners Discount
- Liability Single Limits (Property Damage) deviation
- Liability Split Limits (Bodily Injury) deviation
- Property Damage Limits deviation.
- Short Rate Cancellation deviation
- Medical Payments deviations.
- Eff. 12/23/06 PC097066 North Carolina Department of Insurance

First National Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily

Injury, Property Damage, Medical Payments, Comprehensive and Collision.

- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Eff. 11/21/06 PC097556 North Carolina Department of Insurance

#### Foremost Insurance Company

- Installment Payments
- Eff 12/1/06 PC099237 North Carolina Department of Insurance

#### GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Eff. 5-1-05 PC081831

#### General Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Effective 11/21/06 PC097558 North Carolina Department of Insurance

#### Globe Indemnity Company

- Installment Payment Plan – Agency Payroll Deduction – certain criteria apply
- Effective 5-15-04 PC069382

#### Generali - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

#### Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision by territory, credit varies.
- Deviation on comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.

- Bodily Injury Increased Factor Deviation.
- Deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit:
- 5 Year Good Driving Discount: Certain criteria apply.
- Associate Discount: credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies.
- Tier Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- SDIP Factors Discount
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Eff. 11/15/06 PC096311 North Carolina Department of Insurance

#### Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- New Policy Credit.
- Eff 9-15-05 PC085131 Filing Detail

#### Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 Filing Detail

#### Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

#### Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.

- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043048 Filing Detail

#### Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

#### Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

#### Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.

- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1.
- Eff. 2-15-02

Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1.
- Eff. 2-15-02

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. DUI violation involving drugs.

Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

Physical Damage

- 21% deviation with 3 or more SDIP pts.
- Eff. 1-4-04 PC067647

GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02



The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02q

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

Harleysville Mutual Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096330 North Carolina Department of Insurance

Harleysville Preferred Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096331 North Carolina Department of Insurance

Hartford Casualty Insurance Company

- Agency Book Transfer credit, HC-3
- Eff 3-1-05 PC079093

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit.
- Eff 3-1-05 PC079091

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%; Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments,

- comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met.
- Eff. 4-1-03

Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

Horace Mann Insurance Company

- Driving Quality Deviation Bodily Injury, Property Damage and Collision Only. Must meet certain criteria Credit varies.
- Multiline (Multi Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
- Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
- Eff 11-15-06 PC096437 North Carolina Department of Insurance

Horace Mann Property & Casualty Insurance Company

- Territory Deviation, no chargeable SDIP Points, no inexperience operator, eligible for credit rating tier 1,2,3,4,6,or 9 and all drivers in the household have at least 5 years of driving experience. Bodily Injury, Property Damage, Comprehensive, and Collision
- Driver Quality Deviation-years of claim free. Bodily Injury, Property Damage, and Collision.
- Multi line (Multi Policy) Deviation, Educator/Non-Educator, no chargeable SDIP Points, eligible for credit rating tier 1,2,3,4,6,9,A,B,C,D,F, or J, and principal driver must not be an inexperienced operator. Bodily Injury, Property Damage and Collision.
- Member Only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents for five consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments No installment fee charged on the first installment. (Personal Auto Manual Rule 22)
- Credit Rating Deviation, Bodily Injury, Property Damage, Comprehensive, and Collision.
- Administrator Deviation-School Administrator, Bodily Injury, Property Damage, Comprehensive and Collision.
- Young Educator Program Deviation (Classroom teacher), 6, 7, or 8 years of driving experience, Bodily Injury, Property Damage, Comprehensive and Collision.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments and Collision.
- Eff. 11-15-06 PC096438 North Carolina Department of Insurance

IDS Property

- Accident Free Discount.
- Auto/Homeowner Discount
- Comprehensive and Collision Discount.
- Installment Pay Plan.
- Work Site Discount.
- Costco Member Discount.
- Multi-car Discount.
- Bodily Injury and Property Damage base rate Discount.
- Eff 9/1/06

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.

- Eff. 3-18-97

Infinity Insurance Company

**CLASSIC COLLECTORS PROGRAM**

- BI & PD Deviation
- Comp and Coll coverage deviation
- UM/UIM coverage, Med Pay & Towing deviation
- Eff 1-1-06 PC088103

Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met.
- Eff. 02-01-02

Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- Manslaughter or negligent homicide.
  - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
  - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
  - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
  - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
  - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
  - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
  - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
  - Installment payment plans fees waived for GMAC insurance employees.
  - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have

bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.

- Eff. 7-1-03

Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03

Integon Indemnity Corporation

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Integon National Insurance Company

Non Preferred Program

- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- 2.3% average deviation on non-fleet private passenger auto comprehensive insurance rates. Non-owners policies do not qualify for this deviation.
- 31.9% average deviation on non-fleet private passenger auto collision insurance rates. Non-owners policies do not qualify for this deviation.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 13-16 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 17-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .54 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 13 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 14-15 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 16-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.

- .74 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .72 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .70 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .62 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .60 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .59 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.

#### ULTRA PREFERRED AND PREFERRED PROGRAM DEVIATIONS

- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and have married drivers with 14 to less than 44 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with proof of homeownership.
- .98 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 100/300.
- .80 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has one or more at fault accident.
- 1.12 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 4 to less than 5 years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies where one of the following criteria is met: 1) GMAC/Ditech Mortgage customer, 2) GMAC Auto Loan customer, 3) GMAC Auto Lease customer, 4) GM Credit

Card customer, 5) GMAC Demand/Smart Note customer, 6) GM/GMAC Employee/Retiree or member of an approved employee group, or 7) GM Dealership employee.

- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with limits of 50/100.
- .89 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 250/500.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 2 to less than 3 years driving experience.
- 1.05 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .75 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists, rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with no proof of prior insurance.
- .63 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on multi-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and married drivers with 14 to less than 44 years driving experience.
- .63 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .88 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.29 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with less than 1 year driving experience.
- 1.23 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or

- preferred underwriting tiers. This factor applies only to policies where there is an operator with 1 to less than 2 years driving experience.
- 1.17 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 3 to less than 4 years driving experience.
  - 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies and drivers who are not married.
  - 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with 1 SDIP point.
  - 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier where the policy has 1 SDIP point.
  - .95 factor applies to all on all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 2 SDIP points.
  - .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 3 SDIP points.
  - .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 4 SDIP points.
  - 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with 14 or more years driving experience.
  - 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with less than 14 years driving experience.
  - 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies, and married drivers with 44 or more years driving experience.
  - 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and married drivers with less than 14 years driving experience.
  - 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies with married drivers.
  - .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 9 to less than 14 years driving experience.
  - .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 14 to less than 44 years driving experience.
  - .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 44 to less than 55 years driving experience.
  - 1.15 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
  - 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 5 to less than 6 years driving experience.
  - 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 6 to less than 7 years driving experience.

- 1.06 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 7 to less than 11 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 11 to less than 18 years driving experience.
- 1.01 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 18 to less than 37 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 55 to less than 61 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 61 or more years driving experience.
- .48 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .37 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating



- liquors by motor vehicle, that are single-car and have married drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .33 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 44 to less than 55 years driving

- experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to multi-car policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
  - .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to single-car policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
  - .30 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .27 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .22 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used

in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .18 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .23 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .29 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .56 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .44 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .49 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 55 years driving experience.
- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 55 years driving experience.
- .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13-18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 55 years driving experience.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13-18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 55 years driving experience.
- .31 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience.
- .29 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or



death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience.

- .40 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.
- .47 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
- .52 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.
- 1.16 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with limits of 30/60.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with less than 5 years driving experience.
- 1.18 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with 5 or more years driving experience.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.32 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .96 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for a superior credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



- .83 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .76 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.33 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average, acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.21 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent or exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .97 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an superior, ultra or ultra preferred credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .66 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

#### ULTRA PREFERRED, PREFERRED AND NON-PREFERRED PROGRAM

- Installment payment plan fees waived for GMAC Insurance employees and affiliates of GMAC Insurance.
- .97 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, and Underinsured Motorist insurance rates on all policies eligible for voluntary liability under the company's underwriting guidelines, with at least one full coverage vehicle. (must have BI/PD and collision). This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- .97 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies set up on Electronic Funds Transfer payment plan.
- Eff 5/19/06 **PC089479**

#### Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4)

- transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03

#### Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount.
- Eff. 9-1-00

#### Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- Manslaughter or negligent homicide.
  - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
  - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
  - Eff. 4-1-99

#### Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Waive additional charge of \$3 - 1st installment of installment plan.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.
- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Medical Payments Deviation
- Comprehensive and collision deviation, credit varies.
- Short Rate Cancellation deviation.
- Eff. 5-15-06 PC091198

#### LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage,

- comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03

Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured has both auto and homeowners insurance with Merastar or its designated joint venture business partners.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's Safe and Sound Discount.
- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Waiver of installment charge on policies paid through pre-authorized checking or payroll deduction; \$1.00 installment charge for policies paid by Auto Bank Draft.
- Eff. 11/15/05 PC088277 Filing Detail

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.

- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met.
- Eff 1-10-05 PC 078576 [Filing Detail](#)

#### Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

#### Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

#### Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing of knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- Eff. 6-7-95

#### NGM Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.
- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955 [Filing Detail](#)

#### National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met.
- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

#### National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.

- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662

Nationwide Affinity Insurance Company of America

- Territory Deviation
- Nationwide Affinity Deviation
- Liability Vehicle Grouping Deviation
- Model Year Deviation
- New Vehicle Deviation
- Driver Class Deviation
- Accident Free Deviation
- Financial Responsibility Deviation (Credit Score)
- Matrix Deviation (prior insurance, prior bodily injury limits, number of vehicles)
- Safe Driver Insurance Plan Deviation
- Miscellaneous Vehicle Deviation (Antique or Classic Autos, Motorcycles and any vehicle not subject to the SDIP)
- Eff 12/10/06 PC097181 North Carolina Department of Insurance

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor
- Inexperienced operator with Foreign Driver's License Deviation.
- Eff. 4-1-06 PC089469 North Carolina Department of Insurance

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Territory Deviations
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Eff. 10/1/06 PC095326 North Carolina Department of Insurance

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation –deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named insure is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation –according to certain criteria.
- Intra-Agency Transfer Deviation –deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation –applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation –applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviation –deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviation – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviation –deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Motorcycle Deviation –deviation applies to Collision for Motorcycles if the driver has 17 or more years of driving experience

and operates certain motorcycle types.

- Household composition deviation.
- Payment Plan Deviation.
- Tier Deviation.
- Effective 1/7/07 PC096516 North Carolina Department of Insurance

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

New South Insurance Company

**Non-Preferred Program**

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liav devs is equal to or greater than 3%.
- Eff. 7-1-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
- Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- Reward Driver Program: Policies with a Reward driver: deviation varies from 7% to 33% - certain criteria apply.
- Reward Driver Program: Policies with a Preferred driver and no Reward driver – deviation varies from 6% to 25% according to certain criteria
- Reward Driver Program: Policies with a Premier driver and no Reward and no Preferred driver – deviation varies from 0% to 23%, certain criteria apply.
- Reward Driver Program: Policies with a Freedom driver and no Reward and no Preferred and no Premier driver – deviation varies from 0% to 16%.
- Reward Driver Program: Policies with no Freedom driver and Reward and no Preferred and no Premier driver – deviation varies from 0% to 15%.
- Full Pay Deviation - 3% deviation applies to BI, PD, Med Pay, Comp, and Coll if the policy is written new or renewed with payment mode equal to full pay.
- Protection Plus deviation – Physical Damage Deviation for high liability limits – 3% applies to Comp and Coll coverages for policies that have Bodily Injury policy limits of 100,000/300,000 or higher.
- Territory Deviations: A territory deviation will apply to BI, PD, Med Pay, Comp and Coll – credit varies in territory 13, 14, 41, 43, 51, 52.
- Twelve-point violation (This deviation stands alone. When 12-point deviation applies, policy is not eligible for other deviations. A deviation of 55% applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following:
  - a) manslaughter or negligent homicide resulting from the operation of a motor vehicle.
  - b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing.
  - c) failure to stop and render aid when involved in an accident resulting in bi or death (hit and run driving), or
  - d) transportation for the sale of illegal intoxicating liquors by motor vehicle.

- Eff 2/1/06 PC089182

#### Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

#### Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

#### Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

#### Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 **PC041974** Filing Detail

#### OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

#### OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments,

- comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.
- Eff. 11-20-01

Owners Insurance Company

- Mature Driver Discount for BI, PD, Med Pay, Comp and Coll Varied credit.
- Multi Policy (Auto/Home; Auto/Life; Auto/Umbrella) Discount for BI, PD, Med Pay, Comp and Coll.
- Owners Deviation for bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid in Full Deviation.
- Eff 5/19/06 PC088328

Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03

Peak Insurance Company

Liability – All deviation applicable to no-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 65% deviation to single car with 12 SDIP points.
  - 50% deviation to single car with 13-15 SDIP points.
  - 30% deviation to single car with 16-20 SDIP points.
  - 49% deviation to single car with 12-15 SDIP points.
  - 33% deviation to single car with 16-20 SDIP points.
  - Eff 2-28-05 PC079090

Peerless Insurance Company

- 12% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program
- 6.1% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, and 77 in the Supreme Tier for CPAttract scores greater than 824.
- 12.2% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 52 in the Supreme Tier for CPAttract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, 77 in the Supreme Tier for CPAttract scores greater than 824.
- 10.2% discount on Comprehensive and Collision coverages on risks in territories 52 in the Supreme Tier for CPAttract scores greater than 824.
- 7.6% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages on risks with a CPAttract score greater than 824 in the Supreme Tier.
- 3.9% discount on Bodily Injury, Property Damage and Medical Payments, coverages on risks with a CPAttract score greater than 824 in the Standard Tier.
- 1.1% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAttract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in the Standard Tier with CPAttract scores greater than 824.
- 10.1 discount on Bodily Injury, Property Damage, and Medical Payments in territory 15 in the Supreme Tier with CPAttract



- scores greater than 824.
- 8.0% discount on Comprehensive and Collision coverages on risks in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 4.1% discount on Bodily Injury, Property Damage, and Medical Payments in territory 24 in the Supreme Tier with CPAtract scores greater than 824.
- 2.9% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 8.3% discount on Bodily Injury, Property Damage, and Medical Payments in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 7.3% discount on Comprehensive and Collision coverages in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 3.0% discount on Comprehensive and Collision coverages for risks in the Standard Tier with CPAtract scores between and including 725 and 824.
- 4.3% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 3.2% discount on Comprehensive and Collision coverages on risk in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 6.0% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 5.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 1.0% discount on Comprehensive and Collision coverages on risks in territories 40, 41, 43, and 76 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 3.5% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier CPAtract scores between and including 650 and 724.
- 2.5% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 650 and 724.
- 7.0 % discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with form HO-6 that are part of the Personal Protector Program.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 4-1-05 PC079505

#### Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.
- Eff. 3-15-96

#### Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Personal Auto and Homeowners/Mobile Homeowners Combination Premium Credit
- Installment Payments: \$1 charge for installment payments.
- Eff 7-1-03 PC061809 [Filing Detail](#)

#### Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 [Filing Detail](#)

#### Phoenix Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi-Policy)
- Contributing Vehicle Credit (number of vehicles)
- Contributing Vehicle Credit (number of vehicles)

- Renewal Credit varying by territory and coverage
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Hybrid Vehicle Discount (type of fuel used)
- Installment Payment charge waived (Rule 22) for Multi-Line Insurance and Financial Services Institution
- Effective 1/3/07 PC096415 North Carolina Department of Insurance

Platt River Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website

Effective 4-1-05 **PC080249** Filing Detail

Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.

Eff 1-1-05 **PC077563** Filing Detail

Progressive Premier Insurance Company of Illinois

For deviations see North Carolina Department of Insurance Website

Eff. 4-1-05 **PC080250** Filing Detail

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
  - Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
  - Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
  - Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
  - Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
  - Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
  - 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
  - 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
  - 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
  - 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
  - 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
  - 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
  - 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
  - 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-05 **PC077564** Filing Detail

Progressive Universal Insurance Company of Illinois

- For deviations see North Carolina Department of Insurance Website
- Eff 4-1-05 **PC080248** Filing Detail

Providence Washington Insurance Company

**Standard Program**

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

**Preferred Program**

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 Filing Detail

Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.
- Eff. 7-15-96 PC 034398 Filing Detail

Royal Indemnity Company

- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.
- Eff 5-15-04 PC069376 Filing Detail

Royal Insurance Company of America

- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction \$3 charge waived.
- Effective 5-15-04 PC069375

Safeco Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.

- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Eff 11/21/06 PC097559 North Carolina Department of Insurance

Safeguard Insurance Company

- Installment charge deviation \$2 charge each installment.
- Effective 5-15-03 PC069383

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.
- Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperience operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation.
- Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment.
- Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies.
- Eff. 1-27-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

Southern Insurance Company of Virginia

**STANDARD PROGRAM**

- Experienced Operator Discount
- Multi-Car Discount
- Recreational trailer rates
- Loss Free Renewal Discount
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Southern Automobile Account credit plan 5%
- Automatic Payment Plan
- Eff 8-1-05 PC083400

**PREFERRED PROGRAM**

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- Eff. 5/15/06 PC091438

**Southern Pilot Insurance Company**

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.
- Mature Driver Discount: Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a %% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- Accident Free Discount: 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a veicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- Multi Policy Discount: 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile.
- Eff. 5-1-03

**Standard Fire Insurance Company**

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount multi policy - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit (number of vehicles)- credit varies.
- Hybrid Vehicle Discount (type of fuel used)10% discount.
- Eff 12/6/06 PC096382 North Carolina Department of Insurance

**State Auto Property & Casualty Insurance Company**

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving

experience for insured without a homeowners policy.

- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Installment Plan with Electronic Funds Transfer: \$1 monthly service charge per policy.
- Customizing Equipment deviation.
- Eff. 10-26-06 PC097712 North Carolina Department of Insurance

#### State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

#### State Capital Insurance Company

- Withdrawn Effective 2-15-02 PC047795 Filing Detail

#### State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Various deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged 55 and over when there is no inexperienced operator in the household. (not motorcycles).
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- Deviation on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for BI/PD, Med Pay, and Collision.
- Eff 4-15-05 PC081009 Filing Detail

#### TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision.
- Eff. 3-1-98



Teachers Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation deviation when certain criteria is met.
- Member Only Deviation (Affinity) BI, PD, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge. Credit Varies
- Electronic Funds Transfer – (Payment Options) no fee charged.
- Installment Payments No installment fee charged on the first installment.
- School payroll payment plan deviation, 5% to BI, PD, Med Pay and Collision.
- Eff 11-15-06 PC096439 North Carolina Department of Insurance

Titan Indemnity Company

- Territory Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Liability Vehicle Grouping Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Model Year Deviation, Bodily Injury, Property Damage, and Medical Payments
- New Vehicle Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Driver Class Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Accident Free Deviation, Bodily Injury, Property Damage, and Medical Payments
- Financial Responsibility Deviation (Credit Score) Bodily Injury, Property Damage, and Medical Payments.
- Matrix Deviation (various characteristics) Bodily Injury, Property Damage, and Medical Payments.
- Safe Driver Insurance Plan Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Intra Agency Transfer Deviation (independent Agency refers to Titan) Bodily Injury, Property Damage, and Medical Payments
- Affinity Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Policy Premium Amount Paid in Full Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Eff 11-15-06 PC095559 North Carolina Department of Insurance

Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.
- Eff. 12-17-93

Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

Travelers Indemnity Company

- Contributing Vehicle Credit.
- Renewal Credit.
- Rate Deviation for Multi-Line Insurance and Financial Services Institution.
- Rate Deviation for All Other Entities Not Specifically Defined.

- Rate Deviation for North Carolina State University.
- Rate Deviation for Members/Customers of a Credit Union Family.
- Rate Deviation for Employees of Research and Development Institutions.
- Rate Deviation for Members of AAA Group.
- Rate Deviation for Phillip Morris Companies.
- Hybrid Vehicle Discount.
- Eff. 1-3-07 PC096385 North Carolina Department of Insurance

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol priv pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC coverages for insureds who have a single car policy and have more than one private pass auto insured with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Hybrid Vehicle Discount 10% discount.
- Eff 6-7-06 PC090593

The Travelers Indemnity Company of Connecticut

- Pricing Factors –deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varing by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Hybrid Vehicle Discount 10% discount.
- Effective 6-7-06 PC090592

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.

- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

#### Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Company Pricing Factor
- Hybrid Vehicle Discount 10% discount.
- Eff 6-7-06- PC090588

#### Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.).
- Agency Book Transfer Credit
- Eff 3-1-05 PC079092 Filing Detail

#### USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: coverage for audio, visual & data electronics equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: covered property coverage
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: Customizing Equipment Coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owner Policy deviation.
- Eff 11-15-06 PC097582 North Carolina Department of Insurance

#### USAA General Indemnity Company

- Discount for Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for vehicles insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.

- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owned Policy deviation.
- Eff. 11-15-06 PC097666 North Carolina Department of Insurance

#### Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

#### United Services Automobile Association

- Deviation on liability, physical damage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with air bags and any other type passive restraints.
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Eff. 9-26-06 PC095671 North Carolina Department of Insurance

#### United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insureds who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

#### Unitrin Auto and Home Insurance Company

- Voluntary deviations with driving points.
- Voluntary deviations without driving points.
- Extended Transportation Expense Coverage.
- Pro Rata Cancellation.
- Experienced Operator Credit.
- Deferred Premium Payment Plans.
- Network Discount
- Anti-Theft Device Discount.
- Premium Determination - Package Plus Only
- Eff 11/15/06 PC097786 North Carolina Department of Insurance

#### Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI &

SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.

- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

#### Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- Eff. 12-1-00

#### Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

#### Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03

#### Virginia Mutual Insurance Company

- Multi-car and driver Deviation, Bodily Injury, Property Damage and Medical Payments
- Account discount, Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Insurance Score (Credit) Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Eff. 11-15-06 PC097064 North Carolina Department of Insurance

#### West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.

- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

Western General Insurance Company

- 8% discount to physical damage coverages base rates, if liability insurance is provided.
- Eff 11-15-06 PC098332 North Carolina Department of Insurance

Windsor Insurance Company

For Deviations see the North Carolina Department of Insurance Website.

Eff 9-1-00 **PC035427 Filing Detail**

## AUTOMOBILE

### ACE American Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

### ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

### ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

### AMCO Insurance Company

- Territory Deviation Applicable to BI, PD and Collision
- Eff. 12-1-06 PC093851 North Carolina Department of Insurance

### AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 9-1-06 PC095703 North Carolina Department of Insurance

### Alfa Alliance Insurance Corporation

- Multi-car and driver Deviation, Bodily Injury, Property Damage and Medical Payments
- Account discount, Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Insurance Score (Credit) Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Eff. 11-15-06 PC097064 North Carolina Department of Insurance

### Allied Property and Casualty Insurance Company

- Territory Deviation applicable to BI, PD, and collision coverages.
- Eff. 12-1-06 PC093850 North Carolina Department of Insurance

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- **Motorcycle/Recreational Vehicle**
- Matrix Deviation
- Eff 8-10-07 PC104818 North Carolina Department of Insurance

Allstate Indemnity Company

Preferred Program

- Territory Deviation, Bodily Injury, Property Damage, Medical, Collision and Comprehensive.
- Years Licensed Deviation, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Fifty-Five (55) and Over Discount
- Tier, Bodily Injury, Property Damage, Medical, Collision, and Comprehensive
- Premier and Premier Plus Discount, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Multiple Policy Discount, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- New Car Discount
- The Good Hands People Discount, Collision and Comprehensive
- Antilock Brake Discount, Collision coverage
- Accident Rating Deviation (SDIP) Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Installment Payment Fee for Electronic Funds Transfer or Payroll Deviation
- Coverage Deviations (Death Indemnity) no charge for \$10,000 limit

Regular Auto Program

- Liability Coverage Deviations for Bodily Injury and Property Damage
- Installment Payments, Electronic Funds Transfer or Payroll Deduction
- The Good Hands People Discount, Collision and Comprehensive
- Eff 1/15/07 PC098967 North Carolina Department of Insurance

Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.
- Effective 7-1-04 PC072554 Filing Detail

Allstate Property and Casualty Insurance Company

- Territory Deviation for Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Household Composition, Rule 4.I.a and 4.I.b, number of years licensed for the least years licensed operator, number of vehicles and the number of operators listed, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Multiple Policy Discount, Rule 4.I.a, Named Insured is on a Homeowners, Mobilehome Owners, Reners, Condominium or Personal Umbrella Policy, or both, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- New Car Discount, Rule 4.I.c, Months since purchase, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- 55 And Over Discount, Principal Operator is 55 years old or older, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- The Good Hands People Discount, Rule 4.I.d, Level 1 Qualified Members of Approved groups, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Antilock Brake Discount, Rule 4.I.c, 1983 and subsequent which is equipped with a factory installed



antilock braking system 0.99 for Collision coverage

- Tier, Rule 4.I.a, Years with Prior Carrier, Ownership, Prior Bodily Injury Limit, New Business Lapse, row number and policy group
- Premier and Premier Plus Discount, Rule 4.I.b, SDIP, Levels 1, 2, 3, Bodily Injury, Property Damage, Medical Payments, COmprehensive and Collision
- Good Payer Discount, Rule 4.I.a, New Business policies, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Allstate Easy Pay Plan Discount, Rule 4.I.a, Electronic Funds transfer, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive,
- Accident Rating Deviation, Rule 4.I.b, SDIP Years since last accident, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Years Licensed Deviation, Rule 4.I.b, Number of years the operator has been licensed, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Installment Payments
- Effective 3-19-07 PC101722 North Carolina Department of Insurance

#### American and Foreign Insurance Company

- Installment Payment Plan waiver.
- Effective 5/15/04 PC068691

#### American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments
- Eff. 10-01-03 PC 064659 Filing Detail

#### American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
- Eff. 3-15-86

#### American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates.
- Eff. -1-85

#### American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medl pay, uninsured motorists, comp & coll coverages.
- Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00 PC 035767 Filing Detail

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 Filing Detail

American Insurance Company

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064660 North Carolina Department of Insurance

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
  - a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience

with a 12 point violation.

- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation.
- Effective 8-27-04 PC073480 Filing Detail

#### American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

#### American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.

- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03 PC062832 North Carolina Department of Insurance

#### American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03 PC062834 North Carolina Department of Insurance

#### American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.  
Eff. 2-1-86

#### American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American States Preferred Insurance Company

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Eff. 10-4-07 PC106019 North Carolina Department of Insurance

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment payment for insureds participating in the Account Billing Payment Plan.
- Eliminate additional charge \$2 for the first installment payment.
- Eliminate additional charge \$2 for 1st installment payments for group policyholders who pay through payroll deduction.
- Downward deviations to one year short-rate cancellation.
- Multi-Line discount.
- Eff. 6-1-07 PC101534 North Carolina Department of Insurance

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates.
- Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.

- Eff. 4-1-00 PC031707 North Carolina Department of Insurance

Arrowood Indemnity Company

- Associated Indemnity Corporation
  - Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
  - Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
  - Discount on comprehensive for vehicles equipped passive disabling devices.
  - Anti lock brake discount.
  - Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
  - Electronic Funds Transfer Program: No charge.
  - Account Credit
  - Installment Payments.
- Eff. 10-01-03 PC064661 North Carolina Department of Insurance

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees.
- Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

- 12 point violation must not be one of the following.
- a. Manslaughter or negligent homicide.

- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - Eff. 7-1-94

#### **MOTORCYCLE**

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily Injury & property damage.
- Eff. 7-1-91

#### **Auto Owners Insurance Company**

##### **Premier Program**

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount Auto/Home; Auto/Life; Auto/Umbrella Discount for BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity & \$5,000 at no additional charge.
- Total Disability Benefits \$35 weekly at no additional charge.
- Auto Owners Premier Discount, bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid in full discount.
- Eff 5-19-06 PC088329

##### **Standard Program**

- Multi Policy Discount: (Auto/Home; Auto/Life; Auto/Umbrella) 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity
- Total Disability Indemnity
- Paid in Full Benefits Discount
- Eff. 5/19/06 PC088330

#### **Bankers Standard Insurance Company**

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

#### **Burlington Insurance Company**

- 15% private passenger auto physical damage insurance rates.

- Eff. 5-28-87

#### Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per installment / withdrawal.
- Deviation for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation for eligible Superior Drivers. (Central Premier) Certain criteria apply.
- Custom Loyalty Credit
- Deviation for Acceptable Drivers
- Eff 2/1/06 PC089112 North Carolina Department of Insurance

#### Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 6-1-89

#### The Charter Oak Fire Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi Policy)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Hybrid Vehicle Discount – type of fuel used 10% discount.
- Eff 12-6-06 PC096384 North Carolina Department of Insurance

#### The Cincinnati Insurance Company

- 17% downward deviation on NCRB collision rates.
- 5% deviation on NCRB other than collision rates.
- 10% downward deviation applied to liability & physical damage rates for companion policy.
- Installment Payment Plan.
- 10% downward deviation on NCRB BI rates.
- 3% downward deviation on NCRB PD rates.
- 9% downward deviation on NCRB Combined Single Limit rates.
- 19% Downward deviation on NCRB Medical Pay rates.
- Eff. 9-1-07 PC101533 North Carolina Department of Insurance

#### Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there



are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.

- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

#### Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

#### Commercial Insurance Company of Newark, New Jersey

##### Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.
- Eff. 8-1-00

#### Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Eff. 7-3-01

#### Continental Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01 PC038499 North Carolina Department of Insurance

Depositors Insurance Company

- Matrix Deviation
- Eff 8-10-07 PC104819 North Carolina Department of Insurance

Economy Fire and Casualty Insurance Company

- Territory Deviation
- Experience driver deviation.
- Age 55 and over deviation.
- Preferred customer discount.
- Superior driver discount.
- Multi-Policy discount.
- Mass merchandising Account deviation.
- Payroll deduction discount.
- Employment tenure discount.
- Eff 10-4-07 PC107614 North Carolina Department of Insurance

Economy Preferred Insurance Company

- Territory Deviation
- Experience driver deviation.
- Age 55 and over deviation.
- Preferred customer discount.
- Superior driver discount.
- Multi-Policy discount.
- Mass merchandising Account deviation.
- Payroll deduction discount.
- Employment tenure discount.
- Eff 10-4-07 PC107604 North Carolina Department of Insurance

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag: 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices: 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto

med pay rates.

- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01 PC040072 North Carolina Department of Insurance

#### Electric Insurance Company

- Territory Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Tier Level Deviations when criteria is met.
- Safe driver discount when criteria is met.
- Elfun Society Membership discount.
- Mass Marketing Discount.
- Operator of vehicle is 55 yrs or older.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 11-16-06 PC095961 North Carolina Department of Insurance

#### Employers' Fire Insurance Company

- Bodily Injury base rate deviation.
- Property Damage base rate deviation.
- Medical Payments base rate deviation.
- Uninsured/underinsured Motorists base rate deviation.
- Eff 11-1-07 PC104694 North Carolina Department of Insurance

#### Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

#### Encompass Indemnity Company

- Anti-Theft device discount.
- VIN etching discount.
- Accident/Violation Free Discount.
- Daytime running light discount.
- Companion discount.
- Various discounts for airbags.
- Anti-lock braking system.
- Preferred Plus tier.
- Group program deviation.
- Effective 10-1-04 PC075213 North Carolina Department of Insurance  
Classic Automobile Program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Eff 9-1-04 PC 075210 North Carolina Department of Insurance

#### Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- Age 55 and over deviation
- Anti-lock brake deviation systems on BI and PD on all four wheels.
- Anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles:
- Pro rata cancellation and Pro-Rata Table.
- Multi-Policy Discount:
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Effective 5-15-06 PC089588 North Carolina Department of Insurance

#### Erie Insurance Exchange

- Base rate deviations by territory on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages, by Territory.
- Age 55 and over 5% deviation on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Anti-Lock Brake deviation on Bodily Injury and Property Damage.
- Anti-Theft Device deviation on Comprehensive.
- First Accident Forgiveness - The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto Policy.
- Feature 15 -- The SDIP surcharge will be deviated for the following at-fault accidents presented on a Personal Auto Policy which has been continuously in force with the Erie Insurance Group for 15 or more years, see Exception Page 3. (1) 1 point 15% deviation (2) 2 points 40% deviation (3) 3 points 65% deviation.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles - waive \$4 charge for this coverage.
- Pro-Rata Cancellation and Pro-Rata Table for all policies.
- Comprehensive Deductible factors deviation.
- Multi Policy Discount:
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Eff 11-15-06 PC097086 North Carolina Department of Insurance

Fairmont Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision.
- Eff. 3-1-98

Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968 North Carolina Department of Insurance

Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comp, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision.
- Eff. 9/1/05 PC082833 North Carolina Department of Insurance

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.
- Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.

- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary.
- Eff. 1-1-04 PC063945 North Carolina Department of Insurance

#### Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.
- Eff. 01-01-04 PC064886

#### Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

#### Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

#### Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

#### Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.

- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658 North Carolina Department of Insurance

#### Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount
- Eff. 7-3-01

#### Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

#### First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

#### First Liberty Insurance Corporation

- Group Plus Discount Program applicable to Collision, Comprehensive, Bodily Injury and Property Damage rates when insureds pays premium by salary deduction
- Mature Driver Discount applicable to Bodily Injury, Property Damage, Collision and Comprehensive rates provided all operators in the household is age 55 or older and there is no inexperience operator in the household.
- Waive the additional \$3.00 charge on the first installment on the Installment Payment Plan
- College Education Discount Program - 10% discount on Bodily Injury, Property Damage, Medical Payments and Physical Damage
- Homeowners Discount
- Liability Single Limits (Property Damage) deviation
- Liability Split Limits (Bodily Injury) deviation
- Property Damage Limits deviation.
- Short Rate Cancellation deviation
- New Customer deviation.

- Eff. 4-23-07 PC101062 North Carolina Department of Insurance

#### First National Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Eff. 10-4-07 PC106016 North Carolina Department of Insurance

#### Foremost Insurance Company

- Installment Payments
- Eff 12/1/06 PC099237 North Carolina Department of Insurance

#### GEICO Indemnity Company

- Associate Discount: non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- E-Banking Discount.
- Eff. 11-1-07 PC107943 North Carolina Department of Insurance

#### Garrison Property and Casualty Insurance Company

- Deviation on liability, physical damage, medical payments, uninsured motorists, extended transportation, towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.



- Installment Payment Plan.
- Named non-owner policy deviation.
- Eff 7-1-07 PC100835 North Carolina Department of Insurance

#### General Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Effective 10-4-07 PC106017 North Carolina Department of Insurance

#### Globe Indemnity Company

- Installment Payment Plan – Agency Payroll Deduction – certain criteria apply
- Effective 5-15-04 PC069382 North Carolina Department of Insurance

#### Generali - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

#### Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision by territory, credit varies.
- Bodily Injury Increased Factor Deviation.
- Deviation on comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- Deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit:

- 5 Year Good Driving Discount: Certain criteria apply.
- Associate Discount: credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies.
- Tier Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- SDIP Factors Discount
- Installment Payment Plan: for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Emergency Road Service.
- E-Banking Discount.
- Eff. 11-1-07 PC107944 North Carolina Department of Insurance

#### Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- New Policy Credit.
- Eff 9-15-05 PC085131 Filing Detail

#### Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 Filing Detail

#### Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043047 North Carolina Department of Insurance

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043048 Filing Detail

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043046 North Carolina Department of Insurance

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.

- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043049 North Carolina Department of Insurance

#### Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1.
- Eff. 2-15-02 PC043045 North Carolina Department of Insurance

#### Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1.

- Eff. 2-15-02 PC043044 North Carolina Department of Insurance

### Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. DUI violation involving drugs.

### Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

### Physical Damage

- 21% deviation with 3 or more SDIP pts.
- Eff. 1-4-04 PC067647 North Carolina Department of Insurance

### GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

### Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02

### The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

Harleysville Mutual Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096330 North Carolina Department of Insurance

Harleysville Preferred Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096331 North Carolina Department of Insurance

Hartford Casualty Insurance Company

- Agency Book Transfer credit, HC-3
- Eff 3-1-05 PC079093 North Carolina Department of Insurance

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit.
- Eff 3-1-05 PC079091 North Carolina Department of Insurance

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%; Certain criteria apply.
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met.
- Eff. 10-16-07 PC105131 North Carolina Department of Insurance

#### Horace Mann Insurance Company

- Driving Quality Deviation Bodily Injury, Property Damage and Collision Only. Must meet certain criteria Credit varies.
- Multiline (Multi Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
- Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
- Eff 8-21-07 PC105058 North Carolina Department of Insurance

#### Horace Mann Property & Casualty Insurance Company

- Territory Deviation, no chargeable SDIP Points, no inexperience operator, eligible for credit rating tier 1,2,3,4,6,or 9 and all drivers in the household have at least 5 years of driving experience. Bodily Injury, Property Damage, Comprehensive, and Collision
- Driver Quality Deviation-years of claim free. Bodily Injury, Property Damage, and Collision.
- Multi line (Multi Policy) Deviation, Educator/Non-Educator, no chargeable SDIP Points, eligible for credit rating tier 1,2,3,4,6,9,A,B,C,D,F, or J, and principal driver must not be an inexperienced operator. Bodily Injury, Property Damage and Collision.
- Member Only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents for five consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments No installment fee charged on the first installment. (Personal Auto Manual Rule 22)
- Credit Rating Deviation, Bodily Injury, Property Damage, Comprehensive, and Collision.
- Administrator Deviation-School Administrator, Bodily Injury, Property Damage, Comprehensive and Collision.
- Young Educator Program Deviation (Classroom teacher), 6, 7, or 8 years of driving experience, Bodily Injury, Property Damage, Comprehensive and Collision.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments and Collision.
- Eff. 11-15-06 PC096438 North Carolina Department of Insurance

#### IDS Property

- Accident Free Discount.
- Auto/Homeowner Discount
- Comprehensive and Collision Discount.
- Installment Pay Plan.
- Work Site Discount.

- Costco Member Discount.
- Multi-car Discount.
- Bodily Injury and Property Damage base rate Discount.
- Eff 9/1/06

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Infinity Insurance Company

**CLASSIC COLLECTORS PROGRAM**

- BI & PD Deviation
- Comp and Coll coverage deviation
- UM/UIM coverage, Med Pay & Towing deviation
- Eff 1-1-06 PC088103

Infinity Standard Insurance Company

- For Deviations see the North Carolina Department of Insurance Website.
- Eff 7-22-02 PC052902 **North Carolina Department of Insurance**

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Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03 PC056566 **North Carolina Department of Insurance**

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.



- Loss/Incident Free Discount when criteria is met.
- Eff. 02-01-02

### Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
  - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
  - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
  - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
  - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
  - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
  - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
  - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
  - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
  - Installment payment plans fees waived for GMAC insurance employees.
  - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
  - Eff. 7-1-03 PC062682 North Carolina Department of Insurance

### Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03

### Integon Indemnity Corporation

- Installment payment plan fees waived for GMAC insurance employees.
- 1.2% average deviation non-fleet private passenger auto Comp rates. Non-owners policies do not qualify.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if all liab dev combined is equal to or

greater than 3%.

- 21.2% Average dev on collision rates. Non-owners policies do not qualify for this dev.
- Eff. 7-1-05 PC084371 North Carolina Department of Insurance

Integon National Insurance Company

Non Preferred Program

- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- 2.3% average deviation on non-fleet private passenger auto comprehensive insurance rates. Non-owners policies do not qualify for this deviation.
- 31.9% average deviation on non-fleet private passenger auto collision insurance rates. Non-owners policies do not qualify for this deviation.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 13-16 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 17-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .54 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 13 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 14-15 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 16-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in

prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.

- .74 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .72 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .70 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .62 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .60 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .59 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.

#### ULTRA PREFERRED AND PREFERRED PROGRAM DEVIATIONS

- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and have married drivers with 14 to less than 44 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with proof of homeownership.
- .98 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 100/300.
- .80 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-

preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.

- 1.25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has one or more at fault accident.
- 1.12 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 4 to less than 5 years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies where one of the following criteria is met: 1) GMAC/Ditech Mortgage customer, 2) GMAC Auto Loan customer, 3) GMAC Auto Lease customer, 4) GM Credit Card customer, 5) GMAC Demand/Smart Note customer, 6) GM/GMAC Employee/Retiree or member of an approved employee group, or 7) GM Dealership employee.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with limits of 50/100.
- .89 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 250/500.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 2 to less than 3 years driving experience.
- 1.05 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .75 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists, rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with no proof of prior insurance.
- .63 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on multi-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and married drivers with 14 to less than 44 years driving experience.
- .63 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .88 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.29 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with less than 1 year driving experience.
- 1.23 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 1 to less than 2 years driving experience.
- 1.17 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 3 to less than 4 years driving experience.

- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies and drivers who are not married.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with 1 SDIP point.
- 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier where the policy has 1 SDIP point.
- .95 factor applies to all on all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 2 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 3 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 4 SDIP points.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with 14 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with less than 14 years driving experience.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies, and married drivers with 44 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and married drivers with less than 14 years driving experience.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies with married drivers.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 9 to less than 14 years driving experience.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 14 to less than 44 years driving experience.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 44 to less than 55 years driving experience.
- 1.15 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.

- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 5 to less than 6 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 6 to less than 7 years driving experience.
- 1.06 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 7 to less than 11 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 11 to less than 18 years driving experience.
- 1.01 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 18 to less than 37 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 55 to less than 61 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 61 or more years driving experience.
- .48 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .37 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly

lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
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- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when

involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
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- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .33 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to multi-car policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure

to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.

- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to single-car policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .30 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .27 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .22 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .18 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .23 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .29 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having

only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .56 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .50 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .49 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .43 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .38 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged

racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .37 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .33 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .39 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
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- .44 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .49 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have

drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 55 years driving experience.
- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 55 years driving experience.
- .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13-18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 55 years driving experience.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13-18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 55 years driving experience.
- .31 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience.
- .29 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure



to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience.

- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience.
- .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience.
- .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience.
- .22 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.
- .31 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
- .28 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.
- .59 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or

death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience.

- .53 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience.
- .52 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience.
- .46 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience.
- .44 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience.
- .40 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.
- .47 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
- .52 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d)

transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.

- 1.16 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with limits of 30/60.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.20 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with less than 5 years driving experience.
- 1.18 factor applies to all non-fleet private pass auto Comp and Coll insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with 5 or more years driving experience.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.38 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.32 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to all non-fleet private pass auto BI, PD, Med Pays, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .96 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an superior credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .83 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.

- .76 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 1.33 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average, acceptable or above average credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 1.21 factor applies to all non-fleet private passenger auto Com and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .97 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an superior, ultra or ultra preferred credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .66 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.

ULTRA PREFERRED, PREFERRED AND NON-PREFERRED PROGRAM

- Installment payment plan fees waived for GMAC Insurance employees and affiliates of GMAC Insurance.
- .97 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorist, and Underinsured Motorist insurance rates on all policies eligible for voluntary liability under the company's underwriting guidelines, with at least one full coverage vehicle. (must have BI/PD and collision). This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- .97 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies set up on Electronic Funds Transfer payment plan.
- Eff 5/19/06 PC089479 North Carolina Department of Insurance

Integon Specialty Insurance Company

- See exception pages on file with the North Carolina Department of Insurance.
- Eff. 7-1-05 PC084372 North Carolina Department of Insurance

Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount.
- Eff. 9-1-00 PC034621 North Carolina Department of Insurance

Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- a. Manslaughter or negligent homicide.

- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
- 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
- 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
- 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
- 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
- 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
- 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
- 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
- Eff. 4-1-99

#### Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Installment Payment Plan.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits (BI) deviation. credit varies.
- Liability split limits (BI) deviation, credit varies.
- Single Limits (PD) deviation.
- Short Rate Cancellation deviation.
- New Customer downward deviation.
- Eff. 4-23-07 PC101061 North Carolina Department of Insurance

#### LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical

payments, comprehensive, & collision: Credit varies.

- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03 PC061489 North Carolina Department of Insurance

#### Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

#### Main Street America Assurance Company

- Preferred Plus Driver Discount. Collision and Comp Coverages
- Preferred Driver Discount Comp and Coll Coverages.
- Insurance Score Discount BI, PD, Med Pay, Uninsured and Combines UM/UN.
- Installment Pay Plan – Multipolicies, Installment Pay Plan – EFT.
- Combines Personal Protection Program – both HO and Auto, BI, PD, Med, Coll, Comp.
- Eff 10-10-07 PC107137 North Carolina Department of Insurance

#### Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperienced operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

#### Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Members Insurance Company

- Extra Vehicles Deviation
- Account Credit Deviation
- Underwriting Tier Deviation
- Eff 3-29-07 PC102736 North Carolina Department of Insurance

Merastar Insurance Company

- Account Discount, Rule 4.I. (a) -5% on non-fleet private passenger automobile bodily injury and property damage liability, medical payments, comprehensive and collision rates if named insured is a member of an employer sponsored account or qualifying affinity group.
- Mature Operator Discount, Rule 4.I (b) -5% on non-fleet private passenger automobile bodily injury, property damage, medical payments, comprehensive and collision coverages if the named insured is age 55 or older and no operator has less than 9 years driving.
- Auto/Home Discount, Rule 4.I. (a) -5% on non-fleet private passenger automobile bodily injury, property damage, medical payments, comprehensive and collision rates if the named insured also insures the principal residence with either Merastar Insurance Company or its designated joint venture business partners.
- Safe and Sound Discount, Rule 4.I. (b) -6% on non-fleet private passenger automobile comprehensive and collision rates if the policy qualifies for the Company's Safe and Sound discount.
- Anti-Lock Braking Discount, Rule 4.I.(c)-2% on non-fleet private passenger auto collision if vehicle is equipped with a factory installed anti-lock braking system.
- Anti-Theft Discount, Rule 4.I. (c) -5% on non-fleet private passenger comprehensive rates for alarm-only or other anti-theft system; -15% on non-fleet private passenger comprehensive rates for a passive anti-theft system (Discounts are not cumulative. A maximum of 15% applies when both devices are installed).
- Waiver of Installment Charge, Rule 4.I. (a) is waived for all policies paid by payroll deduction; \$1.00 installment charge for policies paid by Automatic Bank Draft.
- Personal Financial Management Discount (Credit Score), Rule 4.I. (b) -20% on non-fleet private passenger automobile bodily injury, property damage, medical payments, comprehensive and collision coverages, if named insured Credit Score is greater than 887, with bodily injury limits of 100/300 or higher and owns home; -10% if named insured credit score is greater than 849, with bodily injury limits of 50/100 or higher and owns home.
- Eff. 4-15-07 PC099427 North Carolina Department of Insurance

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met.
- Eff 1-10-05 PC 078576 Filing Detail

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing of knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- Eff. 6-7-95

NGM Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.
- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955 Filing Detail

National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met.
- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.



- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662 North Carolina Department of Insurance

Nationwide Affinity Insurance Company of America

- Territory Deviation
- Nationwide Affinity Deviation
- Liability Vehicle Grouping Deviation
- Model Year Deviation
- New Vehicle Deviation
- Driver Class Deviation
- Accident Free Deviation
- Financial Responsibility Deviation (Credit Score)
- Matrix Deviation (prior insurance, prior bodily injury limits, number of vehicles)
- Safe Driver Insurance Plan Deviation
- Miscellaneous Vehicle Deviation (Antique or Classic Autos, Motorcycles and any vehicle not subject to the SDIP)
- Eff 7-13-07 PC103179 North Carolina Department of Insurance

Nationwide Insurance Company of America

- Motorcycle
- Matrix Deviation
- Eff 8-10-07 PC104820 North Carolina Department of Insurance

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor
- Inexperienced operator with Foreign Driver's License Deviation.
- Eff. 4-1-06 PC089469 North Carolina Department of Insurance

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Merit Credit deviation.
- Eff. 12-15-07 PC106038 North Carolina Department of Insurance

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation –deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI,

Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named insure is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.

- Preferred Driver Deviation –according to certain criteria.
- Intra-Agency Transfer Deviation –deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation –applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation –applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviation –deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviation – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviation –deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Motorcycle Deviation –deviation applies to Collision for Motorcycles if the driver has 17 or more years of driving experience and operates certain motorcycle types.
- Household composition deviation.
- Payment Plan Deviation.
- Tier Deviation.
- Terms with prior carrier deviation.
- Effective 8-6-07 PC104137 North Carolina Department of Insurance

#### Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

#### New South Insurance Company

##### Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2)

prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.

- 1.2% average deviation for non-fleet private passenger auto comprehensive rates. Non-owners policies do not qualify.
- 18.1% average deviation for non-fleet private passenger auto collision rates. Non-owners policies do not qualify
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- Eff. 7-1-05 PC084373 North Carolina Department of Insurance

#### Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
- Eff. 11-7-86

#### North Carolina Farm Bureau Mutual Insurance Company

- Reward Driver Program: Policies with a Reward driver: deviation varies from 7% to 33% - certain criteria apply.
- Reward Driver Program: Policies with a Preferred driver and no Reward driver – deviation varies from 6% to 25% according to certain criteria
- Reward Driver Program: Policies with a Premier driver and no Reward and no Preferred driver – deviation varies from 0% to 23%, certain criteria apply.
- Reward Driver Program: Policies with a Freedom driver and no Reward and no Preferred and no Premier driver – deviation varies from 0% to 16%.
- Reward Driver Program: Policies with no Freedom driver and Reward and no Preferred and no Premier driver – deviation varies from 0% to 15%.
- Full Pay Deviation - 3% deviation applies to BI, PD, Med Pay, Comp, and Coll if the policy is written new or renewed with payment mode equal to full pay.
- Protection Plus deviation – Physical Damage Deviation for high liability limits – 3% applies to Comp and Coll coverages for policies that have Bodily Injury policy limits of 100,000/300,000 or higher.
- Territory Deviations: A territory deviation will apply to BI, PD, Med Pay, Comp and Coll – credit varies in territory 13, 14, 41, 43, 51, 52.
- Twelve-point violation (This deviation stands alone. When 12-point deviation applies, policy is not eligible for other deviations. A deviation of 55% applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following:
  - a) manslaughter or negligent homicide resulting from the operation of a motor vehicle.
  - b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing.
  - c) failure to stop and render aid when involved in an accident resulting in bi or death (hit and run driving), or
  - d) transportation for the sale of illegal intoxicating liquors by motor vehicle.
- Eff 2/1/06 PC089182 North Carolina Department of Insurance

#### Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).

- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperienced operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

#### Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

#### Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 **PC041974 Filing Detail**

#### OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

#### OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.

- Eff. 11-20-01

#### Owners Insurance Company

- Mature Driver Discount for BI, PD, Med Pay, Comp and Coll Varied credit.
- Multi Policy (Auto/Home; Auto/Life; Auto/Umbrella) Discount for BI, PD, Med Pay, Comp and Coll.
- Owners Deviation for bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid in Full Deviation.
- Eff 5/19/06 PC088328

#### Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

#### Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03 PC062945 North Carolina Department of Insurance

#### Peak Insurance Company

- 67% deviation on bodily injury and property damage coverages to single car with 12 SDIP points
- 52% deviation on bodily injury and property damage coverages to single car with 13-14 SDIP points
- 50 % deviation on bodily injury and property damage coverages to single car with 15 SDIP points
- 30% deviation on bodily injury and property damage coverage to multi car with 16-20 SDIP points
- 52% deviation on bodily injury and property damage coverages to multi car with 12 SDIP points
- 51% deviation on bodily injury and property damage coverages to multi car with 13-14 SDIP points
- 49% deviation on bodily injury and property damage coverages to multi car with 15 SDIP points
- 33% deviation on bodily injury and property damage coverage to multi car with 16-20 SDIP points
- Eff 4-17-07 PC103425 North Carolina Department of Insurance

#### Peerless Insurance Company

- 12% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program
- 6.1% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, and 77 in the Supreme Tier for CPAttract scores greater than 824.
- 12.2% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 52 in the Supreme Tier for CPAttract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, 77 in the Supreme Tier for CPAttract scores greater than 824.
- 10.2% discount on Comprehensive and Collision coverages on risks in territories 52 in the Supreme Tier for CPAttract scores greater than 824.
- 7.6% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages on risks with a CPAttract score greater than 824 in the Supreme Tier.
- 3.9% discount on Bodily Injury, Property Damage and Medical Payments, coverages on risks with a CPAttract score greater than 824 in the Standard Tier.
- 1.1% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAttract

scores greater than 824.

- 4.9% discount on Comprehensive and Collision coverages on risks in the Standard Tier with CPAtract scores greater than 824.
- 10.1 discount on Bodily Injury, Property Damage, and Medical Payments in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 8.0% discount on Comprehensive and Collision coverages on risks in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 4.1% discount on Bodily Injury, Property Damage, and Medical Payments in territory 24 in the Supreme Tier with CPAtract scores greater than 824.
- 2.9% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 8.3% discount on Bodily Injury, Property Damage, and Medical Payments in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 7.3% discount on Comprehensive and Collision coverages in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 3.0% discount on Comprehensive and Collision coverages for risks in the Standard Tier with CPAtract scores between and including 725 and 824.
- 4.3% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 3.2% discount on Comprehensive and Collision coverages on risk in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 6.0% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 5.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 1.0% discount on Comprehensive and Collision coverages on risks in territories 40, 41, 43, and 76 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 3.5% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier CPAtract scores between and including 650 and 724.
- 2.5% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 650 and 724.
- 7.0 % discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with form HO-6 that are part of the Personal Protector Program.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 4-1-05 PC079505 North Carolina Department of Insurance

#### Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.

- Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit without Homeowners.
- Mature Driver Discount
- Personal Auto Preferred Program Discount
- Personal Auto Preferred Advantage Program Discount.
- Insurance Bureau Score discount.
- Eff 11-15-06 PC095921 North Carolina Department of Insurance

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Personal Auto and Homeowners/Mobile Homeowners Combination Premium Credit
- Installment Payments: \$1 charge for installment payments.
- Eff 7-1-03 PC061809 Filing Detail

Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 Filing Detail

Phoenix Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi-Policy)
- Contributing Vehicle Credit (number of vehicles)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Hybrid Vehicle Discount (type of fuel used)
- Installment Payment charge waived (Rule 22) for Multi-Line Insurance and Financial Services Institution
- Effective 1/3/07 PC096415 North Carolina Department of Insurance

Platt River Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website  
Effective 4-1-05 **PC080249** Filing Detail

Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.

**Eff 1-1-05 PC077563 Filing Detail****Progressive Premier Insurance Company of Illinois**

For deviations see North Carolina Department of Insurance Website

**Eff. 4-1-05 PC080250 Filing Detail****Progressive Preferred Insurance Company**

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage &amp; medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating
- employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage &amp; medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
  - Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
  - Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
  - Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
  - Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
  - Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage &amp; medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.



**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

**PHYSICAL DAMAGE** All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
  - 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
  - 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
  - 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
  - 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
  - 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
  - 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
  - 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.

- 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

#### Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-05 **PC077564 Filing Detail**

#### Progressive Universal Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 10-1-07 **PC107281 North Carolina Department of Insurance**

#### Providence Washington Insurance Company

##### Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

##### Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

#### Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a

company approved affinity group.

- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 [Filing Detail](#)

#### Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.
- Eff. 7-15-96 PC 034398 [Filing Detail](#)

#### Safeco Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Eff 10-4-07 PC106018 [North Carolina Department of Insurance](#)

#### Safeguard Insurance Company

- Installment payment plan – agency payroll deductible.
- Effective 5-15-04 PC069383 [North Carolina Department of Insurance](#)

#### St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.
- Eff. 1-1-95

#### St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperienced operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.

- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

#### St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

#### Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

#### Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.

- Preferred Policy Program Deviation.
- Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment.
- Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies.
- Eff. 1-27-03 PC056565 North Carolina Department of Insurance

Southern General Insurance Company

- See exception pages on file with the North Carolina Department of Insurance.
- Eff 7-2-07 PC101618 North Carolina Department of Insurance

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

Southern Insurance Company of Virginia

**ADVANTAGE XL PROGRAM**

- Multi-Car discount

- Recreational Trailer Rate Discount
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti-Lock Braking System Discount.
- Anti-Theft Devices Discount
- Account Credit
- Automatic Payment Plan
- First Accident Forgiveness
- PACE Endorsement
- XL Factors.

**MERIT XL PROGRAM**

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

**SUPERIOR XL PROGRAM**

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

**PREFERRED XL PROGRAM**

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount

- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors
- AUTOGUARD XL, AUTOGUARD II XL PROGRAMS
- Multi-Car Discount
- Recreational trailer rates
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan
- Automatic Payment Plan
- Eff. 10-1-07 PC106468 North Carolina Department of Insurance

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.
- Mature Driver Discount: Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a %% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- Accident Free Discount: 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a veicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- Multi Policy Discount: 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile.
- Eff. 5-1-03

SPARTA Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 Filing Detail

Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount multi policy - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit (number of vehicles)- credit varies.
- Hybrid Vehicle Discount (type of fuel used)10% discount.
- Eff 7-4-07 PC103958 North Carolina Department of Insurance

State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs, driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Installment Plan with Electronic Funds Transfer: \$1 monthly service charge per policy.
- Customizing Equipment deviation.
- Eff. 10-26-06 PC097712 North Carolina Department of Insurance

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments,



comprehensive & collision coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

#### State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- Deviation on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for BI/PD, Med Pay, and Collision.
- Customer Rating Index (CRI) Deviation
- SDIP Deviation
- Customization Deviation
- Eff 1-1-08 PC109891 North Carolina Department of Insurance

#### Teachers Insurance Company

- Driving Quality Deviation Bodily Injury, Property Damage and Collision Only. Must meet certain criteria Credit varies.
- Multiline (Mult Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
- Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
- Eff 8-21-07 PC105066 North Carolina Department of Insurance

#### Titan Indemnity Company

- Territory Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Liability Vehicle Grouping Deviation, Bodily Injury, Property Damage, and Medical Payments.

- Model Year Deviation, Bodily Injury, Property Damage, and Medical Payments
- New Vehicle Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Driver Class Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Accident Free Deviation, Bodily Injury, Property Damage, and Medical Payments
- Financial Responsibility Deviation (Credit Score) Bodily Injury, Property Damage, and Medical Payments.
- Matrix Deviation (various characteristics) Bodily Injury, Property Damage, and Medical Payments.
- Safe Driver Insurance Plan Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Intra Agency Transfer Deviation (independent Agency refers to Titan) Bodily Injury, Property Damage, and Medical Payments
- Affinity Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Policy Premium Amount Paid in Full Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Military Deviation.
- Eff 7-1-07 PC104089 North Carolina Department of Insurance

#### Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.
- Eff. 12-17-93

#### Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

#### Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

#### Travelers Indemnity Company

- Installment Payment Plan, waiver of charge on certain entities using payroll deduction.
- Contributing Vehicle Credit.
- Eff. 12-18-07 PC109448 North Carolina Department of Insurance

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol private pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- Rate deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- Rate deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Rate deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- Rate Deviation - non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- Rate deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- Rate deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Hybrid Vehicle Deviation discount.
- Eff 7-4-07 PC103961 North Carolina Department of Insurance

The Travelers Indemnity Company of Connecticut

- Company Coverage Factors deviation, Bodily Injury, Prop Dam, Med Pay, Un/Underinsured Motorist, Comp, Coll.
- Account Discount, Bodily Injury, Prop Dam, Med Pay, Un/Underinsured Motorist, Comp, Coll.
- Contributing Vehicle Credit: deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Hybrid Vehicle Discount 10% discount.
- Effective 7-4-07 PC103962 North Carolina Department of Insurance

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.

- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

#### Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Company Pricing Factor
- Hybrid Vehicle Discount 10% discount.
- Eff 7-4-07 PC103963 North Carolina Department of Insurance

#### Truck Insurance Exchange

- Territory Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Household Group Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Single Car, 12 or more SDIP points, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Multi Car with 12 or more SDIP points, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- High Points-Single car, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- High Points-Multi Car, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Multi-Car/Paid-in-full/Auto-Home/Mobile Home, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Accident and Point, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Major Violation Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Minor Violation and Points Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Market and Points Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Points and Inexperienced Operator Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Household Structure Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Installment Payment-Electronic Funds Transfer.
- Territory Deviation-Physical Damage, Collision and Other than Collision.
- Household Group Deviation, Rule 4.I, Collision and Other than Collision.
- Single Car-Points Deviation, Rule 4.I, Collision and Other than Collision.
- Multi Car, One Collision Vehicle, Points.
- Multi Car, Two or More Collision Vehicles, Points.
- High Points Deviation Single Car-Physical Damage.
- High Points Deviation Multi Car-Physical Damage.
- Discount Deviation-Multi Policy, Rule 4.I, Comprehensive and Collision coverages.
- Accident and Point Deviation-Physical Damage.
- Major Violation-Physical Damage, Rule 4.I, Collision and Other than Collision.
- Minor Violation and Points Deviation-Physical Damage.
- Market and Points Deviation-Physical Damage.

- Points and Inexperienced Operator Deviation, Collision and Other than Collision.
- Household Structure Deviation-Physical Damage.
- Eff 10-1-07 PC102718 North Carolina Department of Insurance

#### Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.).
- Agency Book Transfer Credit
- Eff 3-1-05 PC079092 Filing Detail

#### USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: coverage for audio, visual & data electronics equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: covered property coverage
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: Customizing Equipment Coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owner Policy deviation.
- Eff 4-9-07 PC103019 North Carolina Department of Insurance

#### USAA General Indemnity Company

- Discount for Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for vehicles insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan.

- Named Non-Owned Policy deviation.
- Eff. 11-15-06 PC097666 North Carolina Department of Insurance

#### Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

#### United Services Automobile Association

- Deviation on liability, physical damage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with air bags and any other type passive restraints.
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on six month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named On-Owned Policy deviation.
- Eff. 4-6-07 PC103006 North Carolina Department of Insurance

#### United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Unitrin Auto and Home Insurance Company

- Pricing Level Voluntary deviations no points.
- Extended Transportation Expense Coverage (Package Plus Only).
- Pro Rata Cancellation ( Package Plus).
- Principal Operator Credit aged 55 and over; no inexperienced operators, apply 1% discount to BI, PD, Collision and Comprehensive (Price levels A through Q only)
- Electronic Funds Transfer (EFT) 22. Installment Payments-No installment charge will be applied
- Network Discount, Rule 4.H, 6% discount applied to Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Vehicles Equipped with Anti-Theft Devices, Rule 4.H (Pricing Levels A through Q). 1. Alarm Only and Active Disabling Devices -5% discount on Comprehensive Coverage. 2. Passive Disabling Devices-15% discount on Comprehensive Coverage
- Package Plus Deviation, Rule 4.H, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision
- Safe Driver Insurance Plan (SDIP) Rule
- Eff 7-14-07 PC103547 **North Carolina Department of Insurance**

Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a

company approved affinity group.

- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- Eff. 12-1-00

#### Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

#### Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03 PC062944 North Carolina Department of Insurance

#### West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

#### Western General Insurance Company

- 8% discount to physical damage coverages base rates, if liability insurance is provided.
- Eff 11-15-06 PC098332 North Carolina Department of Insurance



**AUTOMOBILE**

1. ACE American Insurance Company
  - 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
  - Eff. 3-18-97
2. ACE Fire Underwriters Insurance Company
  - 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
  - Eff. 3-18-97
3. ACE Property & Casualty Insurance Company
  - 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
  - Eff. 3-18-97
4. AIG Advantage Insurance Company
  - Anti-Theft Devices Discount.
  - Anti-lock braking system discount.
  - Extra automobile discount.
  - Tier Deviation.
  - Deviation for determining other than collision base rates for symbol's not displayed.
  - Extended transportation expenses coverage deviation.
  - Driver Deviations.
  - Eff 6-1-08 PC112922 North Carolina Department of Insurance
5. AIG Centennial Insurance Company
  - Class deviation, Years licensed, single or multi-car policy, marital status, usage, annual mileage, driver training...
  - Territory Deviation.
  - Tier Deviation
  - Household Composition Deviation
  - Primary Graded Adjustment Deviation
  - Liability vehicle age deviation
  - ALGM Model year deviation
  - Anti-theft deviation
  - Eff 1-1-09 PC122590 North Carolina Department of Insurance
6. AMCO Insurance Company
  - Financial Responsibility Deviation.
  - Territory Deviation.
  - Allied Affinity Deviation.
  - Preferred Driver Deviation.
  - Driver Class Deviation.
  - Miscellaneous Vehicle Deviation.
  - Eff. 1-1-09 PC122569 North Carolina Department of Insurance
7. AMEX Assurance Company
  - Accident-Free Discount: Applies to auto BI, PD, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
  - Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
  - Deviation for auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
  - Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
  - Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.

- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 9-1-06 PC095703 North Carolina Department of Insurance

8. Alfa Alliance Insurance Corporation

- Risk Characteristic Deviation
- Insurance Score (Credit) Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Installment Payment Deviation.
- Eff. 9-15-07 PC119472 North Carolina Department of Insurance

9. Allied Property and Casualty Insurance Company

- Financial Responsibility deviation.
- Territory Deviation.
- Allied Affinity deviation.
- Preferred Driver deviation.
- Intra-Agency transfer.
- Matrix deviation.
- Home and car deviation.
- Non-Allied Homeowner.
- Auto Financial Deviation.
- Driver Class deviation.
- Household composition.
- Miscellaneous Vehicle deviation.
- Nationwide Associate Deviation.
- Advanced Quote Deviation.
- Eff. 1-1-09 PC122568 North Carolina Department of Insurance

- **Motorcycle/Recreational Vehicle**

- Matrix Deviation
- Eff 8-10-07 PC104818 North Carolina Department of Insurance

10. Allstate Indemnity Company

**Preferred Program**

- Territory Deviation, Bodily Injury, Property Damage, Medical, Collision and Comprehensive.
- Years Licensed Deviation, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Fifty-Five (55) and Over Discount
- Tier, Bodily Injury, Property Damage, Medical, Collision, and Comprehensive
- Premier and Premier Plus Discount, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Multiple Policy Discount, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- New Car Discount
- The Good Hands People Discount, Collision and Comprehensive
- Antilock Brake Discount, Collision coverage
- Accident Rating Deviation (SDIP) Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Installment Payment Fee for Electronic Funds Transfer or Payroll Deviation
- Coverage Deviations (Death Indemnity) no charge for \$10,000 limit

**Regular Auto Program**

- Liability Coverage Deviations for Bodily Injury and Property Damage
- Installment Payments, Electronic Funds Transfer or Payroll Deduction
- The Good Hands People Discount, Collision and Comprehensive
- Eff 10-13-08 PC120044 North Carolina Department of Insurance

11. Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.
- Optional Rating Characteristics.
- Territory.

- Effective 1-1-09 North Carolina Department of Insurance
12. Allstate Property and Casualty Insurance Company
    - Territory Deviation.
    - Household Composition, number of years licensed for the least years licensed operator, number of vehicles and the number of operators listed.
    - Multiple Policy Discount.
    - New Car Discount, Months since purchase.
    - 55 And Over Discount.
    - The Good Hands People Discount.
    - Antilock Brake Discount.
    - Tier, Years with Prior Carrier, Ownership, Prior BI Limit, New Business Lapse.
    - Premier and Premier Plus Discount.
    - Good Payer Discount.
    - Allstate Easy Pay Plan Discount.
    - Accident Rating Deviation.
    - Years Licensed Deviation.
    - Installment Payments.
    - Future Effective Date Discount.
    - Effective 1-1-09 PC122550 North Carolina Department of Insurance
  13. American Automobile Insurance Company
    - 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
    - 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
    - 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
    - Anti-lock braking system - 5% private passenger auto BI, PD & med pay coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
    - Various deviations on BI, PD, combined single limits, med pay, extended transportation expense, coll, & comp coverages.
    - Electronic Funds Transfer Program: No charge.
    - Account Credit
    - Installment Payments
    - Eff. 10-01-03 PC 064659 Filing Detail
  14. American Bankers Insurance Company of Florida
    - 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
    - Eff. 3-15-86
  15. American Centennial Insurance Company
    - 5% non-fleet private passenger auto liability & physical damage rates.
    - Eff. -1-85
  16. American Economy Insurance Company
    - 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
    - Eff. 4-19-91
  17. American Fire & Casualty Company
    - Fampak Discount: 5% credit for all coverages.
    - Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
    - Employee Discount: 15% credit for all coverages.
    - Base Rate Deviation by territory for bodily injury, property damage, medl pay, uninsured motorists, comp & coll coverages.
    - Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
    - Eff. 9-1-00 PC 035767 Filing Detail
  18. American Home Assurance Company
    - 6% - 37% deviation for med pay & uninsured & underinsured motorists coverage: All territories: Certain

criteria must be met.

- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 [Filing Detail](#)

19. American Insurance Company

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064660 [North Carolina Department of Insurance](#)

20. American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
  - a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving exp with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving exp with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving exp with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving exp with a 12 point violation.
- Effective 8-27-04 PC073480 [Filing Detail](#)

21. American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking

System.

- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expense is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Misc Types Rule-19.F. Classic Auto Discount for BI, PD & med pay coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03 PC062831 North Carolina Department of Insurance

22. American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03 PC062832 North Carolina Department of Insurance

23. American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.  
Eff. 2-1-86

24. American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to BI, PD, med pay, coll & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to BI, PD, Med Pay, Coll and Comp premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

25. American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

26. American States Preferred Insurance Company

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.

- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.
  - Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
  - Vehicle Usage and Market Tier Deviations, various rates, BI, PD, Med Pay, Comprehensive and Collision.
  - Limited Experience Operator Program Subscription.
  - Eff. 4-17-08 PC114258 North Carolina Department of Insurance
27. AMICA Mutual Insurance Company
- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
  - Charge \$2 in lieu of \$3 each installment with certain exceptions.
  - Eliminate additional charge \$2 on 1st installment for insureds participating in the Account Billing Payment Plan.
  - Eliminate additional charge \$2 for the first installment payment.
  - Eliminate additional charge \$2 for 1st installment payments for group policyholders who pay through payroll deduction.
  - Downward deviations to one year short-rate cancellation.
  - Multi-Line discount.
  - Eff. 6-1-07 PC101534 North Carolina Department of Insurance
28. Arch Insurance Company
- 15% private passenger auto comprehensive & collision rates.
  - Eff 9-29-92
29. Argonaut Insurance Company
- Advantage Discount: 13.5% discount applies to BI,PD, medical, collision & comprehensive for single car auto policies.
  - Multi-Car Discount: 23.7% discount applies to BI, PD, medical, collision & comprehensive for single car auto policies.
  - Preferred Driver Discount: 10% discount applies to BI, PD, medical, collision & comprehensive for single car auto policies.
  - Eff. 4-1-00 PC031707 North Carolina Department of Insurance
30. Arrowood Indemnity Company
- Installment Payment Plan – Agency payroll deduction.
  - Eff 5-15-04 PC069376 North Carolina Department of Insurance
31. Associated Indemnity Corporation
- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
  - Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
  - Discount on comprehensive for vehicles equipped passive disabling devices.
  - Anti lock brake discount.
  - Various deviations on BI, PD, combined single limits, med pay, extended transportation expense, coll, & comp.
  - Electronic Funds Transfer Program: No charge.
  - Account Credit
  - Installment Payments.
  - Eff. 10-01-03 PC064661 North Carolina Department of Insurance
32. Association Insurance Company
- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
  - 32.5% non-fleet private passenger auto BI, PD, medical payments, comprehensive & collision for SAS Institute Employees.
  - Eff. 1-1-96
33. Assurance Company of America
- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
  - 15% non-fleet private passenger auto comprehensive & collision.
  - 7.5% non-fleet private passenger auto BI, PD, med pay comp & coll coverage for drivers with 30 yrs. driving

- experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto BI, PD, med pay, comp & coll coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto BI, PD, med pay, comp & coll coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comp & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto BI, PD, med pay, comp & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

34. Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37% bi & pd, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - 33% bi & pd, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
  - Eff. 7-1-94

MOTORCYCLE

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage.
- Eff. 7-1-91

35. Auto Owners Insurance Company

**Standard Program**

- Uninsured Motorists/Underinsured Motorists Deviation, Limits 100/100 and higher.
- Standard Rate Deviation.
- Paid in Full Deviation.
- Multi Policy (Auto/Home; Auto/Life; Auto/Umbrella) Discount for BI, PD, Med Pay, Comp and Coll.
- Total Disability Benefits \$50 weekly at no additional charge.
- Auto Death Indemnity \$10,000 at no additional charge.
- Symbol Deviation, Comprehensive Symbols 22 thru 27.
- Territory Deviation.

**Premier Program**

- Uninsured Motorists/Underinsured Motorists Deviation, Limits 100/100 and higher.
- Premier Rate Deviation.
- Symbol Deviation, Comprehensive Symbols 22 thru 27.
- Multi Policy Discount Auto/Home; Auto/Life; Auto/Umbrella Discount for BI, PD, Med Pay, comprehensive & collision.
- Paid in full discount.

- Mature Driver Discount: BI, PD, med pay, comp & coll for insureds 55 - 74 yrs. of age
  - Territory Deviation
  - Insurance Scoring Discount on all coverages.
  - Auto Death Indemnity \$10,000 at no additional charge.
  - Total Disability Benefits \$35 weekly at no additional charge.
  - Eff 1-1-09 PC121613 North Carolina Department of Insurance
36. Bankers Standard Insurance Company
- 17% non-fleet private passenger auto BI, PD, med pay, uninsured motorist, uninsured motorist & underinsured motorist, comp & coll.
  - Eff. 3-18-97
37. Burlington Insurance Company
- 15% private passenger auto physical damage insurance rates.
  - Eff. 5-28-87
38. Central Mutual Insurance Company
- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
  - Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
  - Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
  - Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
  - Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per installment / withdrawal.
  - Deviation for eligible Exceptional Drivers.
  - Deviation for single car risks with additional company-owned vehicles.
  - Deviation for eligible Superior Drivers. (Central Premier) Certain criteria apply.
  - Custom Loyalty Credit
  - Deviation for Acceptable Drivers
  - Eff 2/1/06 PC089112 North Carolina Department of Insurance
39. Century Indemnity Company
- 10% non-fleet private passenger auto comprehensive & collision rates.
  - Eff. 6-1-89
40. The Charter Oak Fire Insurance Company
- Company Coverage-Deviation by Coverage (coverages purchased)
  - Account Discount (Multi Policy)
  - Contributing Vehicle Credit (number of vehicles)
  - Renewal Credit varying by territory and coverage
  - Hybrid Vehicle Discount – type of fuel used 10% discount.
  - Installment Payment Plan.
  - Eff 1-1-08 PC122020 North Carolina Department of Insurance
41. The Cincinnati Insurance Company
- Rule A6 Year of Construction Newly Constructed Dwellings Age of Dwelling Credits.
  - Rule 301 Base Rate Deviation By territory.
  - Rule A2 Installment Payment Plan.
  - Homeowners Enhancement deviation.
  - Rule 612 Watercraft Liability deviation.
  - Eff. 10-1-08 PC119855 North Carolina Department of Insurance



42. Citizens Insurance Company of America

- 10% auto bi, pd, med pay, comp & coll coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% auto comp & coll coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to auto bi, pd, med pay, comp & collision. Less than 3 yrs.-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

43. Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% auto BI, PD, med pay, comp & coll when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

44. Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has homeowners policy with any Encompass Ins Co.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Eff. 7-3-01

45. Continental Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01 PC038499 North Carolina Department of Insurance

46. Depositors Insurance Company

- Matrix Deviation
- Eff 8-10-07 PC104819 North Carolina Department of Insurance

47. Economy Fire and Casualty Insurance Company

- Territory Deviation
- Experience driver deviation.
- Age 55 and over deviation.
- Preferred customer discount.
- Superior driver discount.
- Multi-Policy discount.
- Mass merchandising Account deviation.
- Payroll deduction discount.
- Employment tenure discount.
- Eff 6-23-08 PC117122 North Carolina Department of Insurance

48. Economy Preferred Insurance Company

- Territory Deviation
- Experience driver deviation.
- Age 55 and over deviation.
- Preferred customer discount.
- Superior driver discount.
- Multi-Policy discount.
- Mass merchandising Account deviation.
- Payroll deduction discount.
- Employment tenure discount.
- Eff 6-23-08 PC117121 North Carolina Department of Insurance

49. Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to private passenger BI and PD liability, med pay, comp & coll for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag; 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices; 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01 PC040072 North Carolina Department of Insurance

50. Electric Insurance Company

- Territory Deviation applicable to comp and coll coverages, credit varies by territory when all program criteria is met.
- Tier Level Deviations when criteria is met.
- Safe driver discount when criteria is met.
- Elfun Society Membership discount.
- Mass Marketing Discount.
- Operator of vehicle is 55 yrs or older.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 12-31-07 PC109423 North Carolina Department of Insurance

51. Employers' Fire Insurance Company

- Bodily Injury base rate deviation.
- Property Damage base rate deviation.
- Medical Payments base rate deviation.
- Uninsured/underinsured Motorists base rate deviation.
- Eff 11-1-07 PC104694 North Carolina Department of Insurance

52. Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock

braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.

- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

53. Encompass Indemnity Company

- Territory Deviation.
- Household Composition.
- New Car Discount.
- Tier Rating.
- Good Payer Discount.
- Encompass Easy Pay Plan discount.
- Years Licensed Deviation.
- Homeownership Discount.
- Future effective date discount.
- Accident/Violation Free Discount.
- Companion Discount.
- Anti-theft device discount.
- Anti-lock braking system discount.
- Daytime Running lights discount.
- Bodily Injury Increased Limits Discount.
- Med Pay increased limits deviation.
- All other trailers comprehensive deductible deviation.
- Cancellation deviation.
- Hagerty classic auto.
- Eff 3-24-08 PC107309 North Carolina Department of Insurance  
Antique and Classic Automobile Program
- Antique Autos Deviation for BI, PD, Med Pay, UM/UIM – All Territories.
- Classic Autos Deviation for BI, PD, Med Pay, UM/UIM – All Territories
- Eff 5-15-06 PC091813

54. Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to priv pass auto BI, PD, comp & coll on a Pioneer Family Auto Policy. Other criteria apply.
- Age 55 and over deviation
- Anti-lock brake deviation systems on BI and PD on all four wheels.
- Anti-theft devices.
- Feature 15 deviation (Accident Forgiveness).
- Installment Premium Payment Plan deviation.
- Coverage for Rented Vehicles:
- Pro rata cancellation and Pro-Rata Table.
- Multi-Policy Discount:
- Multi Car - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Classic Vehicles.
- Uninsured/Underinsured Motorists single vehicle/multi-vehicle.
- Increased Limits.
- Base Rates by Territory.
- Effective 1-1-09 PC121881 North Carolina Department of Insurance

55. Erie Insurance Exchange

- Base rate deviations by territory on BI, PD, Med Pay, Comprehensive and Collision coverages, by Territory.
- Age 55 and over 5% deviation on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Anti-Lock Brake deviation on Bodily Injury and Property Damage.

- Anti-Theft Device deviation on Comprehensive.
- First Accident Forgiveness - The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto Policy.
- Feature 15 -- The SDIP surcharge will be deviated for the following at-fault accidents presented on a Personal Auto Policy which has been continuously in force with the Erie Insurance Group for 15 or more years, see Exception Page 3. (1) 1 point 15% deviation (2) 2 points 40% deviation (3) 3 points 65% deviation.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles - waive \$4 charge for this coverage.
- Pro-Rata Cancellation and Pro-Rata Table for all policies.
- Comprehensive Deductible factors deviation.
- Multi Policy Discount:
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driver Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Discount - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Classic Vehicles
- Safe Driver Discount
- Advance Quote Discount
- Prior BI Limits Discount.
- Uninsured/Underinsured Motorists single vehicle/multi-vehicle.
- Increased Limits.
- Eff 1-1-09 PC121880 North Carolina Department of Insurance

56. Essentia Insurance Company

- Bodily Injury base rate deviation.
- Property Damage base rate deviation.
- Medical Payments base rate deviation.
- Uninsured/underinsured Motorists base rate deviation.
- Mass Marketing Discount.
- Eff 1-1-09 PC122418 North Carolina Department of Insurance

57. Fairmont Premier Insurance Company

- 10.7% private passenger auto BI, PD, med pay, coll, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto BI, PD, med pay & coll; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto BI, PD, med pay, comp & col for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision.
- Eff. 3-1-98

58. Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968 North Carolina Department of Insurance

59. Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Premier and Preferred Base Rate Deviations.
- Auto/Multi Policy Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comp when a vehicle is equipped with a passive anti-theft device.
- Electronic Funds Transfer Discount.
- Eff. 10-1-08 PC116744 North Carolina Department of Insurance

60. Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.
- Eff. 7-1-03

61. Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

62. Fidelity & Deposit Compay of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% auto liability, PD, med pay comp & coll when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

63. Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit auto BI, PD, med pay, comp & coll premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

64. Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit auto BI, PD, med pay, comp & coll premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

65. Firemans Fund Insurance Company

- 5% auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on BI, PD, combined single limits, med pay, extended transportation expense, coll, & comp coverages.
- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658 North Carolina Department of Insurance

66. Firemen's Insurance Company of Washington D.C.

- 15% auto BI, PD, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

67. First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

68. First Liberty Insurance Corporation

- Liability Single Limits (Property Damage) deviation
- Liability Split Limits (Bodily Injury) deviation
- Property Damage Limits deviation.
- Medical Payments deviation.
- Group Savings Plus Discount Program.
- Homeowners Discount
- Mature Driver Discount.
- Waive the additional \$3.00 charge on the first installment on the Installment Payment Plan
- Short Rate Cancellation deviation
- New Customer deviation.
- Tiering Deviation.
- Eff. 12-15-08 PC116669 North Carolina Department of Insurance

69. First National Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Eff. 4-17-08 PC114259 North Carolina Department of Insurance

70. Foremost Insurance Company

- Installment Payments
- Eff 12/1/06 PC099237 North Carolina Department of Insurance

71. GEICO Indemnity Company

- Associate Discount: non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- E-Banking Discount.
- Eff. 11-1-07 PC107943 North Carolina Department of Insurance

72. Garrison Property and Casualty Insurance Company

- Deviation on liability, physical damage, med pay, uninsured motorists, extended transportation, towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.

- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named non-owner policy deviation.
- Eff 7-1-07 PC100835 North Carolina Department of Insurance

73. General Insurance Company of America

- Territory Deviation, various rates.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car 12-Point Violation Deviations, various rates, BI, PD, Med Pay, Comp and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Effective 4-17-08 PC114260 North Carolina Department of Insurance

74. Generali - U S Branch

- 10% auto liability BI & PD for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% auto liability BI & PD for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% auto liability BI & PD for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% auto liability BI & PD for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability BI & PD rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability BI & PD rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

75. Government Employees Insurance Company

- Base Premium Deviation by territory.
- Combines uninsured & underinsured motorist.
- Bodily Injury & Property Damage Increased Limits Factor Deviation.
- North Carolina 55 & Over deviation.
- Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit:
- 5 Year Good Driving Discount: Certain criteria apply.
- Associate Discount: credit to total policy premium.
- Military Discount Deviation.
- Tier Discount.
- SDIP Factors Discount
- Installment Payment Plan: for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Territory Subdivision by County.
- Emergency Road Service.
- E-Banking Discount.
- Eff. 1-1-09 PC121834 North Carolina Department of Insurance

76. Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident

free for that period.

- New Policy Credit.
- Eff 9-15-05 PC085131 Filing Detail

77. Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 Filing Detail

78. GuideOne Mutual Insurance Company

- 55% liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

79. Hanover American Insurance Company

- 10% BI, PD, med pay, comp & coll coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% comp & coll coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02

80. The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02

81. Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% BI, PD, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

82. Harleysville Mutual Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.



- Eff 9-12-06 PC096330 North Carolina Department of Insurance
- 83. Harleysville Preferred Insurance Company
  - Preferred customer discount.
  - StarPak Program Discount – Certain criteria, credits vary.
  - Companion Credit
  - Lifer Insurance Policy Discount.
  - Group discount-affinity.
  - Eff 9-12-06 PC096331 North Carolina Department of Insurance
- 84. Hartford Casualty Insurance Company
  - Product Factors. Principal Operator Licensed, territory, BI, PD, Med Pay, Comp and Collision.
  - Account Credit BI, PD, Med Pay, Comp and Collision
  - Agency Book Transfer Credit, maintained continuous automobile coverage, four or more consecutive years of accident and conviction free experience, BI, PD, Med Pay, Comp and Collision.
  - Multi Car Discount.
  - Eff 1-1-09 PC121984 North Carolina Department of Insurance
- 85. Hartford Fire Insurance Company
  - Product Factors. Principal Operator Licensed, territory, BI, PD, Med Pay, Comp and Collision.
  - Account Credit BI, PD, Med Pay, Comp and Collision
  - Agency Book Transfer Credit, maintained continuous automobile coverage, four or more consecutive years of accident and conviction free experience, BI, PD, Med Pay, Comp and Collision.
  - Multi Car Discount.
  - Eff 1-1-09 PC121983 North Carolina Department of Insurance
- 86. Hartford Underwriters Insurance Company
  - Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
  - Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
  - Renewal Credit Discount: 3-5 yrs. - 2%: 6 or more yrs. - 8%: Certain criteria apply.
  - Incident Free Credit: 3% bi, pd, medical payments, comprehensive & collision: Certain criteria apply.
  - Safe Driver Plus Credit: 3% bi, pd, medical payments, comprehensive & collision when criteria is met.
  - Advantage Discount: 10% credit when criteria is met.
  - Eff. 10-16-07 PC105131 North Carolina Department of Insurance
- 87. Horace Mann Insurance Company
  - Multiline (Multi Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
  - Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
  - Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge.
  - Electronic Funds Transfer (Payment Options) no fee charged.
  - Installment Payments - No charge on first installment.
  - School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
  - Employee Payroll Payment Plan deviation.
  - Policy Age Deviation.
  - Educator Deviation.
  - Eff 1-1-09 PC121431 North Carolina Department of Insurance
- 88. Horace Mann Property & Casualty Insurance Company
  - Territory Deviation.
  - Multi line (Multi Policy) Deviation.
  - Member Only (Affinity) deviation.
  - Surcharge Forgiveness (SDIP) free of chargeable accidents for five consecutive years will not apply the appropriate surcharge.
  - Electronic Funds Transfer (Payment Options) no fee charged.
  - Installment Payments No installment fee charged on the first installment. (Personal Auto Manual Rule 22)

- Credit Rating Deviation.
- Administrator Deviation-School Administrator.
- School Payroll Payment Plan Deviation.
- Policy Age Deviation.
- Employee Payroll Payment Plan Deviation.
- Educator Deviation.
- Eff. 1-1-09 PC121430 North Carolina Department of Insurance

89. IDS Property Casualty Insurance company

- Accident Free Discount.
- Auto/Homeowner Discount
- Deviation for BI, PD, Med Pay, Comp, Coll and UM/UIM limits.
- Liability Limits deviation.
- Installment Pay Plan.
- Work Site Discount.
- Costco Member Discount.
- Multi-car Discount.
- Affinity discount.
- Eff 1-1-09 PC121420 North Carolina Department of Insurance

90. Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

91. Infinity Insurance Company

**CLASSIC COLLECTORS PROGRAM**

- BI & PD Deviation
- Comp and Coll coverage deviation
- UM/UIM coverage, Med Pay & Towing deviation
- Eff 1-1-06 PC088103

92. Infinity Standard Insurance Company

- For Deviations see the North Carolina Department of Insurance Website.
- Eff 7-22-02 PC052902 North Carolina Department of Insurance

93. Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03 PC056566 North Carolina Department of Insurance

94. Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

95. Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- a. Manslaughter or negligent homicide.

- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
- 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
- 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
- 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
- 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
- 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
- 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
- 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
- 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
- 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
- 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
- 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
- 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liav dev is equal to or greater than 3%.
- Eff. 7-1-03 PC062682 North Carolina Department of Insurance

96. Integon General Insurance Corporation

- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if all of all other liab dev are equal to or greater than 3%.
- 1.2% average deviation on comp rates. Non-owners policies do not qualify for this dev.
- 5.3% Average Deviation on coll rates. Non-owners policies do not qualify for this dev.
- Eff. 7-1-05 PC084370 North Carolina Department of Insurance

97. Integon Indemnity Corporation

- Installment payment plan fees waived for GMAC insurance employees.
- 1.2% average deviation non-fleet private passenger auto Comp rates. Non-owners policies do not qualify.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if all liab dev combined is equal to or greater than 3%.
- 21.2% Average dev on collision rates. Non-owners policies do not qualify for this dev.
- Eff. 7-1-05 PC084371 North Carolina Department of Insurance

98. Integon National Insurance Company  
Non Preferred Program

- .34 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .50 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- 2.3% average deviation on comprehensive insurance rates. Non-owners policies do not qualify for this deviation.
- 31.9% average deviation on collision insurance rates. Non-owners policies do not qualify for this deviation.
- .38 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 13-16 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.

- .40 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 17-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .54 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 13 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .56 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 14-15 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .58 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 16-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .74 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .72 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .70 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .62 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .60 factor applies to BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .59 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.

ULTRA PREFERRED AND PREFERRED PROGRAM DEVIATIONS

- .94 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and have married drivers with 14 to less than 44 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- .94 factor applies to all BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. Deviation applies only to policies with proof of homeownership.
- .98 factor applies to all BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 100/300.
- .80 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior

- credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.25 factor applies to all BI, PD, Med Pay, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
  - 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has one or more at fault accident.
  - 1.12 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 4 to less than 5 years driving experience.
  - 1.10 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .90 factor applies to all auto Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies where one of the following criteria is met: 1) GMAC/Ditech Mortgage customer, 2) GMAC Auto Loan customer, 3) GMAC Auto Lease customer, 4) GM Credit Card customer, 5) GMAC Demand/Smart Note customer, 6) GM/GMAC Employee/Retiree or member of an approved employee group, or 7) GM Dealership employee.
  - 1.10 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with limits of 50/100.
  - .89 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 250/500.
  - 1.20 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 2 to less than 3 years driving experience.
  - 1.05 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .75 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists, rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
  - 2.00 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with no proof of prior insurance.
  - .63 factor applies to auto BI, PD, Med Pay, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
  - .96 factor applies to all Comp and Coll insurance rates on multi-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and married drivers with 14 to less than 44 years driving experience.
  - .63 factor applies to all auto Comp and Coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
  - .88 factor applies to all auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only

if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.

- 1.21 factor applies to all auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all auto Comp and Coll insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.29 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with less than 1 year driving experience.
- 1.23 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 1 to less than 2 years driving experience.
- 1.17 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 3 to less than 4 years driving experience.
- 1.07 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies and drivers who are not married.
- 1.20 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with 1 SDIP point.
- 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier where the policy has 1 SDIP point.
- .95 factor applies to all on all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 2 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 3 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 4 SDIP points.
- 1.07 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with 14 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with less than 14 years driving experience.
- 1.07 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies, and married drivers with 44 or more years driving experience.
- 1.10 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and married drivers with less than 14 years driving experience.
- 1.07 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies with married drivers.
- .96 factor applies to all auto Comp and Coll insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 9 to less than 14 years driving experience.
- .90 factor applies to all auto Comp and Coll insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 14 to less than 44 years driving experience.

- .95 factor applies to all auto Comp and Coll insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 44 to less than 55 years driving experience.
- 1.15 factor applies to all auto Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all auto BI, PD, Medl Pay, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 5 to less than 6 years driving experience.
- 1.08 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comp and Col insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 6 to less than 7 years driving experience.
- 1.06 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 7 to less than 11 years driving experience.
- 1.02 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 11 to less than 18 years driving experience.
- 1.01 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 18 to less than 37 years driving experience.
- 1.02 factor applies to all auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 55 to less than 61 years driving experience.
- 1.08 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 61 or more years driving experience.
- .48 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .37 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .34 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor

vehicle, that are single-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .40 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all BI, PD, Med Pays, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.



- .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .33 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in

prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .36 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .28 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers who are not married with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .31 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers who are not married with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to multi-car policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to single-car policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .30 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .27 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor

- vehicle, that are single-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .22 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .18 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .23 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .29 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point

violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .56 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .50 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .49 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .43 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .38 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .37 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor

- vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .33 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .39 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .43 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .44 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .49 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 55 or more years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
  - .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 55 years driving experience.
  - .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 55 years driving experience.
  - .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13-18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or

death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 55 years driving experience.

- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13-18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 55 years driving experience.
- .31 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience.
- .29 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience.
- .26 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience.
- .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience.
- .24 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience.
- .22 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.
- .31 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
- .28 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.
- .59 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or

- knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 5 to less than 9 years driving experience.
- .53 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 5 to less than 9 years driving experience.
  - .52 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 9 to less than 14 years driving experience.
  - .46 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 9 to less than 14 years driving experience.
  - .44 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience.
  - .40 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.
  - .47 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
  - .52 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.
  - 1.16 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with limits of 30/60.
  - 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
  - 1.20 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with less than 5 years driving experience.
  - 1.18 factor applies to all non-fleet private pass auto Comp and Coll insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with 5 or more years driving experience.
  - 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier.

This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.38 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.32 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to all non-fleet private pass auto BI, PD, Med Pays, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .96 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for a superior credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .83 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .76 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 1.33 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average, acceptable or above average credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 1.21 factor applies to all non-fleet private passenger auto Com and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .97 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for a superior, ultra or ultra preferred credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .66 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.

**ULTRA PREFERRED, PREFERRED AND NON-PREFERRED PROGRAM**

- Installment payment plan fees waived for GMAC Insurance employees and affiliates of GMAC Insurance.
- .97 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorist, and Underinsured Motorist insurance rates on all policies eligible for voluntary liability under the company's underwriting guidelines, with at least one full coverage vehicle. (must have BI/PD and collision). This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- .97 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies set up on Electronic Funds Transfer payment plan.
- Eff 5/19/06 PC089479 North Carolina Department of Insurance



99. Integon Specialty Insurance Company

- See exception pages on file with the North Carolina Department of Insurance.
- Eff. 7-1-05 PC084372 North Carolina Department of Insurance

100. Ironshore Indemnity Inc.

- 7.5% BI, PD for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide: B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death: C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing: D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% BI, PD for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death: C. Pre-arranged racing of knowingly lending a vehicle to be used in pre-arranged racing: D. Transporting illegal intoxicating liquors by motor vehicle.
- Eff. 6-7-95

101. Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- a. Manslaughter or negligent homicide.
  - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
  - d. Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
  - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
  - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
  - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
  - Eff. 4-1-99

102. Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Installment Payment Plan.
- Homeowners Discount: when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits (BI) deviation. credit varies.
- Liability split limits (BI) deviation, credit varies.
- Property Damage deviation.
- Short Rate Cancellation deviation.
- New Customer downward deviation.
- Tiering Program.
- Eff. 6-22-09 PC116742 North Carolina Department of Insurance

103. LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage,

comprehensive & collision.

- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03 PC061489 North Carolina Department of Insurance

104. Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3\$ is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

105. Main Street America Assurance Company

- Preferred Plus Driver Discount. Collision and Comp Coverages
- Preferred Driver Discount Comp and Coll Coverages.
- Insurance Score Discount BI, PD, Med Pay , Uninsured and Combines UM/UN.
- Installment Pay Plan – Multipolicies, Installment Pay Plan – EFT.
- Combines Personal Protection Program – both HO and Auto, BI, PD, Med, Coll, Comp.
- Eff 10-10-07 PC107137 North Carolina Department of Insurance

106. Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

107. Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto BI, PD, med pay, comp & coll rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to comp & coll rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

108. Members Insurance Company

- Extra Vehicles Deviation
- Account Credit Deviation
- Underwriting Tier Deviation
- Eff 3-29-07 PC102736 North Carolina Department of Insurance

109. Merastar Insurance Company

- Account Discount, Rule 4.1. (a) -5% on BI, PD, liability, med pay, comp and coll rates if named insured is a member of an employer sponsored account or qualifying affinity group.
- Mature Operator Discount, Rule 4.1 (b) -5% on bodily injury, property damage, med pay, comp and coll coverages if the named insured is age 55 or older and no operator has less than 9 years driving.

- Auto/Home Discount, Rule 4.I. (a) -5% on BI, PD, med pay, comp and coll rates if the named insured also insures the principal residence with either Merastar Insurance Company or its designated joint venture business partners.
- Safe and Sound Discount, Rule 4.I. (b) -6% on comp and coll rates if the policy qualifies for the Company's Safe and Sound discount.
- Anti-Lock Braking Discount, Rule 4.I.(c)-2% on collision if vehicle is equipped with a factory installed anti-lock braking system.
- Anti-Theft Discount, Rule 4.I. (c) -5% on comp rates for alarm-only or other anti-theft system; -15% on comp rates for a passive anti-theft system (Discounts are not cumulative. A maximum of 15% applies when both devices are installed).
- Waiver of Installment Charge, Rule 4.I. (a) is waived for all policies paid by payroll deduction; \$1.00 installment charge for policies paid by Automatic Bank Draft.
- Personal Financial Management Discount (Credit Score), Rule 4.I. (b) -20% on non-fleet private passenger automobile bodily injury, property damage, medical payments, comprehensive and collision coverages, if named insured Credit Score is greater than 887, with bodily injury limits of 100/300 or higher and owns home; -10% if named insured credit score is greater than 849, with bodily injury limits of 50/100 or higher and owns home.
- Eff. 4-15-07 PC099427 North Carolina Department of Insurance

110. Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bi, pd, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies.
- Preferred Customer Discount: Certain criteria apply: Credit varies.
- Superior Driver Discount: Certain criteria apply: Credit varies.
- Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: Certain criteria apply.
- Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: credit applies when criteria is met.
- Eff 6-23-08 PC117231 North Carolina Department of Insurance

111. Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

112. Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

113. NGM Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Coll and Comp premiums. Certain criteria apply.
- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% BI, PD & med pay, coll & comp when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955 Filing Detail

114. National Specialty Insurance Company

- Deviation on bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria

is met.

- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

115. National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662 North Carolina Department of Insurance

116. Nationwide Affinity Insurance Company of America

- Territory Deviation
- Nationwide Affinity Deviation
- Liability Vehicle Grouping Deviation
- Model Year Deviation
- New Vehicle Deviation
- Driver Class Deviation
- Accident Free Deviation
- Financial Responsibility Deviation (Credit Score)
- Matrix Deviation (prior insurance, prior bodily injury limits, number of vehicles)
- Safe Driver Insurance Plan Deviation
- Miscellaneous Vehicle Deviation (Antique or Classic Autos, Motorcycles and any vehicle not subject to the SDIP)
- Eff 7-1-08 PC115527 North Carolina Department of Insurance

117. Nationwide Insurance Company of America

- Motorcycle
- Matrix Deviation
- Eff 8-10-07 PC104820 North Carolina Department of Insurance

118. Nationwide Mutual Fire Insurance Company

- Company Deviation Factor
- Inexperienced operator with Foreign Driver's License Deviation.
- Eff. 4-1-06 PC089469 North Carolina Department of Insurance

119. Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Merit Credit deviation.
- Eff. 1-1-09 PC122304 North Carolina Department of Insurance

120. Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – Based on credit scoring. Credit varies.
- Territory Deviation – Credit varies by territory.
- Nationwide Affinity Deviation.
- Preferred Driver Deviation –according to certain criteria.
- Intra-Agency Transfer Deviation.

- Matrix Deviation.
- Non-Nationwide Homeowner Deviation.
- Auto Financial Deviation.
- Miscellaneous Vehicle Deviation.
- Motorcycle Deviation.
- Driver Class Deviation.
- Household composition deviation
- Payment Plan Deviation.
- Tier Deviation.
- Terms with prior carrier deviation.
- Increase Limits.
- New Vehicle Deviation.
- Advanced Quote Deviation.
- SDIP Deviation.
- Time Since Incident Deviation.
- Effective 8-11-08 PC116220 North Carolina Department of Insurance

121. Netherlands Insurance Company

- 10% deviation applies to BI, PD, medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & med pay comp and coll coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & med pay comp and coll coverages for risks part of the Personal Protectors Program.
- 2% discount for BI, PD, & med pay comp and coll coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

122. New South Insurance Company

**Non-Preferred Program**

- 5.3% bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 1.2% average deviation for non-fleet private passenger auto comprehensive rates. Non-owners policies do not qualify.
- 18.1% average deviation for non-fleet private passenger auto collision rates. Non-owners policies do not qualify
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- Eff. 7-1-05 PC084373 North Carolina Department of Insurance

123. North Carolina Farm Bureau Mutual Insurance Company

- Policies with a Reward driver (29 to 49 years driving experience) BI, PD Med Pay, Comp and Coll coverages.
- Policies with a Preferred driver and no Reward driver (19 to 29 or 49 to 54 years driving experience) d BI, PD Med Pay, Comp and Coll coverages.
- Policies with a Premier driver and no Reward and no Preferred driver (11 to 19 or 54 to 56 years of driving experience) BI, PD Med Pay, Comp and Coll coverages.
- Policies with a Freedom driver and no Reward and no Preferred and no Premier driver (8 to 11 years driving experience) BI, PD Med Pay, Comp and Coll coverages.
- Policies with experienced driver and /or Value driver and/or Inexperienced Driver and no driver in Freedom, Reward, Preferred, Premier BI, PD Med Pay, Comp and Coll coverages.
- Deviation of 20% to Collision Coverage on Motorcycles with greater than 1000 cc's.

- Territory Deviation will apply to BI, PD Med Pay, Comp and Coll coverages.
- Twelve-point violation 55% for BI, PD Med Pay, Comp and Coll coverages
- Combined Uninsured/Underinsured Motorist coverage.
- Split Limit BI Increased Limits.
- Eff 1-1-09 PC121441 North Carolina Department of Insurance

124. Northern Insurance Company of New York

- 10% bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% BI, PD, med pays, comp & coll for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% BI, PD, med pay, uninsured & underinsured motorist, comp, coll, towing & all miscellaneous coverage for auto & home discount.
- 10% bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% bodily injury, property damage, med pay, comp & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on BI, PD, comp & coll if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on BI, PD, comp & coll if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

125. Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

126. Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 **PC041974 Filing Detail**

127. OneBeacon America Insurance Company

- Base rate deviation by territory: bodily injury, property damage, med pay, comprehensive & collision premium. Variable credits.
- 5% bodily injury, property damage, med pay, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: on comprehensive if vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

128. OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for bodily injury, property damage, med pay, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.
- Eff. 11-20-01

129. Owners Insurance Company

- Uninsured Motorists/Underinsured Motorists Deviation, Limits 100/100 and higher.

- Owners Deviation for bi, pd, med pay, comp and coll.
- Comprehensive Symbols 22-27 Deviation.
- Multi Policy (Auto/Home; Auto/Life; Auto/Umbrella) Discount for BI, PD, Med Pay, Comp and Coll.
- Paid in Full Deviation.
- Mature driver Discount.
- Territory Deviation.
- Insurance Score Discount on all coverages.
- Eff 1-1-09 PC121612 North Carolina Department of Insurance

130. Pacific Employers Insurance Company

- 17% bodily injury, property damage, med pay, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

131. Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03 PC062945 North Carolina Department of Insurance

132. Peak Property and Casualty Insurance Corporation

- 67% deviation on bodily injury and property damage coverages to single car with 12 SDIP points
- 52% deviation on bodily injury and property damage coverages to single car with 13-14 SDIP points
- 50 % deviation on bodily injury and property damage coverages to single car with 15 SDIP points
- 30% deviation on bodily injury and property damage coverage to multi car with 16-20 SDIP points
- 52% deviation on bodily injury and property damage coverages to multi car with 12 SDIP points
- 51% deviation on bodily injury and property damage coverages to multi car with 13-14 SDIP points
- 49% deviation on bodily injury and property damage coverages to multi car with 15 SDIP points
- 33% deviation on bodily injury and property damage coverage to multi car with 16-20 SDIP points
- Eff 4-17-07 PC103425 North Carolina Department of Insurance

133. Peerless Insurance Company

- 12% dev on BI, PD, Med Pay, Comp and Coll written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program.
- 7.0% dev to BI, PD, Med Pay, Comp & Coll written as part of Personal Protector program that includes HO-6 policies.
- Installment Payment Plan.
- Price Point deviation.
- Deviation of 5.0% to BI, PD, Med Pay, Comp and Coll coverage written with forms HO-4 and part of Personal Protector Program.
- Effective 5-15-08 PC111826 North Carolina Department of Insurance

134. Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.
- Eff. 3-15-96

135. Pennsylvania National Mutual Casualty Insurance Company

- Account Credit.
- Account Credit without Homeowners.
- Mature Driver Discount
- Personal Auto Preferred Program Discount
- Personal Auto Preferred Advantage Program Discount.
- Insurance Bureau Score discount.

- Private Passenger Autos written on a Commercial Lines Policy.
- Tier Rating Scorecard deviation.
- Territory Deviation.
- Installment Charge.
- Company Deviation for Standard Program.
- Eff 1-1-09 PC121840 North Carolina Department of Insurance

136. Pharmacists Mutual Insurance Company

- Minimum premium deviation.
- Minimum premium adjustment deviation.
- Personal Package discount.
- Multivariate rating factor (safe driver).
- Multivariate rating factor (loyalty).
- Multivariate rating factor (payment method).
- Multivariate rating factor (insurance score).
- Pro Rata deviation.
- Eff 1-1-09 PC122524 North Carolina Department of Insurance

137. Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 Filing Detail

138. Phoenix Insurance Company

- Company Coverage Factors.
- Account Discount (Multi-Policy)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Hybrid Vehicle Discount (type of fuel used)
- Installment Payment.
- Multi-Line Insurance and Financial Services Institution.
- Effective 1-1-09 PC122024 North Carolina Department of Insurance

139. Platt River Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

140. Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website  
Effective 4-1-05 **PC080249** Filing Detail

141. Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.  
Eff 1-1-09 PC120435 North Carolina Department of Insurance

142. Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.



- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts.
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
  - Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
  - Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
  - Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
  - Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
  - Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP

pts.

- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
  - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
  - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
  - d. Transporting illegal intoxicating liquors by motor vehicle.
- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
  - 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
  - 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
  - 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
  - 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
  - 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
  - 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
  - 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
  - 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

143. Progressive Premier Insurance Company of Illinois

For deviations see North Carolina Department of Insurance Website  
Eff. 4-1-05 **PC080250 Filing Detail**

144. Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-09 PC120436 North Carolina Department of Insurance

145. Progressive Universal Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 10-1-07 **PC107281 North Carolina Department of Insurance**

146. Providence Washington Insurance Company

**Standard Program**

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to BI, PD, medical payments, comprehensive & collision: Certain criteria apply.

**Preferred Program**

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to BI, PD, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

147. Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 Filing Detail

148. Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.
- Eff. 7-15-96 PC 034398 Filing Detail

149. Safeco Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, BI, PD, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Eff 4-17-08 PC114257 North Carolina Department of Insurance

150. Seaton Insurance Company

- 15% auto liability, med pay & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, med pays & phys damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

151. Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

152. Selective Insurance Company of the Southeast

- 30% deviation will be applied to liability Phys Damage rates when a Commercial Package policy is written in conjunction with the risk.
- Eff. 4-1-08 PC112412 North Carolina Department of Insurance

153. Sentinel Insurance Company, Ltd.

- Insurance score Tier deviation factors.
- Account credit with qualifying Homeowner's policy.
- Safe Driver/Incident Free Credit.
- Least experienced driver factor.
- Most experienced driver factor.
- Prior limits credit.
- Territory/Tier Deviation factor.
- Multi-Car credit applied to a single automobile.
- Eff 9-1-09 PC121756 North Carolina Department of Insurance

154. Southern General Insurance Company

- See exception pages on file with the North Carolina Department of Insurance.
- Eff 7-2-07 PC101618 North Carolina Department of Insurance

155. Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% BI, PD, medl pay, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for BI, PD, med pay, comp & coll when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% BI, PD, med pay, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% auto comp & coll base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit auto BI, PD, med pay, comp & coll for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

156. Southern Insurance Company of Virginia

**ADVANTAGE XL PROGRAM**

- Multi-Car discount
- Recreational Trailer Rate Discount
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti-Lock Braking System Discount.
- Anti-Theft Devices Discount
- Account Credit
- Automatic Payment Plan
- First Accident Forgiveness
- PACE Endorsement
- XL Factors.
- Experienced Operator Discount

**MERIT XL PROGRAM**

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount

- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

**SUPERIOR XL PROGRAM**

- Deviation by coverage and territory credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

**PREFERRED XL PROGRAM**

- Deviation by coverage and territory, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan
- Automatic Payment Plan
- First Accident Forgiveness.

**AUTOGUARD XL, AUTOGUARD II XL PROGRAMS**

- Multi-Car Discount
- Recreational trailer rates
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan
- Automatic Payment Plan

**PREFERRED PROGRAM**

- Deviation by Coverage and Territory.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates.
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan

**Standard Program**

- Experienced Operator Discount

- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates.
- Loss Free Renewal Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- Eff. 11-1-08 PC120888 North Carolina Department of Insurance

157. Southern Pilot Insurance Company

- UNC-Chapel Hill Employee discount applied to BI, PD, Med Pay, Comp, Coll 5% credit on vehicle owned by an employee of UNC.
- Exceptional Driver Discount: 10% applies to non-fleet private passenger BI, PD, med pay, comp & coll premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- Accident Free Discount: 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a vehicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- Mature Driver Discount: Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a %% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- Multi Policy Discount: 5% credit applied to BI, PD, med pay, comp, & coll premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile.
- Eff. 2-1-08 PC110219 North Carolina Department of Insurance

158. SPARTA Insurance Company

- 5% auto BI, PD, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 Filing Detail

159. St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.
- Eff. 1-1-95

160. St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit BI, PD, med pay, comp & coll, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperience operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to

factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.

- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, BI, PD liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined BI & PD liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto med pays rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

161. St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

162. Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount multi policy - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit (number of vehicles)- credit varies.
- Hybrid Vehicle Discount (type of fuel used).
- Installment Payment Plan.
- Eff 1-1-09 PC122019 North Carolina Department of Insurance

163. State Automobile Mutual Insurance Company

- 10% auto BI, PD, med pay, comp & coll coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.
- 5% auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% auto BI, PD, med pay, comp & coll coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% auto BI & PD liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

164. State Auto Property & Casualty Insurance Company

- -5% non-fleet voluntary private passenger auto BI, PD, Medical Payments, Comprehensive and collision coverages
- -10% non-fleet voluntary private passenger auto BI, PD, Medical Payments, Comprehensive and Collision coverages
- -15% non-fleet voluntary private passenger auto BI, PD, Medical Payments, Comprehensive and Collision coverages
- -20% non-fleet voluntary private passenger auto, BI, PD, Medical Payments, Comprehensive and Collision coverages
- -25% non-fleet voluntary private passenger auto, BI, PD, Medical Payments, Comprehensive and Collision coverages and insured has Homeowner policy with State Auto Companies.
- -30% non-fleet voluntary private passenger auto, BI, PD, Medical Payments, Comp and Coll coverages and insured has Homeowner policy with State Auto Companies

- Anti-Lock Braking Systems Discount, -5% discount on Bodily Injury and Property Damage liability coverages
- Installment Plan with Electronic Funds Transfer deviation and insured has Homeowner policy with State Auto Companies
- Customizing Equipment deviation
- -35% non-fleet voluntary private passenger auto, BI, PD, Medical Payments, Comp, Coll and Replacement Cost coverages
- 15% discount on BI and PD liability, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comp and Collision coverages for those autos classified as Electric Autos
- Eff. 5-29-08 PC114452 North Carolina Department of Insurance

165. State Farm Mutual Automobile Insurance Company

- Territory Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Accident Free Deviation applicable to auto rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- Good Driving Deviation on rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Classic vehicles for BI/PD, Med Pay, and Collision.
- Customer Rating Index (CRI) Deviation
- SDIP Deviation
- Customization Deviation
- Antique Vehicle Deviation.
- Utility Vehicle Deviation.
- Motorcycle Liability.
- Eff 8-11-08 PC115696 North Carolina Department of Insurance

166. Teachers Insurance Company

- Multiline (Mult Policy) Deviation.
- Member only (Affinity).
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation.
- Policy Age deviation.
- Educator deviation.
- Credit Rating Deviation.
- Eff 1-1-09 PC121432 North Carolina Department of Insurance

167. Titan Indemnity Company

- Territory Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Liability Vehicle Grouping Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Model Year Deviation, Bodily Injury, Property Damage, and Medical Payments
- New Vehicle Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Driver Class Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Accident Free Deviation, Bodily Injury, Property Damage, and Medical Payments
- Financial Responsibility Deviation (Credit Score) Bodily Injury, Property Damage, and Medical Payments.
- Matrix Deviation (various characteristics) Bodily Injury, Property Damage, and Medical Payments.
- Safe Driver Insurance Plan Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Intra Agency Transfer Deviation (independent Agency refers to Titan) Bodily Injury, Property Damage, and Medical Payments
- Affinity Deviation, Bodily Injury, Property Damage, and Medical Payments.



- Policy Premium Amount Paid in Full Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Inexperienced Operator Deviation.
- Military Deviation.
- Eff 04/07/08 PC113106 North Carolina Department of Insurance

168. Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.
- Eff. 12-17-93

169. Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

170. Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

171. Travelers Indemnity Company

- Company Coverage Factors.
- Installment Payment Plan, waiver of charge on certain entities using payroll deduction.
- Contributing Vehicle Credit.
- Eff. 1-1-09 PC122023 North Carolina Department of Insurance

172. Travelers Indemnity Company of America

- Company Coverage Factors.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol private pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- Hybrid Vehicle Discount.
- Installment Payments - Installment charge for each installment is deleted.
- Rate deviation applied to auto rates for employees of Multi-Line Insurance & Financial Services Institution.
- Rate deviation for All Other Entities for which there is no specifically defined deviation.
- Rate Deviation for North Carolina State University.
- Rate deviation applied to private passenger auto rates for Members/Customers of a Credit Union family.
- Rate Deviation - insurance rates for all coverages for Employees of Research and Development Institutions.
- Rate deviation applies to private passenger auto rates for members of AAA Groups.
- Rate deviation applies to auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan.
- Eff 1-1-09 PC122021 North Carolina Department of Insurance

173. The Travelers Indemnity Company of Connecticut

- Company Coverage Factors.
- Account Discount, Bodily Injury, Prop Dam, Med Pay, Un/Underinsured Motorist, Comp, Coll.
- Contributing Vehicle Credit: deviation applied on autos, pickups, vans & classic autos for bodily injury property damage, medical pay & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Hybrid Vehicle Discount 10% discount.
- Installment Payment Plan.
- Effective 1-1-09 PC122022 North Carolina Department of Insurance

174. Travelers Personal Security Insurance Company

- Territorial Deviation by coverage.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount - when both voluntary private passenger auto policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit – (number of vehicles).
- Company Coverage Factor
- Hybrid Vehicle Discount (type of fuel used)
- Installment Payment Plan.
- Eff 1-1-09 PC122018 North Carolina Department of Insurance

175. Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% auto BI, PD, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% auto BI, PD, med pay & coll for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99

176. Truck Insurance Exchange

- Territory Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Household Group Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Single Car, 12 or more SDIP points, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Multi Car with 12 or more SDIP points, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- High Points-Single car, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- High Points-Multi Car, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Multi-Car/Paid-in-full/Auto-Home/Mobile Home, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Accident and Point, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Major Violation Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Minor Violation and Points Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Market and Points Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Points and Inexperienced Operator Deviation, Rule 4.I, Bodily Injury, Property Damage, Medical Payment.
- Household Structure Deviation, Rule 4.I, BI, PD, Medical Payment.
- Marital Status Deviation – Liability
- Installment Payment-Electronic Funds Transfer.
- Electronic Funds Transfer Installment Deviation.
- Territory Deviation-Physical Damage, Collision and Other than Collision.
- Household Group Deviation, Rule 4.I, Collision and Other than Collision.
- Single Car-Points Deviation, Rule 4.I, Collision and Other than Collision.
- Multi Car, One Collision Vehicle, Points.

- Multi Car, Two or More Collision Vehicles, Points.
- High Points Deviation Single Car-Physical Damage.
- High Points Deviation Multi Car-Physical Damage.
- Multi Car/Paid in full/auto-Home/Mobile Home, Rule 4.I, Comp and Coll coverages.
- Accident and Point Deviation-Physical Damage.
- Major Violation-Physical Damage, Rule 4.I, Collision and Other than Collision.
- Minor Violation and Points Deviation-Physical Damage.
- Market and Points Deviation-Physical Damage.
- Points and Inexperienced Operator Deviation, Collision and Other than Collision.
- Household Structure Deviation-Physical Damage.
- Marital Status deviation Physical Damage.
- Electronic Funds Transfer Deviation Physical Damage..
- Eff 11-1-08 PC118023 North Carolina Department of Insurance

177. Trumbull Insurance Company

- Insurance Score Tier deviation.
- Account or Homeownership Factor deviation.
- Driving Record Factor.
- Least Experienced drive factor.
- Most experienced driver factor.
- Prior bodily injury limits factor.
- Annual mileage factor.
- Coverage Selection factor.
- Cars versus drivers factor.
- Marital Status factor.
- AARP Membership.
- Territory factor.
- Defensive Driver factor.
- Eff 12-6-08 PC122381 North Carolina Department of Insurance

178. Twin City Fire Insurance Company

- Product Factors. Principal Operator Licensed, territory, BI, PD, Med Pay, Comp and Collision.
- Account Credit BI, PD, Med Pay, Comp and Collision
- Agency Book Transfer Credit, maintained continuous automobile coverage, four or more consecutive years of accident and conviction free experience, BI, PD, Med Pay, Comp and Collision.
- Multi Car Discount.
- Eff 1-1-09 PC121985 North Carolina Department of Insurance

179. USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: coverage for audio, visual & data electronics equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: covered property coverage
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: Customizing Equipment Coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owner Policy deviation.
- Eff 4-9-07 PC103019 North Carolina Department of Insurance

180. USAA General Indemnity Company

- Discount for Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for vehicles insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owned Policy deviation.
- Eff. 11-15-06 PC097666 North Carolina Department of Insurance

181. Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

182. United Services Automobile Association

- Deviation on liability, physical damage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with air bags and any other type passive restraints.
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on six month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named On-Owned Policy deviation.
- Eff. 4-6-07 PC103006 North Carolina Department of Insurance

183. United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit auto BI, PD, med pay, comp & coll premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

184. Unitrin Auto and Home Insurance Company

- Pricing Level Voluntary deviations no points.
- Extended Transportation Expense Coverage (Package Plus Only).
- Pro Rata Cancellation ( Package Plus).
- Principal Operator Credit aged 55 and over; no inexperienced operators, apply 1% discount to BI, PD, Collision and Comprehensive (Price levels A through Q only)
- Electronic Funds Transfer (EFT) 22. Installment Payments-No installment charge will be applied
- Network Discount, Rule 4.H, 6% discount applied to BI, PD, Med Pay, Collision and Comprehensive

- Vehicles Equipped with Anti-Theft Devices, Rule 4.H (Pricing Levels A through Q). 1. Alarm Only and Active Disabling Devices -5% discount on Comprehensive Coverage. 2. Passive Disabling Devices-15% discount on Comprehensive Coverage
- Package Plus Deviation, Rule 4.H, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision
- Multiple Vehicle Discount, pricing levels A thru R only.
- Vehicles Equipped with Anti-lock braking system, pricing level A thru S only
- Eff 1-1-09 PC121695 North Carolina Department of Insurance

185. Universal Insurance Company

- 15.0% auto BI, PD & med pay for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, auto BI, PD & med pay when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% auto BI, PD & med pay when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% auto bodily injury, property damage & med pay for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

186. Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Account Credit
- Wise Affinity
- Company Car
- Mature Driver Credit
- Electronic Stability Control devices Discount
- Greenhouse Gas Score credit
- Premium Payment Credit
- Edge Program Tiered Rating
- Eff. 4-14-08 PC112884 North Carolina Department of Insurance

187. Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% auto BI, PD, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% auto bodily injury, property damage, med pay, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% auto bodily injury & property damage for anti-lock brakes.
- 5% auto comprehensive with anti-theft device (active).
- 10% auto comprehensive with anti-theft device (passive).
- 5% auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% auto comprehensive & collision for multi-car policies.
- 15% auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

188. Victoria Fire & Casualty Company

**TIER A**

- Territory Deviation for Bodily Injury, Property Damage, Med Pay and Collision.

- Liability Vehicle Grouping Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Model Year Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- New Vehicle deviation for Bodily Injury, Property Damage, Med Pay and Collision
- Driver class Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Accident Free Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Financial Responsibility Deviation(credit score) for Bodily Injury, Property Damage, Med Pay and Collision.
- Matrix Deviation (various characteristics) for Bodily Injury, Property Damage, Med Pay and Collision.
- Safe Driver Insurance plan Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Inexperienced Operator Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Intra Agency Transfer Deviation (independent agency refers to Titan) for BI, Property Damage, Med Pay and Collision.
- Affinity Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Paid in Full Policy Premium Amount Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Military Deviation for Bodily Injury, Property Damage, Med Pay and Collision.

**TIER B**

- Territory Deviation.
- Model Year Deviation.
- New Vehicle deviation.
- Driver class Deviation.
- Accident Free Deviation.
- Matrix Deviation (various characteristics).
- Safe Driver Insurance plan Deviation.
- Inexperienced Operator Deviation for Bodily Injury, Property Damage, Med Pay and Collision.
- Intra Agency Transfer Deviation (independent agency refers to Titan).
- Affinity Deviation.
- Paid in Full Policy Premium Amount Deviation.
- Military Deviation.
- Eff 1-2-09 PC122334 North Carolina Department of Insurance

189. Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03 PC062944 North Carolina Department of Insurance

190. West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, med pay, uninsured motorists, comp & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

191. Western General Insurance Company

- 8% discount to physical damage coverages base rates, if liability insurance is provided.
- Eff 11-15-06 PC098332 North Carolina Department of Insurance

- (ii) The Rate Bureau does not have appropriate data upon which to base an estimate of the amount of premium written at deviated rates. The total amount of voluntary/standard premium written by companies that deviate downward from manual rates on any portion of their voluntary liability and standard physical damage policies is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2003	1,444,241,105	1,182,722,887
2004	1,465,259,834	1,143,847,117
2005	1,393,162,967	1,104,248,458
2006	1,478,014,138	975,018,554
2007	1,596,229,880	985,497,420

- (iii) The Rate Bureau does not have appropriate data upon which to base an estimate of the percentage of statewide premium written at deviated rates. The estimated percentage of statewide voluntary/standard premium written by companies that deviate downward from manual rates on any portion of their voluntary liability and standard physical damage policies is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2003	97.4%	95.7%
2004	92.8	95.9
2005	89.2	83.2
2006	89.6	76.2
2007	88.9	81.4

- (iv) See RB-5 for the amount of deviations on liability and physical damage business in dollars.

- (v) The Rate Bureau does not have appropriate data upon which to base an estimate of the average percentage deviation on policies written by companies at deviated rates. The estimated average percentage downward deviation from manual rates for companies that deviate on any portion of their voluntary liability and standard physical damage policies, as a percentage of the total voluntary/standard premium written on such policies by such companies, is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (c)</u>
2003	13.0%	15.5%
2004	10.8	9.3
2005	13.6	11.5
2006	15.1	16.9
2007	16.6	17.8

- (vi) The average percentage deviation for all companies, as a percentage of the total premium written by all companies on liability and physical damage policies (whether they grant deviations or not), is shown on Exhibit RB-5.

- (a) Based on NCRB Special Call and, as noted, excludes business ceded to the North Carolina Reinsurance Facility.
- (b) Based on NCRB Special Call excluding non-standard business (as noted).
- (c) Based on Page 15 Annual Statement written premiums excluding non-standard business (as noted).

## COMPANIES PAYING PRIVATE PASSENGER AUTOMOBILE INSURANCE DIVIDENDS

Liability

State Farm Mutual Automobile Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company  
 USAA General Indemnity Company  
 Metropolitan Direct Property & Casualty Ins Co  
 Metropolitan Property & Casualty Insurance Co

2007Physical Damage

State Farm Mutual Automobile Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company  
 USAA General Indemnity Company  
 Metropolitan Direct Property & Casualty Ins Co  
 Metropolitan Property & Casualty Insurance Co

Liability

Metropolitan Direct P & C Insurance Co  
 Metropolitan Property & Casualty Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company  
 USAA General Ins Co

2006Physical Damage

Metropolitan Direct P & C Insurance Co  
 Metropolitan Property & Casualty Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company  
 USAA General Ins Co

Liability

Metropolitan Direct P & C Insurance Co  
 Metropolitan Property & Casualty Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company  
 USAA General Ins Co

2005Physical Damage

Metropolitan Direct P & C Insurance Co  
 Metropolitan Property & Casualty Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company  
 USAA General Ins Co

Liability

United Services Automobile Association  
 Metropolitan Direct P & C Insurance Co

2004Physical Damage

United Services Automobile Association  
 St Paul Fire & Marine  
 Metropolitan Direct P & C Insurance Co  
 Metropolitan P & C

Liability

USAA Casualty Insurance Co  
 United Services Automobile Association  
 American Protection Insurance Company

2003Physical Damage

St Paul Fire & Marine  
 St Paul Guardian Ins Co  
 St Paul Mercury Ins Co  
 United Services Automobile Association  
 USAA Casualty Insurance Company



- (ii) Estimated premium on voluntary liability and standard physical damage policies of companies issuing dividends

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2003	82,663,105	77,586,251
2004	58,285,510	48,032,465
2005	90,904,273	79,391,036
2006	100,119,472	78,656,476
2007	410,984,784	262,799,578

- (iii) Estimated percentage of statewide premium written on voluntary liability and standard physical damage policies by companies issuing dividends

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2003	5.6%	6.3%
2004	3.7	4.0
2005	5.8	6.0
2006	6.1	6.1
2007	22.9	21.7

- (iv) See RB-5 for the amount of dividends on liability and physical damage business in dollars.

- (v) (vi) The Rate Bureau does not have appropriate data upon which to base an estimate of the average percentage dividend on policies receiving dividends by all companies issuing dividends. The average percentage dividend, as a percentage of the total premium written on liability and physical damage policies, is shown on RB-5.

- (a) Based on Page 15 Annual Statement written premiums excluding business ceded to the North Carolina Reinsurance Facility (as noted).
- (b) Based on Page 15 Annual Statement written premiums excluding non-standard business (as noted).

NORTH CAROLINA  
COMPARISON OF ANNUAL STATEMENT AND FILING INFORMATION

LIABILITY

<u>Year</u>	<u>Annual Statement</u>		<u>Filing</u>	
	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2005	1,575,388,913	2,268,296,335	1,384,204,979	2,501,927,525
2006	1,703,407,276	2,316,658,861	1,456,413,662	2,553,242,995
2007	1,772,529,395	2,495,076,574	1,495,772,725	2,609,131,586

The data are not comparable for the following reasons:

- Annual Statement premium is at total limits collected level. Filing premium is at a basic limits current level for Bodily Injury, Property Damage, and Uninsured Motorists, and at a total limits level for Medical Payments and Underinsured Motorists.
- Annual Statement losses are on a total limits basis and do not include any loss adjustment expenses. Filing losses are on a basic limits basis for all coverages other than Medical Payments and Underinsured Motorists. Losses include allocated loss adjustment expense only for Bodily Injury, Property Damage and Medical Payments, and all loss adjustment expenses for Uninsured Motorists and Underinsured Motorists.
- Annual statement losses include reserves for incurred but not reported claims. Filing losses are developed to an ultimate basis and therefore reflect reserves for incurred but not reported claims.

PHYSICAL DAMAGE

<u>Year</u>	<u>Annual Statement</u>		<u>Filing</u>	
	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2005	913,689,890	1,856,188,213	820,761,582	1,586,013,468
2006	999,416,417	1,876,085,747	895,736,174	1,639,100,280
2007	1,015,850,558	1,758,689,145	903,558,279	1,694,361,854

The data are not comparable for the following reasons:

- Annual Statement premium is on a collected basis. Filing premium is at current level.
- Annual Statement data includes catastrophe losses for the Comprehensive coverage. Filing losses replace actual catastrophe losses with a long-term wind and water provision.

NORTH CAROLINA  
EXPECTED LOSS RATIOS

	5/15/2006 Implementation	11/15/2006 Implementation	1/1/2009 Implementation
Bodily Injury	.713	.701	.670
Property Damage	.747	.691	.673
Medical Payments	.735	.743	.692
Uninsured Motorists (a)	.643	.572	.616
Underinsured Motorists (a)	.859	1.203	.667
Comprehensive	.723	.663	.625
Collision	.724	.705	.639

(a) Voluntary and ceded business combined.

NORTH CAROLINA

MOTORCYCLES

EXPECTED LOSS RATIOS

	5/15/2006 Implementation	11/15/2006 Implementation	1/1/2009 Implementation
Coverage			
Liability (a)	.705	.645	.666

(a) Voluntary and ceded business combined.

## Bodily Injury

<u>Accident Year</u>	<u>Total Limits Paid Losses (a)</u>	<u>Total Limits Reserves (a)</u>	<u>Total Limits Loss Dev. (b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2005	\$625,694,931	\$ 87,016,531	1.012	\$721,264,000
12/31/2006	545,456,484	176,751,867	1.060	765,540,852
12/31/2007	312,090,900	359,135,697	1.171	786,006,345

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp. (c)</u>	<u>Loss Trend Factors (d)</u>	<u>LAE Trend Factors (d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2005	\$76,827,614	1.127	1.161	\$902,061,388
12/31/2006	79,308,247	1.114	1.127	942,192,903
12/31/2007	85,334,906	1.068	1.094	932,811,164

## Property Damage

<u>Accident Year</u>	<u>Total Limits Paid Losses (a)</u>	<u>Total Limits Reserves (a)</u>	<u>Total Limits Loss Dev. (b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2005	\$569,058,502	\$1,019,005	1.001	\$570,647,585
12/31/2006	592,054,499	2,169,593	1.008	598,977,885
12/31/2007	579,703,156	11,756,270	1.027	607,428,831

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp. (c)</u>	<u>Loss Trend Factors (d)</u>	<u>LAE Trend Factors (d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2005	\$69,319,349	1.062	1.161	\$686,507,499
12/31/2006	66,199,630	1.033	1.127	693,351,138
12/31/2007	70,764,931	1.031	1.094	703,675,959

## Medical Payments

<u>Accident Year</u>	<u>Total Limits Paid Losses (a)</u>	<u>Total Limits Reserves (a)</u>	<u>Total Limits Loss Dev. (b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2005	\$88,447,334	\$ 876,148	1.011	\$90,306,040
12/31/2006	89,872,427	1,759,842	1.026	94,014,708
12/31/2007	76,964,799	13,728,792	1.076	97,586,304

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp. (c)</u>	<u>Loss Trend Factors (d)</u>	<u>LAE Trend Factors (d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2005	\$11,602,533	0.927	1.161	\$ 97,184,240
12/31/2006	11,973,602	0.964	1.127	104,124,428
12/31/2007	13,083,553	1.000	1.094	111,899,711

- (a) Data on a paid/reserve basis is available only for total limits. See page H-5.
- (b) See Section H - Loss Development.
- (c) See pages C-1, C-3, and C-5 for the unallocated loss adjustment expense factors.
- (d) Using selected trends on page D-8.

See page D-15 and prefiled testimony of P. Woods and M. Miller.

The following pages H-374-433 contain North Carolina private passenger data by territory for years ended December 31, 2005, 2006 and 2007.

Liability data is for voluntary and ceded risks. Losses are not developed and include allocated loss adjustment expense only. Excess is calculated on a 30/60/25 basis.

Physical Damage data is for standard and non-standard risks on a paid basis and does not include loss adjustment expense. Coverage codes are defined as follows:

001	Full Coverage Comprehensive
003	\$50 Deductible Comprehensive
010	\$100 Deductible Comprehensive
055	\$250 Deductible Comprehensive
726	\$500 Deductible Comprehensive
727	\$1,000 Deductible Comprehensive
072	\$50 Deductible Collision
073	\$200 Deductible Collision
074	\$100 Deductible Collision
076	\$250 Deductible Collision
077	\$500 Deductible Collision
078	\$1,000 Deductible Collision

See also pages C-13-16.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2005	107,721	13,349,243	6,808,421	1,661,344	1,350	5,043	1.25	63.20
	2006	110,828	13,812,138	7,364,141	2,847,896	1,301	5,660	1.17	66.45
	2007	112,693	15,759,171	6,903,343	1,047,124	1,335	5,171	1.18	61.26
	Total	331,242	42,920,552	21,075,905	5,556,364	3,986	5,287	1.20	63.63
13 Durham	2005	135,298	25,387,522	14,507,946	2,944,337	2,351	6,171	1.74	107.23
	2006	137,249	25,791,248	13,888,275	2,875,609	2,296	6,049	1.67	101.19
	2007	140,616	29,201,864	13,136,129	1,451,329	2,387	5,503	1.70	93.42
	Total	413,163	80,380,634	41,532,350	7,271,275	7,034	5,905	1.70	100.52
14 Greensboro-Hamilton Lakes	2005	149,730	26,829,082	14,068,129	2,096,044	2,385	5,899	1.59	93.96
	2006	151,617	27,182,885	15,491,179	2,964,775	2,553	6,068	1.68	102.17
	2007	153,733	29,914,211	14,713,866	2,395,530	2,628	5,599	1.71	95.71
	Total	455,080	83,926,178	44,273,174	7,456,349	7,566	5,852	1.66	97.29
15 High Point	2005	49,580	9,461,158	5,717,834	724,426	952	6,006	1.92	115.33
	2006	49,472	9,327,872	4,669,479	434,111	842	5,546	1.70	94.39
	2007	49,125	9,832,486	5,048,682	796,968	983	5,136	2.00	102.77
	Total	148,177	28,621,516	15,435,995	1,955,505	2,777	5,559	1.87	104.17
16 Raleigh	2005	376,005	63,315,144	37,588,452	7,923,649	5,562	6,758	1.48	99.97
	2006	394,187	66,262,882	36,247,731	8,112,372	5,770	6,282	1.46	91.96
	2007	412,100	76,781,158	36,970,134	7,668,114	6,172	5,990	1.50	89.71
	Total	1,182,292	206,359,184	110,806,317	23,704,135	17,504	6,330	1.48	93.72

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.



NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2005	141,300	28,414,698	16,311,086	3,777,782	2,491	6,548	1.76	115.44
	2006	146,439	29,402,835	15,500,798	3,184,190	2,351	6,593	1.61	105.85
	2007	149,622	32,789,192	14,945,760	2,208,868	2,470	6,051	1.65	99.89
	Total	437,361	90,606,725	46,757,644	9,170,840	7,312	6,395	1.67	106.91
18 Winston-Salem	2005	154,520	22,520,779	14,177,162	4,124,787	2,446	5,796	1.58	91.75
	2006	158,270	23,283,554	13,099,574	2,525,463	2,185	5,995	1.38	82.77
	2007	160,452	26,241,462	12,303,253	1,502,383	2,410	5,105	1.50	76.68
	Total	473,242	72,045,795	39,579,989	8,152,633	7,041	5,621	1.49	83.64
24 Western Territories	2005	2,021,867	274,456,432	149,417,895	37,539,508	23,580	6,337	1.17	73.90
	2006	2,054,238	276,088,088	154,170,830	38,478,102	23,698	6,506	1.15	75.05
	2007	2,096,663	298,462,457	146,636,050	34,193,979	24,619	5,956	1.17	69.94
	Total	6,172,768	849,006,977	450,224,775	110,211,589	71,897	6,262	1.16	72.94
25 Gaston County	2005	133,652	21,834,446	16,160,250	2,450,426	2,592	6,235	1.94	120.91
	2006	136,033	22,416,806	14,618,913	2,335,522	2,521	5,799	1.85	107.47
	2007	139,651	25,531,396	15,372,879	3,366,653	2,666	5,766	1.91	110.08
	Total	409,336	69,782,648	46,152,042	8,152,601	7,779	5,933	1.90	112.75
26 Southern Territories	2005	452,007	86,224,094	54,795,343	10,818,005	7,283	7,524	1.61	121.23
	2006	463,568	91,458,302	57,501,655	10,749,418	7,740	7,429	1.67	124.04
	2007	471,421	104,223,349	49,614,879	7,476,374	7,643	6,492	1.62	105.25
	Total	1,386,996	281,905,745	161,911,877	29,043,797	22,666	7,143	1.63	116.74

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2005	299,454	53,067,044	29,911,775	4,874,592	4,616	6,480	1.54	99.89
	2006	308,979	54,433,741	29,170,209	5,577,221	4,598	6,344	1.49	94.41
	2007	320,503	60,948,307	28,742,574	4,597,598	4,705	6,109	1.47	89.68
	Total	928,936	168,449,092	87,824,558	15,049,411	13,919	6,310	1.50	94.54
32 Guilford, Buncombe, etc.	2005	647,006	93,632,483	49,670,203	11,127,980	8,260	6,013	1.28	76.77
	2006	663,025	94,765,832	52,298,225	13,606,712	8,528	6,133	1.29	78.88
	2007	685,083	103,572,969	51,743,039	10,779,524	9,008	5,744	1.31	75.53
	Total	1,995,114	291,971,284	153,711,467	35,514,216	25,796	5,959	1.29	77.04
33 Eastern Territories	2005	760,677	127,767,700	74,451,860	14,144,110	10,290	7,235	1.35	97.88
	2006	771,120	129,551,695	71,379,695	13,610,188	10,170	7,019	1.32	92.57
	2007	779,651	141,415,249	63,458,124	11,901,847	10,087	6,291	1.29	81.39
	Total	2,311,448	398,734,644	209,289,679	39,656,145	30,547	6,851	1.32	90.54
40 Fayetteville	2005	185,726	37,589,518	23,782,690	3,438,005	4,034	5,896	2.17	128.05
	2006	188,431	38,258,545	25,896,308	4,551,435	4,191	6,179	2.22	137.43
	2007	190,443	41,476,407	21,557,848	2,898,560	3,786	5,694	1.99	113.20
	Total	564,600	117,324,470	71,236,846	10,888,000	12,011	5,931	2.13	126.17
41 Onslow County	2005	103,573	18,828,306	10,410,628	1,624,586	1,587	6,560	1.53	100.51
	2006	106,773	19,018,562	11,091,997	1,462,193	1,590	6,976	1.49	103.88
	2007	109,741	20,407,677	9,640,904	791,528	1,462	6,594	1.33	87.85
	Total	320,087	58,254,545	31,143,529	3,878,307	4,639	6,713	1.45	97.30

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2005	73,841	12,155,852	6,588,983	862,242	996	6,615	1.35	89.23
	2006	75,145	12,339,173	7,145,867	1,774,225	979	7,299	1.30	95.09
	2007	75,693	13,939,025	6,060,325	660,863	1,030	5,884	1.36	80.06
	Total	224,679	38,434,050	19,795,175	3,297,330	3,005	6,587	1.34	88.10
47 Wayne County	2005	84,839	14,177,282	9,505,624	2,227,728	1,354	7,020	1.60	112.04
	2006	84,923	14,130,338	7,978,212	2,059,689	1,197	6,665	1.41	93.95
	2007	86,044	15,326,814	8,824,243	1,236,286	1,377	6,408	1.60	102.56
	Total	255,806	43,634,434	26,308,079	5,523,703	3,928	6,698	1.54	102.84
51 Mecklenburg County Remainder	2005	59,448	8,820,102	4,730,925	1,324,407	830	5,700	1.40	79.58
	2006	69,599	10,567,681	5,833,159	1,680,843	994	5,868	1.43	83.81
	2007	72,296	11,861,403	6,569,568	1,778,931	1,103	5,956	1.53	90.87
	Total	201,343	31,249,186	17,133,652	4,784,181	2,927	5,854	1.45	85.10
52 Charlotte	2005	442,143	86,371,042	52,084,109	8,338,189	9,446	5,514	2.14	117.80
	2006	452,711	88,058,947	52,971,212	7,060,928	9,501	5,575	2.10	117.01
	2007	470,920	100,067,359	55,121,717	7,110,821	9,969	5,529	2.12	117.05
	Total	1,365,774	274,497,348	160,177,038	22,509,938	28,916	5,539	2.12	117.28
Statewide Totals	2005	6,378,387	1,024,201,927	590,689,315	122,022,147	92,405	6,392	1.45	92.61
	2006	6,522,607	1,046,151,124	596,317,459	125,890,892	93,005	6,412	1.43	91.42
	2007	6,676,450	1,157,751,956	567,363,317	103,863,280	95,840	5,920	1.44	84.98
	Total	19,577,444	3,228,105,007	1,754,370,091	351,776,319	281,250	6,238	1.44	89.61

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	<u>Incurring Losses (5)</u>		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2005	107,721	14,355,296	9,880,828	45,619	4,562	2,166	4.24	91.73
	2006	110,828	14,661,506	10,678,497	61,764	4,628	2,307	4.18	96.35
	2007	112,693	14,975,672	9,947,450	152,034	4,440	2,240	3.94	88.27
	Total	331,242	43,992,474	30,506,775	259,417	13,630	2,238	4.11	92.10
13 Durham	2005	135,298	22,191,654	15,215,848	59,699	6,430	2,366	4.75	112.46
	2006	137,249	22,405,761	15,283,099	64,204	6,164	2,479	4.49	111.35
	2007	140,616	22,947,310	14,739,474	13,329	6,021	2,448	4.28	104.82
	Total	413,163	67,544,725	45,238,421	137,232	18,615	2,430	4.51	109.49
14 Greensboro-Hamilton Lakes	2005	149,730	24,210,958	15,455,009	144,522	7,066	2,187	4.72	103.22
	2006	151,617	24,318,516	16,995,205	104,723	7,257	2,342	4.79	112.09
	2007	153,733	24,050,290	16,238,029	65,025	7,108	2,284	4.62	105.62
	Total	455,080	72,579,764	48,688,243	314,270	21,431	2,272	4.71	106.99
15 High Point	2005	49,580	7,665,329	5,027,987	56,552	2,314	2,173	4.67	101.41
	2006	49,472	7,581,137	4,840,670	22,082	2,181	2,219	4.41	97.85
	2007	49,125	7,384,125	4,930,122	4,203	2,239	2,202	4.56	100.36
	Total	148,177	22,630,591	14,798,779	82,837	6,734	2,198	4.54	99.87
16 Raleigh	2005	376,005	61,716,532	41,818,008	376,323	16,960	2,466	4.51	111.22
	2006	394,187	63,550,750	43,624,667	377,503	17,067	2,556	4.33	110.67
	2007	412,100	65,232,734	46,123,781	360,013	17,502	2,635	4.25	111.92
	Total	1,182,292	190,500,016	131,566,456	1,113,839	51,529	2,553	4.36	111.28

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2005	141,300	21,939,531	16,602,566	132,635	6,461	2,570	4.57	117.50
	2006	146,439	22,616,708	16,456,060	72,760	6,251	2,633	4.27	112.37
	2007	149,622	23,662,425	16,249,556	113,179	5,990	2,713	4.00	108.60
	Total	437,361	68,218,664	49,308,182	318,574	18,702	2,637	4.28	112.74
18 Winston-Salem	2005	154,520	21,311,349	15,212,119	97,590	7,116	2,138	4.61	98.45
	2006	158,270	21,791,332	14,629,203	41,642	6,723	2,176	4.25	92.43
	2007	160,452	21,880,890	14,763,389	74,904	6,665	2,215	4.15	92.01
	Total	473,242	64,983,571	44,604,711	214,136	20,504	2,175	4.33	94.25
24 Western Territories	2005	2,021,867	240,965,647	151,456,381	1,341,624	66,792	2,268	3.30	74.91
	2006	2,054,238	240,398,913	158,874,779	1,179,283	67,588	2,351	3.29	77.34
	2007	2,096,663	239,661,104	158,679,669	961,037	67,284	2,358	3.21	75.68
	Total	6,172,768	721,025,664	469,010,829	3,481,944	201,664	2,326	3.27	75.98
25 Gaston County	2005	133,652	19,675,672	14,035,843	82,784	6,052	2,319	4.53	105.02
	2006	136,033	19,769,170	13,698,668	66,743	5,920	2,314	4.35	100.70
	2007	139,651	20,017,260	13,818,403	40,671	5,942	2,326	4.25	98.95
	Total	409,336	59,462,102	41,552,914	190,198	17,914	2,320	4.38	101.51
26 Southern Territories	2005	452,007	55,599,285	36,595,874	281,711	15,316	2,389	3.39	80.96
	2006	463,568	57,221,140	39,617,648	379,271	15,660	2,530	3.38	85.46
	2007	471,421	58,191,485	38,558,451	337,990	14,993	2,572	3.18	81.79
	Total	1,386,996	171,011,910	114,771,973	998,972	45,969	2,497	3.31	82.75

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2005	299,454	41,807,786	28,236,910	180,076	12,128	2,328	4.05	94.29
	2006	308,979	42,767,629	29,786,317	251,063	11,876	2,508	3.84	96.40
	2007	320,503	43,777,213	29,814,883	208,062	11,854	2,515	3.70	93.03
	Total	928,936	128,352,628	87,838,110	639,201	35,858	2,450	3.86	94.56
32 Guilford, Buncombe, etc.	2005	647,006	83,669,357	54,740,128	421,317	23,787	2,301	3.68	84.61
	2006	663,025	84,174,561	56,721,977	534,177	24,463	2,319	3.69	85.55
	2007	685,083	85,137,982	57,189,228	523,463	24,557	2,329	3.58	83.48
	Total	1,995,114	252,981,900	168,651,333	1,478,957	72,807	2,316	3.65	84.53
33 Eastern Territories	2005	760,677	85,168,815	57,119,804	469,299	23,885	2,391	3.14	75.09
	2006	771,120	86,413,349	58,946,597	619,210	24,055	2,450	3.12	76.44
	2007	779,651	88,593,398	56,591,241	485,073	23,114	2,448	2.96	72.59
	Total	2,311,448	260,175,562	172,657,642	1,573,582	71,054	2,430	3.07	74.70
40 Fayetteville	2005	185,726	28,833,066	21,030,273	27,116	9,098	2,312	4.90	113.23
	2006	188,431	29,640,776	22,317,049	68,423	9,103	2,452	4.83	118.44
	2007	190,443	30,300,245	20,766,298	120,142	8,719	2,382	4.58	109.04
	Total	564,600	88,774,087	64,113,620	215,681	26,920	2,382	4.77	113.56
41 Onslow County	2005	103,573	15,447,011	11,076,786	90,127	4,559	2,430	4.40	106.95
	2006	106,773	16,050,426	12,198,195	99,757	4,582	2,662	4.29	114.24
	2007	109,741	16,258,454	10,916,474	46,214	4,219	2,587	3.84	99.47
	Total	320,087	47,755,891	34,191,455	236,098	13,360	2,559	4.17	106.82

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

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NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2005	73,841	8,549,778	5,865,165	16,356	2,589	2,265	3.51	79.43
	2006	75,145	8,925,540	6,523,645	2,015	2,650	2,462	3.53	86.81
	2007	75,693	9,332,563	6,128,105	19,492	2,540	2,413	3.36	80.96
	Total	224,679	26,807,881	18,516,915	37,863	7,779	2,380	3.46	82.41
47 Wayne County	2005	84,839	10,462,414	6,921,852	38,813	3,022	2,290	3.56	81.59
	2006	84,923	10,383,907	6,654,766	34,798	2,796	2,380	3.29	78.36
	2007	86,044	10,424,132	7,390,193	45,191	2,982	2,478	3.47	85.89
	Total	255,806	31,270,453	20,966,811	118,802	8,800	2,383	3.44	81.96
51 Mecklenburg County Remainder	2005	59,448	8,394,963	6,205,325	54,435	2,575	2,410	4.33	104.38
	2006	69,599	10,093,931	7,573,046	73,506	2,989	2,534	4.29	108.81
	2007	72,296	10,548,646	7,911,566	54,272	3,090	2,560	4.27	109.43
	Total	201,343	29,037,540	21,689,937	182,213	8,654	2,506	4.30	107.73
52 Charlotte	2005	442,143	77,217,289	53,380,107	284,096	22,514	2,371	5.09	120.73
	2006	452,711	77,505,823	54,505,267	245,813	22,664	2,405	5.01	120.40
	2007	470,920	78,983,421	56,701,820	377,000	23,016	2,464	4.89	120.41
	Total	1,365,774	233,706,533	164,587,194	906,909	68,194	2,414	4.99	120.51
Statewide Totals	2005	6,378,387	849,181,732	565,876,813	4,200,694	243,226	2,327	3.81	88.72
	2006	6,522,607	860,270,875	589,925,355	4,298,737	244,617	2,412	3.75	90.44
	2007	6,676,450	871,359,349	587,458,132	4,001,294	242,275	2,425	3.63	87.99
	Total	19,577,444	2,580,811,956	1,743,260,300	12,500,725	730,118	2,388	3.73	89.04

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	<u>Incurred Losses (5)</u>		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2005	69,626	1,337,588	644,407	300,582	595	1,083	0.85	9.26
	2006	73,062	1,380,344	635,555	419,901	562	1,131	0.77	8.70
	2007	74,614	1,694,294	818,491	357,287	535	1,530	0.72	10.97
	Total	217,302	4,412,226	2,098,453	1,077,770	1,692	1,240	0.78	9.66
13 Durham	2005	92,425	2,563,676	1,134,731	665,222	1,197	948	1.30	12.28
	2006	94,594	2,550,822	1,063,349	647,222	1,029	1,033	1.09	11.24
	2007	97,778	3,048,786	1,130,419	674,986	1,142	990	1.17	11.56
	Total	284,797	8,163,284	3,328,499	1,987,430	3,368	988	1.18	11.69
14 Greensboro-Hamilton Lakes	2005	103,732	2,845,055	1,361,305	968,197	1,315	1,035	1.27	13.12
	2006	105,551	2,755,781	1,495,833	706,437	1,347	1,110	1.28	14.17
	2007	107,976	3,203,578	1,432,117	704,733	1,274	1,124	1.18	13.26
	Total	317,259	8,804,414	4,289,255	2,379,367	3,936	1,090	1.24	13.52
15 High Point	2005	35,408	1,049,219	644,518	265,030	605	1,065	1.71	18.20
	2006	35,399	995,705	660,254	280,497	521	1,267	1.47	18.65
	2007	35,161	1,107,315	554,157	238,745	466	1,189	1.33	15.76
	Total	105,968	3,152,239	1,858,929	784,272	1,592	1,168	1.50	17.54
16 Raleigh	2005	285,311	7,152,217	3,887,117	1,963,041	3,257	1,193	1.14	13.62
	2006	300,805	7,316,981	3,859,505	2,059,639	3,200	1,206	1.06	12.83
	2007	316,509	9,133,053	4,238,724	2,579,557	3,515	1,206	1.11	13.39
	Total	902,625	23,602,251	11,985,346	6,602,237	9,972	1,202	1.10	13.28

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.



NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2005	97,260	2,997,875	1,576,665	761,786	1,343	1,174	1.38	16.21
	2006	101,710	3,008,767	1,424,548	749,370	1,288	1,106	1.27	14.01
	2007	105,784	3,516,125	1,331,156	871,831	1,271	1,047	1.20	12.58
	Total	304,754	9,522,767	4,332,369	2,382,987	3,902	1,110	1.28	14.22
18 Winston-Salem	2005	104,745	2,310,392	1,275,898	446,708	1,206	1,058	1.15	12.18
	2006	108,994	2,343,573	1,264,069	567,008	1,253	1,009	1.15	11.60
	2007	111,301	2,739,874	1,322,706	543,123	1,204	1,099	1.08	11.88
	Total	325,040	7,393,839	3,862,673	1,556,839	3,663	1,055	1.13	11.88
24 Western Territories	2005	1,542,689	31,889,822	15,944,344	6,500,946	15,176	1,051	0.98	10.34
	2006	1,571,458	30,921,537	16,070,607	6,930,997	14,661	1,096	0.93	10.23
	2007	1,609,444	35,499,593	16,314,933	7,143,123	14,726	1,108	0.91	10.14
	Total	4,723,591	98,310,952	48,329,884	20,575,066	44,563	1,085	0.94	10.23
25 Gaston County	2005	92,052	2,215,274	1,237,538	540,787	1,275	971	1.39	13.44
	2006	93,929	2,178,982	1,206,889	665,735	1,162	1,039	1.24	12.85
	2007	96,574	2,540,155	1,176,689	673,358	1,260	934	1.30	12.18
	Total	282,555	6,934,411	3,621,116	1,879,880	3,697	979	1.31	12.82
26 Southern Territories	2005	355,364	10,147,830	5,904,901	1,861,672	5,614	1,052	1.58	16.62
	2006	364,051	10,265,758	6,167,021	2,161,852	5,688	1,084	1.56	16.94
	2007	369,850	12,307,347	5,581,753	1,767,123	5,087	1,097	1.38	15.09
	Total	1,089,265	32,720,935	17,653,675	5,790,647	16,389	1,077	1.50	16.21

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2005	233,858	6,134,276	3,780,844	1,337,533	3,366	1,123	1.44	16.17
	2006	241,594	6,127,559	3,645,593	1,423,723	3,150	1,157	1.30	15.09
	2007	251,121	7,418,072	3,467,534	1,410,626	2,945	1,177	1.17	13.81
	Total	726,573	19,679,907	10,893,971	4,171,882	9,461	1,151	1.30	14.99
32 Guilford, Buncombe, etc.	2005	485,832	10,566,901	5,506,973	2,411,386	5,044	1,092	1.04	11.34
	2006	499,661	10,335,744	5,489,539	2,486,286	5,003	1,097	1.00	10.99
	2007	518,998	11,988,201	5,634,418	2,552,910	4,850	1,162	0.93	10.86
	Total	1,504,491	32,890,846	16,630,930	7,450,582	14,897	1,116	0.99	11.05
33 Eastern Territories	2005	657,652	16,570,140	9,272,508	2,991,844	8,777	1,056	1.33	14.10
	2006	665,112	16,136,144	9,153,351	3,333,178	8,500	1,077	1.28	13.76
	2007	670,522	18,987,913	8,569,031	2,990,298	8,037	1,066	1.20	12.78
	Total	1,993,286	51,694,197	26,994,890	9,315,320	25,314	1,066	1.27	13.54
40 Fayetteville	2005	108,230	3,632,419	1,833,856	994,216	1,831	1,002	1.69	16.94
	2006	111,061	3,570,919	1,774,097	1,303,297	1,830	969	1.65	15.97
	2007	112,872	4,120,324	1,654,393	1,094,760	1,623	1,019	1.44	14.66
	Total	332,163	11,323,662	5,262,346	3,392,273	5,284	996	1.59	15.84
41 Onslow County	2005	63,838	1,846,257	791,366	524,371	747	1,059	1.17	12.40
	2006	66,917	1,865,667	789,546	584,612	721	1,095	1.08	11.80
	2007	68,557	2,143,920	838,075	484,093	680	1,232	0.99	12.22
	Total	199,312	5,855,844	2,418,987	1,593,076	2,148	1,126	1.08	12.14

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

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NORTH CAROLINA  
AUTOMOBILE LIABILITY EXPERIENCE (1)  
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS  
MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	<u>Incurred Losses (5)</u>		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2005	58,638	1,471,308	823,080	366,376	819	1,005	1.40	14.04
	2006	60,039	1,441,657	841,464	504,713	818	1,029	1.36	14.02
	2007	60,452	1,730,853	756,172	341,605	720	1,050	1.19	12.51
	Total	179,129	4,643,818	2,420,716	1,212,694	2,357	1,027	1.32	13.51
47 Wayne County	2005	68,075	1,726,121	1,058,232	391,742	1,057	1,001	1.55	15.55
	2006	68,235	1,642,936	933,453	397,428	959	973	1.41	13.68
	2007	69,276	1,884,888	1,046,473	387,598	983	1,065	1.42	15.11
	Total	205,586	5,253,945	3,038,158	1,176,768	2,999	1,013	1.46	14.78
51 Mecklenburg County Remainder	2005	45,575	1,043,759	535,787	270,047	463	1,157	1.02	11.76
	2006	53,347	1,174,360	645,989	498,353	626	1,032	1.17	12.11
	2007	55,575	1,375,087	618,496	445,146	593	1,043	1.07	11.13
	Total	154,497	3,593,206	1,800,272	1,213,546	1,682	1,070	1.09	11.65
52 Charlotte	2005	295,923	8,988,818	5,527,131	3,020,795	5,050	1,094	1.71	18.68
	2006	306,288	8,869,125	5,708,150	3,083,209	5,267	1,084	1.72	18.64
	2007	322,432	10,436,214	5,827,007	3,119,945	5,411	1,077	1.68	18.07
	Total	924,643	28,294,157	17,062,288	9,223,949	15,728	1,085	1.70	18.45
Statewide Totals	2005	4,796,233	116,488,947	62,741,201	26,582,281	58,737	1,068	1.22	13.08
	2006	4,921,807	114,882,361	62,828,812	28,803,457	57,585	1,091	1.17	12.77
	2007	5,054,796	134,875,592	62,312,744	28,380,847	56,322	1,106	1.11	12.33
	Total	14,772,836	366,246,900	187,882,757	83,766,585	172,644	1,088	1.17	12.72

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Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA  
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
 PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 001		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
11	Asheville	2005	30,854	2,209,231	1,208,198	1,841	656	5.97	39.16
		2006	31,630	2,387,865	1,101,334	1,792	615	5.67	34.82
		2007	31,844	2,394,919	1,250,277	1,889	662	5.93	39.26
		Total	94,328	6,992,015	3,559,809	5,522	645	5.85	37.74
13	Durham	2005	24,998	2,616,845	1,182,403	1,795	659	7.18	47.30
		2006	24,180	2,641,137	1,264,667	1,657	763	6.85	52.30
		2007	23,458	2,419,982	1,068,483	1,504	710	6.41	45.55
		Total	72,636	7,677,964	3,515,553	4,956	709	6.82	48.40
14	Greensboro- Hamilton Lakes	2005	32,999	3,248,568	1,409,167	2,204	639	6.68	42.70
		2006	32,230	3,247,160	1,920,312	2,438	788	7.56	59.58
		2007	31,908	2,745,829	1,361,384	2,027	672	6.35	42.67
		Total	97,137	9,241,557	4,690,863	6,669	703	6.87	48.29
15	High Point	2005	12,296	1,024,928	424,561	823	516	6.69	34.53
		2006	12,002	1,059,863	524,811	760	691	6.33	43.73
		2007	11,590	983,107	449,215	732	614	6.32	38.76
		Total	35,888	3,067,898	1,398,587	2,315	604	6.45	38.97
16	Raleigh	2005	79,633	7,451,116	3,757,409	5,735	655	7.20	47.18
		2006	79,424	7,802,257	4,150,698	5,543	749	6.98	52.26
		2007	79,473	7,394,636	3,893,997	5,402	721	6.80	49.00
		Total	238,530	22,648,009	11,802,104	16,680	708	6.99	49.48

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 001		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
17	Wilmington	2005	25,367	2,255,037	1,108,075	1,297	854	5.11	43.68
		2006	25,424	2,304,321	1,095,490	1,197	915	4.71	43.09
		2007	25,343	2,056,008	948,347	1,134	836	4.47	37.42
		Total	76,134	6,615,366	3,151,912	3,628	869	4.77	41.40
18	Winston-Salem	2005	50,271	4,049,676	2,090,558	3,091	676	6.15	41.59
		2006	49,800	4,131,973	2,276,283	3,051	746	6.13	45.71
		2007	49,483	3,851,813	2,048,476	2,896	707	5.85	41.40
		Total	149,554	12,033,462	6,415,317	9,038	710	6.04	42.90
24	Western Territories	2005	634,353	65,435,230	33,412,686	43,272	772	6.82	52.67
		2006	629,331	65,292,378	38,333,009	44,178	868	7.02	60.91
		2007	633,192	58,495,429	36,002,569	42,670	844	6.74	56.86
		Total	1,896,876	189,223,037	107,748,264	130,120	828	6.86	56.80
25	Gaston County	2005	35,850	2,822,398	1,389,011	1,966	707	5.48	38.75
		2006	35,685	2,941,860	1,786,779	2,316	771	6.49	50.07
		2007	35,939	2,950,785	1,563,352	2,203	710	6.13	43.50
		Total	107,474	8,715,043	4,739,142	6,485	731	6.03	44.10
26	Southern Territories	2005	83,641	10,787,951	4,802,092	6,604	727	7.90	57.41
		2006	82,605	10,824,686	5,146,054	6,375	807	7.72	62.30
		2007	82,057	9,466,116	4,755,578	6,087	781	7.42	57.95
		Total	248,303	31,078,753	14,703,724	19,066	771	7.68	59.22

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 001		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	64,638	7,133,519	3,459,479	4,846	714	7.50	53.52
		2006	64,390	7,134,232	3,962,784	4,862	815	7.55	61.54
		2007	64,832	6,331,210	4,676,045	5,060	924	7.80	72.13
		Total	193,860	20,598,961	12,098,308	14,768	819	7.62	62.41
32	Guilford, Buncombe, etc.	2005	214,896	19,736,468	9,841,454	15,657	629	7.29	45.80
		2006	214,681	20,058,111	11,120,162	15,995	695	7.45	51.80
		2007	217,604	18,528,148	11,196,211	15,686	714	7.21	51.45
		Total	647,181	58,322,727	32,157,827	47,338	679	7.31	49.69
33	Eastern Territories	2005	185,734	25,715,108	13,460,576	14,998	897	8.07	72.47
		2006	182,092	25,429,817	14,299,646	14,609	979	8.02	78.53
		2007	180,132	22,074,548	14,516,835	14,534	999	8.07	80.59
		Total	547,958	73,219,473	42,277,057	44,141	958	8.06	77.15
40	Fayetteville	2005	21,694	2,437,950	1,079,741	1,798	601	8.29	49.77
		2006	21,224	2,416,703	942,293	1,643	574	7.74	44.40
		2007	20,927	2,059,101	996,291	1,532	650	7.32	47.61
		Total	63,845	6,913,754	3,018,325	4,973	607	7.79	47.28
41	Onslow County	2005	11,458	1,233,940	573,915	587	978	5.12	50.09
		2006	11,430	1,168,152	643,122	601	1,070	5.26	56.27
		2007	11,741	919,092	569,709	594	959	5.06	48.52
		Total	34,629	3,321,184	1,786,746	1,782	1,003	5.15	51.60

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
 PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 001		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	10,238	1,057,795	499,920	559	894	5.46	48.83
		2006	10,059	989,937	834,731	755	1,106	7.51	82.98
		2007	9,974	774,045	418,729	490	855	4.91	41.98
		Total	30,271	2,821,777	1,753,380	1,804	972	5.96	57.92
47	Wayne County	2005	18,330	1,776,368	942,421	1,239	761	6.76	51.41
		2006	17,983	1,709,480	874,304	1,123	779	6.24	48.62
		2007	17,976	1,400,667	981,912	1,197	820	6.66	54.62
		Total	54,289	4,886,515	2,798,637	3,559	786	6.56	51.55
51	Mecklenburg County Remainder	2005	12,864	1,162,550	669,933	1,099	610	8.54	52.08
		2006	14,138	1,302,366	849,475	1,272	668	9.00	60.08
		2007	14,355	1,251,731	864,496	1,247	693	8.69	60.22
		Total	41,357	3,716,647	2,383,904	3,618	659	8.75	57.64
52	Charlotte	2005	73,512	6,560,126	4,239,973	5,684	746	7.73	57.68
		2006	73,153	6,978,733	4,099,343	5,376	763	7.35	56.04
		2007	74,055	7,365,284	3,768,319	5,496	686	7.42	50.89
		Total	220,720	20,904,143	12,107,635	16,556	731	7.50	54.86
Statewide Totals		2005	1,623,626	168,714,804	85,551,572	115,095	743	7.09	52.69
		2006	1,611,461	169,821,031	95,225,297	115,543	824	7.17	59.09
		2007	1,615,883	153,462,450	91,330,225	112,380	813	6.95	56.52
		Total	4,850,970	491,998,285	272,107,094	343,018	793	7.07	56.09

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

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COVERAGE 003		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
11	Asheville	2005	5,111	348,509	180,466	267	676	5.22	35.31
		2006	4,938	349,171	154,888	210	738	4.25	31.37
		2007	4,742	331,609	159,566	270	591	5.69	33.65
		Total	14,791	1,029,289	494,920	747	663	5.05	33.46
13	Durham	2005	7,514	767,303	330,167	486	679	6.47	43.94
		2006	7,119	744,170	330,044	469	704	6.59	46.36
		2007	6,864	667,873	293,509	397	739	5.78	42.76
		Total	21,497	2,179,346	953,720	1,352	705	6.29	44.37
14	Greensboro- Hamilton Lakes	2005	8,685	843,309	364,191	506	720	5.83	41.93
		2006	8,317	801,680	374,645	516	726	6.20	45.05
		2007	8,144	661,515	297,272	419	709	5.14	36.50
		Total	25,146	2,306,504	1,036,108	1,441	719	5.73	41.20
15	High Point	2005	2,521	203,238	86,584	137	632	5.43	34.35
		2006	2,517	209,669	87,291	142	615	5.64	34.68
		2007	2,427	194,196	103,121	152	678	6.26	42.49
		Total	7,465	607,103	276,996	431	643	5.77	37.11
16	Raleigh	2005	19,337	1,747,787	814,861	1,291	631	6.68	42.14
		2006	18,946	1,761,777	760,254	1,164	653	6.14	40.13
		2007	18,567	1,607,440	734,730	1,116	658	6.01	39.57
		Total	56,850	5,117,004	2,309,845	3,571	647	6.28	40.63

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.



NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 003		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
17	Wilmington	2005	8,836	765,600	358,709	363	988	4.11	40.60
		2006	8,626	745,519	306,063	372	823	4.31	35.48
		2007	8,346	635,338	247,163	303	816	3.63	29.61
		Total	25,808	2,146,457	911,935	1,038	879	4.02	35.34
18	Winston-Salem	2005	6,241	485,911	251,762	358	703	5.74	40.34
		2006	6,116	482,480	232,634	305	763	4.99	38.04
		2007	5,923	433,687	189,772	314	604	5.30	32.04
		Total	18,280	1,402,078	674,168	977	690	5.34	36.88
24	Western Territories	2005	79,570	8,046,766	3,465,012	4,720	734	5.93	43.55
		2006	77,610	7,834,785	3,792,955	4,666	813	6.01	48.87
		2007	76,660	6,776,368	3,697,186	4,513	819	5.89	48.23
		Total	233,840	22,657,919	10,955,153	13,899	788	5.94	46.85
25	Gaston County	2005	4,445	346,552	148,248	237	626	5.33	33.35
		2006	4,370	344,064	197,246	236	836	5.40	45.14
		2007	4,284	328,838	180,191	240	751	5.60	42.06
		Total	13,099	1,019,454	525,685	713	737	5.44	40.13
26	Southern Territories	2005	16,667	2,137,675	868,441	1,229	707	7.37	52.11
		2006	16,419	2,098,167	973,708	1,210	805	7.37	59.30
		2007	16,140	1,789,153	893,574	1,153	775	7.14	55.36
		Total	49,226	6,024,995	2,735,723	3,592	762	7.30	55.57

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 003		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
31	Wilson, Rocky Mount, etc.	2005	13,550	1,453,874	629,741	924	682	6.82	46.48
		2006	13,502	1,428,899	736,703	928	794	6.87	54.56
		2007	13,318	1,220,380	733,954	905	811	6.80	55.11
		Total	40,370	4,103,153	2,100,398	2,757	762	6.83	52.03
32	Guilford, Buncombe, etc.	2005	29,322	2,663,825	1,358,220	1,962	692	6.69	46.32
		2006	28,992	2,616,799	1,263,996	1,980	638	6.83	43.60
		2007	28,946	2,340,430	1,189,523	1,751	679	6.05	41.09
		Total	87,260	7,621,054	3,811,739	5,693	670	6.52	43.68
33	Eastern Territories	2005	28,156	3,788,791	1,584,644	1,965	806	6.98	56.28
		2006	27,520	3,702,583	1,976,073	1,911	1,034	6.94	71.80
		2007	26,872	3,110,053	1,728,802	1,755	985	6.53	64.33
		Total	82,548	10,601,427	5,289,519	5,631	939	6.82	64.08
40	Fayetteville	2005	7,810	874,323	393,891	635	620	8.13	50.43
		2006	7,503	835,141	371,264	586	634	7.81	49.48
		2007	7,348	684,072	400,300	517	774	7.04	54.48
		Total	22,661	2,393,536	1,165,455	1,738	671	7.67	51.43
41	Onslow County	2005	2,367	243,207	81,512	119	685	5.03	34.44
		2006	2,287	224,164	128,810	122	1,056	5.33	56.32
		2007	2,321	169,258	83,256	113	737	4.87	35.87
		Total	6,975	636,629	293,578	354	829	5.08	42.09

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 003		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	4,403	452,658	218,520	214	1,021	4.86	49.63
		2006	4,238	410,812	304,068	277	1,098	6.54	71.75
		2007	4,024	297,451	133,566	177	755	4.40	33.19
		Total	12,665	1,160,921	656,154	668	982	5.27	51.81
47	Wayne County	2005	2,248	215,882	71,406	137	521	6.09	31.76
		2006	2,197	207,547	114,961	139	827	6.33	52.33
		2007	2,138	160,860	85,778	121	709	5.66	40.12
		Total	6,583	584,289	272,145	397	686	6.03	41.34
51	Mecklenburg County Remainder	2005	2,604	225,363	109,986	177	621	6.80	42.24
		2006	2,739	239,126	103,614	177	585	6.46	37.83
		2007	2,716	218,530	187,628	211	889	7.77	69.08
		Total	8,059	683,019	401,228	565	710	7.01	49.79
52	Charlotte	2005	17,175	1,502,312	804,812	1,226	656	7.14	46.86
		2006	16,802	1,541,827	791,950	1,080	733	6.43	47.13
		2007	16,454	1,531,349	721,475	1,039	694	6.31	43.85
		Total	50,431	4,575,488	2,318,237	3,345	693	6.63	45.97
Statewide Totals		2005	266,562	27,112,885	12,121,173	16,953	715	6.36	45.47
		2006	260,758	26,578,380	13,001,167	16,490	788	6.32	49.86
		2007	256,234	23,158,400	12,060,366	15,466	780	6.04	47.07
		Total	783,554	76,849,665	37,182,706	48,909	760	6.24	47.45

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 010		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
11	Asheville	2005	19,525	1,722,357	689,341	1,086	635	5.56	35.31
		2006	19,908	1,834,756	701,856	1,018	689	5.11	35.25
		2007	19,612	1,778,171	830,309	1,156	718	5.89	42.34
		Total	59,045	5,335,284	2,221,506	3,260	681	5.52	37.62
13	Durham	2005	25,505	3,143,216	1,378,630	1,850	745	7.25	54.05
		2006	24,992	3,206,192	1,445,329	1,731	835	6.93	57.83
		2007	24,959	2,999,435	1,438,888	1,657	868	6.64	57.65
		Total	75,456	9,348,843	4,262,847	5,238	814	6.94	56.49
14	Greensboro- Hamilton Lakes	2005	32,190	3,727,369	1,466,001	2,185	671	6.79	45.54
		2006	31,940	3,786,587	1,923,447	2,422	794	7.58	60.22
		2007	32,006	3,243,821	1,343,311	1,964	684	6.14	41.97
		Total	96,136	10,757,777	4,732,759	6,571	720	6.84	49.23
15	High Point	2005	10,910	1,127,227	448,116	737	608	6.76	41.07
		2006	10,802	1,175,091	582,495	704	827	6.52	53.92
		2007	10,585	1,071,739	467,680	629	744	5.94	44.18
		Total	32,297	3,374,057	1,498,291	2,070	724	6.41	46.39
16	Raleigh	2005	79,790	8,178,805	3,707,617	5,543	669	6.95	46.47
		2006	81,113	8,725,524	3,931,832	5,548	709	6.84	48.47
		2007	82,795	8,378,586	3,905,969	5,254	743	6.35	47.18
		Total	243,698	25,282,915	11,545,418	16,345	706	6.71	47.38

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 010		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	27,441	2,640,426	1,219,880	1,259	969	4.59	44.45
		2006	27,772	2,789,356	1,484,902	1,257	1,181	4.53	53.47
		2007	27,713	2,491,216	1,125,451	1,189	947	4.29	40.61
		Total	82,926	7,920,998	3,830,233	3,705	1,034	4.47	46.19
18	Winston-Salem	2005	28,396	2,943,847	1,395,462	1,849	755	6.51	49.14
		2006	29,069	3,216,548	1,534,131	1,904	806	6.55	52.78
		2007	28,944	2,975,107	1,412,084	1,795	787	6.20	48.79
		Total	86,409	9,135,502	4,341,677	5,548	783	6.42	50.25
24	Western Territories	2005	371,173	44,848,246	21,692,820	25,519	850	6.88	58.44
		2006	376,743	46,946,280	27,148,866	27,602	984	7.33	72.06
		2007	384,365	43,128,945	24,721,691	26,166	945	6.81	64.32
		Total	1,132,281	134,923,471	73,563,377	79,287	928	7.00	64.97
25	Gaston County	2005	27,818	2,590,736	1,356,097	1,560	869	5.61	48.75
		2006	28,245	2,793,116	1,519,140	1,686	901	5.97	53.78
		2007	28,771	2,799,695	1,441,665	1,719	839	5.97	50.11
		Total	84,834	8,183,547	4,316,902	4,965	869	5.85	50.89
26	Southern Territories	2005	101,297	14,288,241	7,650,514	8,175	936	8.07	75.53
		2006	103,432	15,474,519	8,278,596	8,043	1,029	7.78	80.04
		2007	104,455	13,954,988	8,013,254	7,734	1,036	7.40	76.71
		Total	309,184	43,717,748	23,942,364	23,952	1,000	7.75	77.44

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 010		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	69,017	8,595,917	3,990,822	5,302	753	7.68	57.82
		2006	70,538	9,001,913	4,719,997	5,319	887	7.54	66.91
		2007	72,103	8,139,617	5,714,516	5,545	1,031	7.69	79.25
		Total	211,658	25,737,447	14,425,335	16,166	892	7.64	68.15
32	Guilford, Buncombe, etc.	2005	121,507	13,357,083	5,944,404	8,979	662	7.39	48.92
		2006	124,484	14,133,102	7,274,315	9,163	794	7.36	58.44
		2007	128,504	13,213,969	6,863,787	8,883	773	6.91	53.41
		Total	374,495	40,704,154	20,082,506	27,025	743	7.22	53.63
33	Eastern Territories	2005	154,495	24,112,681	13,348,947	12,869	1,037	8.33	86.40
		2006	156,268	25,710,883	15,004,721	13,073	1,148	8.37	96.02
		2007	156,860	23,126,754	14,724,613	12,685	1,161	8.09	93.87
		Total	467,623	72,950,318	43,078,281	38,627	1,115	8.26	92.12
40	Fayetteville	2005	32,951	4,070,951	1,736,179	2,751	631	8.35	52.69
		2006	32,532	4,115,606	1,863,221	2,395	778	7.36	57.27
		2007	32,271	3,519,060	1,862,778	2,299	810	7.12	57.72
		Total	97,754	11,705,617	5,462,178	7,445	734	7.62	55.88
41	Onslow County	2005	14,387	1,599,015	594,578	670	887	4.66	41.33
		2006	14,192	1,548,341	761,480	678	1,123	4.78	53.66
		2007	14,010	1,171,228	578,667	579	999	4.13	41.30
		Total	42,589	4,318,584	1,934,725	1,927	1,004	4.52	45.43

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 010		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	17,252	2,006,324	988,426	949	1,042	5.50	57.29
		2006	17,201	1,925,573	1,558,462	1,384	1,126	8.05	90.60
		2007	17,070	1,530,166	877,913	803	1,093	4.70	51.43
		Total	51,523	5,462,063	3,424,801	3,136	1,092	6.09	66.47
47	Wayne County	2005	16,995	1,961,571	828,983	1,068	776	6.28	48.78
		2006	17,281	2,057,318	1,007,209	1,137	886	6.58	58.28
		2007	17,522	1,787,627	1,146,671	1,109	1,034	6.33	65.44
		Total	51,798	5,806,516	2,982,863	3,314	900	6.40	57.59
51	Mecklenburg County Remainder	2005	14,980	1,488,283	642,970	1,176	547	7.85	42.92
		2006	16,999	1,754,948	959,674	1,290	744	7.59	56.45
		2007	17,262	1,688,467	920,579	1,419	649	8.22	53.33
		Total	49,241	4,931,698	2,523,223	3,885	649	7.89	51.24
52	Charlotte	2005	102,841	10,713,752	5,815,633	7,689	756	7.48	56.55
		2006	102,453	11,344,286	5,885,610	7,273	809	7.10	57.45
		2007	103,255	11,690,150	5,822,638	7,320	795	7.09	56.39
		Total	308,549	33,748,188	17,523,881	22,282	786	7.22	56.79
Statewide Totals		2005	1,268,470	153,116,047	74,895,420	91,216	821	7.19	59.04
		2006	1,285,964	161,539,939	87,585,283	93,627	935	7.28	68.11
		2007	1,303,062	148,688,741	83,212,464	89,905	926	6.90	63.86
		Total	3,857,496	463,344,727	245,693,167	274,748	894	7.12	63.69

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average	Claim	Pure
						Claim Cost	Claim Freq. (2)	Prem.
11 Asheville	2005	9,346	774,373	358,344	350	1,024	3.74	38.34
	2006	9,910	830,436	290,113	331	876	3.34	29.27
	2007	10,400	843,414	417,310	374	1,116	3.60	40.13
	Total	29,656	2,448,223	1,065,767	1,055	1,010	3.56	35.94
13 Durham	2005	16,129	1,964,467	806,877	791	1,020	4.90	50.03
	2006	16,736	2,093,362	947,891	817	1,160	4.88	56.64
	2007	17,485	1,996,190	971,110	777	1,250	4.44	55.54
	Total	50,350	6,054,019	2,725,878	2,385	1,143	4.74	54.14
14 Greensboro-Hamilton Lakes	2005	16,180	1,827,559	633,825	692	916	4.28	39.17
	2006	16,772	1,929,494	1,013,600	855	1,185	5.10	60.43
	2007	17,300	1,689,547	773,093	758	1,020	4.38	44.69
	Total	50,252	5,446,600	2,420,518	2,305	1,050	4.59	48.17
15 High Point	2005	4,670	445,202	186,140	213	874	4.56	39.86
	2006	4,925	491,526	258,894	219	1,182	4.45	52.57
	2007	5,080	468,015	218,992	183	1,197	3.60	43.11
	Total	14,675	1,404,743	664,026	615	1,080	4.19	45.25
16 Raleigh	2005	47,994	4,916,679	1,905,137	2,280	836	4.75	39.70
	2006	50,970	5,429,406	2,267,964	2,383	952	4.68	44.50
	2007	54,048	5,310,445	2,290,574	2,205	1,039	4.08	42.38
	Total	153,012	15,656,530	6,463,675	6,868	941	4.49	42.24

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.



NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

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COVERAGE 055		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	16,713	1,530,784	689,256	515	1,338	3.08	41.24
		2006	17,679	1,670,133	740,312	579	1,279	3.28	41.88
		2007	18,416	1,547,863	705,583	528	1,336	2.87	38.31
		Total	52,808	4,748,780	2,135,151	1,622	1,316	3.07	40.43
18	Winston-Salem	2005	11,891	1,133,033	490,383	499	983	4.20	41.24
		2006	12,717	1,256,373	555,145	519	1,070	4.08	43.65
		2007	13,468	1,252,967	615,110	524	1,174	3.89	45.67
		Total	38,076	3,642,373	1,660,638	1,542	1,077	4.05	43.61
24	Western Territories	2005	128,785	14,560,344	6,690,112	5,911	1,132	4.59	51.95
		2006	137,630	15,981,341	8,292,438	6,682	1,241	4.86	60.25
		2007	146,517	15,244,697	8,360,996	6,642	1,259	4.53	57.07
		Total	412,932	45,786,382	23,343,546	19,235	1,214	4.66	56.53
25	Gaston County	2005	11,565	1,090,572	472,002	419	1,126	3.62	40.81
		2006	12,228	1,247,862	596,525	490	1,217	4.01	48.78
		2007	13,001	1,291,647	644,870	534	1,208	4.11	49.60
		Total	36,794	3,630,081	1,713,397	1,443	1,187	3.92	46.57
26	Southern Territories	2005	39,675	5,350,852	2,824,575	2,200	1,284	5.55	71.19
		2006	41,783	5,842,502	2,936,603	2,303	1,275	5.51	70.28
		2007	43,595	5,326,330	2,841,490	2,152	1,320	4.94	65.18
		Total	125,053	16,519,684	8,602,668	6,655	1,293	5.32	68.79

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
 PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 055		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	35,055	4,089,310	1,531,581	1,763	869	5.03	43.69
		2006	36,742	4,305,212	2,134,787	1,812	1,178	4.93	58.10
		2007	38,975	4,013,707	2,710,921	2,139	1,267	5.49	69.56
		Total	110,772	12,408,229	6,377,289	5,714	1,116	5.16	57.57
32	Guilford, Buncombe, etc.	2005	48,237	5,041,865	2,020,836	2,281	886	4.73	41.89
		2006	51,832	5,528,577	2,511,035	2,413	1,041	4.66	48.45
		2007	55,458	5,298,215	2,528,809	2,347	1,077	4.23	45.60
		Total	155,527	15,868,657	7,060,680	7,041	1,003	4.53	45.40
33	Eastern Territories	2005	59,964	9,106,184	4,863,329	3,773	1,289	6.29	81.10
		2006	62,956	9,879,434	5,467,150	3,874	1,411	6.15	86.84
		2007	66,502	9,236,834	6,124,923	4,100	1,494	6.17	92.10
		Total	189,422	28,222,452	16,455,402	11,747	1,401	6.20	86.87
40	Fayetteville	2005	26,123	3,106,445	1,290,263	1,513	853	5.79	49.39
		2006	26,243	3,172,071	1,510,900	1,507	1,003	5.74	57.57
		2007	26,621	2,677,435	1,446,798	1,352	1,070	5.08	54.35
		Total	78,987	8,955,951	4,247,961	4,372	972	5.54	53.78
41	Onslow County	2005	13,221	1,429,115	697,419	567	1,230	4.29	52.75
		2006	13,318	1,395,446	693,117	530	1,308	3.98	52.04
		2007	13,702	1,099,823	705,027	491	1,436	3.58	51.45
		Total	40,241	3,924,384	2,095,563	1,588	1,320	3.95	52.08

H-400

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

H-401

COVERAGE 055		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	9,155	1,051,163	401,601	366	1,097	4.00	43.87
		2006	9,510	1,079,601	676,720	591	1,145	6.21	71.16
		2007	9,599	870,113	427,932	369	1,160	3.84	44.58
		Total	28,264	3,000,877	1,506,253	1,326	1,136	4.69	53.29
47	Wayne County	2005	8,260	966,655	366,848	389	943	4.71	44.41
		2006	8,496	986,772	474,611	403	1,178	4.74	55.86
		2007	8,842	861,730	582,672	420	1,387	4.75	65.90
		Total	25,598	2,815,157	1,424,131	1,212	1,175	4.73	55.63
51	Mecklenburg County Remainder	2005	8,220	742,886	293,595	379	775	4.61	35.72
		2006	9,921	942,567	406,381	493	824	4.97	40.96
		2007	10,347	918,922	554,628	526	1,054	5.08	53.60
		Total	28,488	2,604,375	1,254,604	1,398	897	4.91	44.04
52	Charlotte	2005	62,673	6,484,695	3,542,670	3,450	1,027	5.50	56.53
		2006	65,196	7,092,713	4,367,726	3,683	1,186	5.65	66.99
		2007	67,612	7,361,793	3,831,949	3,611	1,061	5.34	56.68
		Total	195,481	20,939,201	11,742,345	10,744	1,093	5.50	60.07
Statewide Totals		2005	573,856	65,612,183	30,064,793	28,351	1,060	4.94	52.39
		2006	605,564	71,154,828	36,141,912	30,484	1,186	5.03	59.68
		2007	636,968	67,309,687	36,752,787	30,032	1,224	4.71	57.70
		Total	1,816,388	204,076,698	102,959,492	88,867	1,159	4.89	56.68

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 726		Accident	Earned	Collected		Average		Pure
Territory	Year	Year	Car	Earned	Paid	Claim	Claim	Prem.
			Years	Premium	Loss	Cost	Freq. (2)	
11 Asheville	2005	9,268	721,092	243,570	208	1,171	2.24	26.28
	2006	10,784	864,628	243,392	210	1,159	1.95	22.57
	2007	12,118	908,633	301,983	249	1,213	2.05	24.92
	Total	32,170	2,494,353	788,945	667	1,183	2.07	24.52
13 Durham	2005	18,434	2,198,571	757,545	616	1,230	3.34	41.09
	2006	20,727	2,551,610	1,101,540	712	1,547	3.44	53.15
	2007	23,125	2,567,253	1,130,260	678	1,667	2.93	48.88
	Total	62,286	7,317,434	2,989,345	2,006	1,490	3.22	47.99
14 Greensboro- Hamilton Lakes	2005	16,535	1,912,428	603,343	464	1,300	2.81	36.49
	2006	18,571	2,100,806	843,124	611	1,380	3.29	45.40
	2007	20,528	1,947,518	703,042	524	1,342	2.55	34.25
	Total	55,634	5,960,752	2,149,509	1,599	1,344	2.87	38.64
15 High Point	2005	4,446	430,180	166,117	133	1,249	2.99	37.36
	2006	5,166	526,008	233,589	139	1,680	2.69	45.22
	2007	5,699	548,097	234,679	173	1,357	3.04	41.18
	Total	15,311	1,504,285	634,385	445	1,426	2.91	41.43
16 Raleigh	2005	57,906	5,842,646	1,978,151	1,723	1,148	2.98	34.16
	2006	67,703	7,171,760	2,858,482	2,011	1,421	2.97	42.22
	2007	76,788	7,364,619	2,791,976	2,060	1,355	2.68	36.36
	Total	202,397	20,379,025	7,628,609	5,794	1,317	2.86	37.69

H-402

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 726		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
17	Wilmington	2005	24,052	2,407,873	1,071,139	568	1,886	2.36	44.53
		2006	27,335	2,763,797	1,362,566	618	2,205	2.26	49.85
		2007	29,613	2,607,553	1,125,977	593	1,899	2.00	38.02
		Total	81,000	7,779,223	3,559,682	1,779	2,001	2.20	43.95
18	Winston-Salem	2005	12,347	1,184,958	491,065	349	1,407	2.83	39.77
		2006	14,295	1,465,457	506,564	379	1,337	2.65	35.44
		2007	15,999	1,476,841	785,223	424	1,852	2.65	49.08
		Total	42,641	4,127,256	1,782,852	1,152	1,548	2.70	41.81
24	Western Territories	2005	125,719	13,997,071	5,543,424	3,830	1,447	3.05	44.09
		2006	148,129	16,698,688	7,705,170	4,953	1,556	3.34	52.02
		2007	168,687	16,653,394	7,967,247	5,135	1,552	3.04	47.23
		Total	442,535	47,349,153	21,215,841	13,918	1,524	3.15	47.94
25	Gaston County	2005	11,521	1,143,001	576,342	318	1,812	2.76	50.03
		2006	13,190	1,402,000	622,397	350	1,778	2.65	47.19
		2007	14,943	1,497,813	693,318	423	1,639	2.83	46.40
		Total	39,654	4,042,814	1,892,057	1,091	1,734	2.75	47.71
26	Southern Territories	2005	41,821	5,686,123	2,667,576	1,608	1,659	3.84	63.79
		2006	48,770	6,696,548	3,328,204	1,962	1,696	4.02	68.24
		2007	54,921	6,438,980	3,585,814	1,987	1,805	3.62	65.29
		Total	145,512	18,821,651	9,581,594	5,557	1,724	3.82	65.85

H-403

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 726		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	36,940	4,177,562	1,434,024	1,182	1,213	3.20	38.82
		2006	43,415	4,771,649	1,983,737	1,437	1,380	3.31	45.69
		2007	49,472	4,646,051	2,599,646	1,719	1,512	3.47	52.55
		Total	129,827	13,595,262	6,017,407	4,338	1,387	3.34	46.35
32	Guilford, Buncombe, etc.	2005	46,043	4,771,302	1,679,966	1,371	1,225	2.98	36.49
		2006	54,071	5,731,403	2,296,871	1,703	1,349	3.15	42.48
		2007	61,815	5,715,427	2,255,848	1,792	1,259	2.90	36.49
		Total	161,929	16,218,132	6,232,685	4,866	1,281	3.01	38.49
33	Eastern Territories	2005	55,237	8,349,663	3,416,961	2,128	1,606	3.85	61.86
		2006	64,345	9,657,148	4,811,467	2,620	1,836	4.07	74.78
		2007	71,708	9,216,882	5,143,279	2,917	1,763	4.07	71.73
		Total	191,290	27,223,693	13,371,707	7,665	1,745	4.01	69.90
40	Fayetteville	2005	39,579	4,968,057	2,149,898	1,511	1,423	3.82	54.32
		2006	43,799	5,373,393	2,222,154	1,596	1,392	3.64	50.74
		2007	47,949	4,639,807	2,410,155	1,704	1,414	3.55	50.26
		Total	131,327	14,981,257	6,782,207	4,811	1,410	3.66	51.64
41	Onslow County	2005	29,294	3,779,788	1,713,738	837	2,047	2.86	58.50
		2006	33,518	4,115,820	2,241,445	1,048	2,139	3.13	66.87
		2007	36,730	3,383,558	1,877,673	913	2,057	2.49	51.12
		Total	99,542	11,279,166	5,832,856	2,798	2,085	2.81	58.60

H-404

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 726		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	11,127	1,357,142	581,135	339	1,714	3.05	52.23
		2006	12,644	1,443,545	721,143	468	1,541	3.70	57.03
		2007	13,713	1,175,437	625,828	370	1,691	2.70	45.64
		Total	37,484	3,976,124	1,928,106	1,177	1,638	3.14	51.44
47	Wayne County	2005	9,561	1,160,644	468,330	321	1,459	3.36	48.98
		2006	10,293	1,167,871	421,108	318	1,324	3.09	40.91
		2007	11,173	1,017,751	519,890	341	1,525	3.05	46.53
		Total	31,027	3,346,266	1,409,328	980	1,438	3.16	45.42
51	Mecklenburg County Remainder	2005	9,640	868,242	387,711	305	1,271	3.16	40.22
		2006	12,720	1,196,238	511,943	416	1,231	3.27	40.25
		2007	14,338	1,250,589	638,601	429	1,489	2.99	44.54
		Total	36,698	3,315,069	1,538,255	1,150	1,338	3.13	41.92
52	Charlotte	2005	74,374	7,648,920	3,917,238	2,912	1,345	3.92	52.67
		2006	83,430	9,152,307	4,522,120	2,832	1,597	3.39	54.20
		2007	93,658	10,025,110	4,899,949	3,197	1,533	3.41	52.32
		Total	251,462	26,826,337	13,339,307	8,941	1,492	3.56	53.05
Statewide Totals		2005	633,844	72,605,263	29,847,273	20,723	1,440	3.27	47.09
		2006	732,905	84,850,676	38,537,016	24,383	1,580	3.33	52.58
		2007	822,977	83,081,313	40,290,388	25,628	1,572	3.11	48.96
		Total	2,189,726	240,537,252	108,674,677	70,734	1,536	3.23	49.63

H-405

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 727		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
11	Asheville	2005	1,163	75,803	13,780	13	1,060	1.12	11.85
		2006	1,473	96,711	23,303	24	971	1.63	15.82
		2007	1,758	109,080	21,217	22	964	1.25	12.07
		Total	4,394	281,594	58,300	59	988	1.34	13.27
13	Durham	2005	1,874	185,457	38,221	36	1,062	1.92	20.40
		2006	2,330	236,512	95,533	38	2,514	1.63	41.00
		2007	2,761	238,529	72,532	54	1,343	1.96	26.27
		Total	6,965	660,498	206,286	128	1,612	1.84	29.62
14	Greensboro- Hamilton Lakes	2005	1,658	160,104	81,577	27	3,021	1.63	49.20
		2006	2,002	189,804	50,615	25	2,025	1.25	25.28
		2007	2,352	183,376	49,483	40	1,237	1.70	21.04
		Total	6,012	533,284	181,675	92	1,975	1.53	30.22
15	High Point	2005	373	32,379	6,476	7	925	1.88	17.36
		2006	496	41,582	2,037	8	255	1.61	4.11
		2007	550	41,249	25,804	11	2,346	2.00	46.92
		Total	1,419	115,210	34,317	26	1,320	1.83	24.18
16	Raleigh	2005	6,500	540,242	196,298	130	1,510	2.00	30.20
		2006	8,226	682,156	247,858	162	1,530	1.97	30.13
		2007	9,812	721,664	203,776	178	1,145	1.81	20.77
		Total	24,538	1,944,062	647,932	470	1,379	1.92	26.41

H-406

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.



NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 727		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	2,662	222,533	86,600	44	1,968	1.65	32.53
		2006	3,269	269,834	94,391	34	2,776	1.04	28.87
		2007	3,819	274,201	78,481	44	1,784	1.15	20.55
		Total	9,750	766,568	259,472	122	2,127	1.25	26.61
18	Winston-Salem	2005	1,297	104,376	20,655	25	826	1.93	15.93
		2006	1,670	131,858	28,023	24	1,168	1.44	16.78
		2007	1,871	131,268	21,058	19	1,108	1.02	11.25
		Total	4,838	367,502	69,736	68	1,026	1.41	14.41
24	Western Territories	2005	14,689	1,470,595	596,899	262	2,278	1.78	40.64
		2006	18,345	1,811,560	517,979	360	1,439	1.96	28.24
		2007	21,926	1,815,916	631,116	410	1,539	1.87	28.78
		Total	54,960	5,098,071	1,745,994	1,032	1,692	1.88	31.77
25	Gaston County	2005	829	71,815	22,327	17	1,313	2.05	26.93
		2006	1,041	88,659	47,255	19	2,487	1.83	45.39
		2007	1,206	100,213	16,100	21	767	1.74	13.35
		Total	3,076	260,687	85,682	57	1,503	1.85	27.86
26	Southern Territories	2005	3,554	421,218	140,715	96	1,466	2.70	39.59
		2006	4,535	524,591	188,634	109	1,731	2.40	41.60
		2007	5,430	521,689	259,789	116	2,240	2.14	47.84
		Total	13,519	1,467,498	589,138	321	1,835	2.37	43.58

H-407

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 727		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	4,091	392,144	50,561	84	602	2.05	12.36
		2006	5,112	475,024	193,232	104	1,858	2.03	37.80
		2007	6,210	483,137	240,427	141	1,705	2.27	38.72
		Total	15,413	1,350,305	484,220	329	1,472	2.13	31.42
32	Guilford, Buncombe, etc.	2005	4,426	388,326	77,055	67	1,150	1.51	17.41
		2006	5,685	494,647	208,519	111	1,879	1.95	36.68
		2007	6,787	507,768	138,012	119	1,160	1.75	20.33
		Total	16,898	1,390,741	423,586	297	1,426	1.76	25.07
33	Eastern Territories	2005	4,895	643,481	165,246	113	1,462	2.31	33.76
		2006	6,156	796,422	222,691	139	1,602	2.26	36.17
		2007	7,196	783,467	264,826	150	1,766	2.08	36.80
		Total	18,247	2,223,370	652,763	402	1,624	2.20	35.77
40	Fayetteville	2005	2,497	281,207	77,410	58	1,335	2.32	31.00
		2006	3,137	339,286	72,915	74	985	2.36	23.24
		2007	3,681	293,986	161,608	95	1,701	2.58	43.90
		Total	9,315	914,479	311,933	227	1,374	2.44	33.49
41	Onslow County	2005	1,919	231,820	85,479	44	1,943	2.29	44.54
		2006	2,582	276,905	168,411	63	2,673	2.44	65.23
		2007	3,094	240,935	109,846	52	2,112	1.68	35.50
		Total	7,595	749,660	363,736	159	2,288	2.09	47.89

H-408

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 727		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
43	Craven County	2005	909	96,111	22,976	17	1,352	1.87	25.28
		2006	1,139	115,060	35,463	27	1,313	2.37	31.14
		2007	1,243	96,388	19,203	15	1,280	1.21	15.45
		Total	3,291	307,559	77,642	59	1,316	1.79	23.59
47	Wayne County	2005	642	71,873	22,610	18	1,256	2.80	35.22
		2006	746	73,546	52,915	17	3,113	2.28	70.93
		2007	848	63,717	26,328	21	1,254	2.48	31.05
		Total	2,236	209,136	101,853	56	1,819	2.50	45.55
51	Mecklenburg County Remainder	2005	1,208	97,651	4,702	28	168	2.32	3.89
		2006	1,662	140,453	35,703	29	1,231	1.74	21.48
		2007	1,941	145,810	102,773	49	2,097	2.52	52.95
		Total	4,811	383,914	143,178	106	1,351	2.20	29.76
52	Charlotte	2005	7,112	626,848	198,558	149	1,333	2.10	27.92
		2006	8,910	817,733	278,297	185	1,504	2.08	31.23
		2007	10,581	948,082	350,833	201	1,745	1.90	33.16
		Total	26,603	2,392,663	827,688	535	1,547	2.01	31.11
Statewide Totals		2005	62,298	6,113,983	1,908,145	1,235	1,545	1.98	30.63
		2006	78,516	7,602,343	2,563,774	1,552	1,652	1.98	32.65
		2007	93,066	7,700,475	2,793,212	1,758	1,589	1.89	30.01
		Total	233,880	21,416,801	7,265,131	4,545	1,598	1.94	31.06

H-409

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 72		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
11	Asheville	2005	236	48,765	39,812	31	1,284	13.14	168.69
		2006	243	47,804	31,271	21	1,489	8.64	128.69
		2007	274	48,293	55,909	23	2,431	8.39	204.05
		Total	753	144,862	126,992	75	1,693	9.96	168.65
13	Durham	2005	363	93,867	98,111	37	2,652	10.19	270.28
		2006	383	92,705	86,489	33	2,621	8.62	225.82
		2007	426	91,114	75,634	30	2,521	7.04	177.54
		Total	1,172	277,686	260,234	100	2,602	8.53	222.04
14	Greensboro- Hamilton Lakes	2005	330	105,582	80,041	33	2,425	10.00	242.55
		2006	315	85,741	44,823	36	1,245	11.43	142.30
		2007	377	92,473	38,432	29	1,325	7.69	101.94
		Total	1,022	283,796	163,296	98	1,666	9.59	159.78
15	High Point	2005	129	47,302	29,591	11	2,690	8.53	229.39
		2006	126	35,095	29,724	5	5,945	3.97	235.90
		2007	130	31,646	30,482	10	3,048	7.69	234.48
		Total	385	114,043	89,797	26	3,454	6.75	233.24
16	Raleigh	2005	828	214,477	248,913	83	2,999	10.02	300.62
		2006	931	229,912	178,346	73	2,443	7.84	191.56
		2007	1,078	223,050	283,341	98	2,891	9.09	262.84
		Total	2,837	667,439	710,600	254	2,798	8.95	250.48

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 72		Accident	Earned	Collected	Paid	Average	Claim	Pure	
Territory	Year	Year	Car	Earned	Loss	Claim	Freq. (2)	Prem.	
			Years	Premium		Cost			
17	Wilmington	2005	314	67,449	47,542	22	2,161	7.01	151.41
		2006	344	73,757	61,126	31	1,972	9.01	177.69
		2007	383	77,790	63,824	30	2,127	7.83	166.64
		Total	1,041	218,996	172,492	83	2,078	7.97	165.70
18	Winston-Salem	2005	369	120,760	90,181	35	2,577	9.49	244.39
		2006	422	131,519	61,668	30	2,056	7.11	146.13
		2007	437	127,531	34,285	28	1,224	6.41	78.46
		Total	1,228	379,810	186,134	93	2,001	7.57	151.57
24	Western Territories	2005	3,550	752,611	463,564	238	1,948	6.70	130.58
		2006	3,676	746,536	449,736	230	1,955	6.26	122.34
		2007	3,984	717,692	640,450	291	2,201	7.30	160.76
		Total	11,210	2,216,839	1,553,750	759	2,047	6.77	138.60
25	Gaston County	2005	257	66,122	30,902	17	1,818	6.61	120.24
		2006	279	65,751	31,645	18	1,758	6.45	113.42
		2007	304	66,434	15,317	15	1,021	4.93	50.38
		Total	840	198,307	77,864	50	1,557	5.95	92.70
26	Southern Territories	2005	1,633	558,834	412,658	161	2,563	9.86	252.70
		2006	1,684	498,634	233,174	80	2,915	4.75	138.46
		2007	1,711	442,446	221,567	108	2,052	6.31	129.50
		Total	5,028	1,499,914	867,399	349	2,485	6.94	172.51

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 72		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
31	Wilson, Rocky Mount, etc.	2005	766	160,854	126,133	52	2,426	6.79	164.66
		2006	772	162,091	104,187	63	1,654	8.16	134.96
		2007	859	159,653	105,349	64	1,646	7.45	122.64
		Total	2,397	482,598	335,669	179	1,875	7.47	140.04
32	Guilford, Buncombe, etc.	2005	1,077	254,441	235,522	93	2,532	8.64	218.68
		2006	1,172	257,492	138,584	83	1,670	7.08	118.25
		2007	1,391	273,705	318,637	114	2,795	8.20	229.07
		Total	3,640	785,638	692,743	290	2,389	7.97	190.31
33	Eastern Territories	2005	2,340	431,346	209,033	121	1,728	5.17	89.33
		2006	2,335	434,872	246,732	128	1,928	5.48	105.67
		2007	2,412	403,634	245,418	115	2,134	4.77	101.75
		Total	7,087	1,269,852	701,183	364	1,926	5.14	98.94
40	Fayetteville	2005	1,169	340,448	176,120	125	1,409	10.69	150.66
		2006	1,190	324,612	358,059	127	2,819	10.67	300.89
		2007	1,291	285,240	250,242	143	1,750	11.08	193.84
		Total	3,650	950,300	784,421	395	1,986	10.82	214.91
41	Onslow County	2005	523	142,746	93,078	53	1,756	10.13	177.97
		2006	556	146,686	90,253	50	1,805	8.99	162.33
		2007	681	140,644	195,315	80	2,441	11.75	286.81
		Total	1,760	430,076	378,646	183	2,069	10.40	215.14

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 72		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	286	61,444	53,296	26	2,050	9.09	186.35
		2006	283	59,417	44,954	19	2,366	6.71	158.85
		2007	322	57,973	41,043	26	1,579	8.07	127.46
		Total	891	178,834	139,293	71	1,962	7.97	156.33
47	Wayne County	2005	266	59,369	25,040	16	1,565	6.02	94.14
		2006	271	59,581	62,363	25	2,495	9.23	230.12
		2007	303	56,557	54,913	33	1,664	10.89	181.23
		Total	840	175,507	142,316	74	1,923	8.81	169.42
51	Mecklenburg County Remainder	2005	165	60,917	56,702	25	2,268	15.15	343.65
		2006	215	68,294	35,338	21	1,683	9.77	164.36
		2007	192	47,810	31,925	21	1,520	10.94	166.28
		Total	572	177,021	123,965	67	1,850	11.71	216.72
52	Charlotte	2005	1,206	500,069	394,192	161	2,448	13.35	326.86
		2006	1,330	474,994	278,237	124	2,244	9.32	209.20
		2007	1,493	448,048	271,316	150	1,809	10.05	181.73
		Total	4,029	1,423,111	943,745	435	2,170	10.80	234.24
Statewide Totals		2005	15,807	4,087,403	2,910,431	1,340	2,172	8.48	184.12
		2006	16,527	3,995,493	2,566,709	1,197	2,144	7.24	155.30
		2007	18,048	3,791,733	2,973,399	1,408	2,112	7.80	164.75
		Total	50,382	11,874,629	8,450,539	3,945	2,142	7.83	167.73

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 73		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
11	Asheville	2005	1,238	257,923	119,413	65	1,837	5.25	96.46
		2006	1,229	249,406	178,774	71	2,518	5.78	145.46
		2007	1,197	218,174	137,418	58	2,369	4.85	114.80
		Total	3,664	725,503	435,605	194	2,245	5.29	118.89
13	Durham	2005	1,675	401,909	221,240	93	2,379	5.55	132.08
		2006	1,609	376,534	223,526	89	2,512	5.53	138.92
		2007	1,572	314,685	256,972	78	3,295	4.96	163.47
		Total	4,856	1,093,128	701,738	260	2,699	5.35	144.51
14	Greensboro- Hamilton Lakes	2005	1,341	337,616	129,581	68	1,906	5.07	96.63
		2006	1,285	310,216	169,956	69	2,463	5.37	132.26
		2007	1,238	260,806	170,982	72	2,375	5.82	138.11
		Total	3,864	908,638	470,519	209	2,251	5.41	121.77
15	High Point	2005	408	100,826	46,425	23	2,018	5.64	113.79
		2006	416	100,679	77,855	26	2,994	6.25	187.15
		2007	383	83,336	46,131	27	1,709	7.05	120.45
		Total	1,207	284,841	170,411	76	2,242	6.30	141.19
16	Raleigh	2005	5,067	1,148,372	532,990	232	2,297	4.58	105.19
		2006	4,898	1,052,103	704,174	269	2,618	5.49	143.77
		2007	4,770	846,403	685,733	242	2,834	5.07	143.76
		Total	14,735	3,046,878	1,922,897	743	2,588	5.04	130.50

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.



NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 73		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	2,323	509,480	353,990	115	3,078	4.95	152.38
		2006	2,251	474,635	309,531	110	2,814	4.89	137.51
		2007	2,093	406,414	302,046	101	2,991	4.83	144.31
		Total	6,667	1,390,529	965,567	326	2,962	4.89	144.83
18	Winston-Salem	2005	1,398	281,070	160,381	69	2,324	4.94	114.72
		2006	1,343	262,073	157,189	71	2,214	5.29	117.04
		2007	1,280	227,465	145,913	56	2,606	4.38	113.99
		Total	4,021	770,608	463,483	196	2,365	4.87	115.27
24	Western Territories	2005	13,835	3,031,282	1,475,816	624	2,365	4.51	106.67
		2006	13,410	2,845,047	1,457,817	599	2,434	4.47	108.71
		2007	13,092	2,319,494	1,515,222	565	2,682	4.32	115.74
		Total	40,337	8,195,823	4,448,855	1,788	2,488	4.43	110.29
25	Gaston County	2005	1,212	271,660	146,450	61	2,401	5.03	120.83
		2006	1,165	244,218	102,011	44	2,318	3.78	87.56
		2007	1,119	203,527	137,795	50	2,756	4.47	123.14
		Total	3,496	719,405	386,256	155	2,492	4.43	110.49
26	Southern Territories	2005	3,625	773,579	384,280	135	2,847	3.72	106.01
		2006	3,524	748,315	467,126	164	2,848	4.65	132.56
		2007	3,423	630,659	313,329	140	2,238	4.09	91.54
		Total	10,572	2,152,553	1,164,735	439	2,653	4.15	110.17

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 73		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	2,861	611,967	411,567	134	3,071	4.68	143.85
		2006	2,800	575,022	263,150	126	2,088	4.50	93.98
		2007	2,807	475,586	226,026	113	2,000	4.03	80.52
		Total	8,468	1,662,575	900,743	373	2,415	4.40	106.37
32	Guilford, Buncombe, etc.	2005	5,178	1,104,972	565,216	225	2,512	4.35	109.16
		2006	5,056	1,042,847	480,862	198	2,429	3.92	95.11
		2007	5,008	859,911	556,495	236	2,358	4.71	111.12
		Total	15,242	3,007,730	1,602,573	659	2,432	4.32	105.14
33	Eastern Territories	2005	6,005	1,184,802	539,451	244	2,211	4.06	89.83
		2006	5,793	1,119,902	646,814	235	2,752	4.06	111.65
		2007	5,618	941,044	483,660	191	2,532	3.40	86.09
		Total	17,416	3,245,748	1,669,925	670	2,492	3.85	95.88
40	Fayetteville	2005	2,737	698,310	318,239	137	2,323	5.01	116.27
		2006	2,601	640,347	405,487	138	2,938	5.31	155.90
		2007	2,518	499,474	377,197	154	2,449	6.12	149.80
		Total	7,856	1,838,131	1,100,923	429	2,566	5.46	140.14
41	Onslow County	2005	1,344	351,039	139,383	75	1,858	5.58	103.71
		2006	1,287	312,260	166,622	69	2,415	5.36	129.47
		2007	1,274	230,013	108,964	55	1,981	4.32	85.53
		Total	3,905	893,312	414,969	199	2,085	5.10	106.27

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 73		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	1,205	231,492	77,403	51	1,518	4.23	64.23
		2006	1,180	216,637	149,201	52	2,869	4.41	126.44
		2007	1,122	180,884	124,064	51	2,433	4.55	110.57
		Total	3,507	629,013	350,668	154	2,277	4.39	99.99
47	Wayne County	2005	561	112,152	30,986	19	1,631	3.39	55.23
		2006	522	105,090	57,886	25	2,315	4.79	110.89
		2007	505	83,913	36,988	20	1,849	3.96	73.24
		Total	1,588	301,155	125,860	64	1,967	4.03	79.26
51	Mecklenburg County Remainder	2005	729	168,941	77,600	36	2,156	4.94	106.45
		2006	749	167,995	130,640	39	3,350	5.21	174.42
		2007	742	138,962	48,646	30	1,622	4.04	65.56
		Total	2,220	475,898	256,886	105	2,447	4.73	115.71
52	Charlotte	2005	5,180	1,302,100	592,887	287	2,066	5.54	114.46
		2006	4,985	1,223,780	678,684	297	2,285	5.96	136.15
		2007	4,839	997,231	716,343	274	2,614	5.66	148.04
		Total	15,004	3,523,111	1,987,914	858	2,317	5.72	132.49
Statewide Totals		2005	57,922	12,879,492	6,323,298	2,693	2,348	4.65	109.17
		2006	56,103	12,067,106	6,827,305	2,691	2,537	4.80	121.69
		2007	54,600	9,917,981	6,389,924	2,513	2,543	4.60	117.03
		Total	168,625	34,864,579	19,540,527	7,897	2,474	4.68	115.88

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 74		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
11	Asheville	2005	5,654	1,115,341	715,328	351	2,038	6.21	126.52
		2006	5,431	1,043,628	573,742	266	2,157	4.90	105.64
		2007	5,192	903,256	545,748	271	2,014	5.22	105.11
		Total	16,277	3,062,225	1,834,818	888	2,066	5.46	112.72
13	Durham	2005	8,809	2,175,805	1,143,026	540	2,117	6.13	129.76
		2006	8,324	2,007,970	1,009,191	468	2,156	5.62	121.24
		2007	8,013	1,719,677	980,772	470	2,087	5.87	122.40
		Total	25,146	5,903,452	3,132,989	1,478	2,120	5.88	124.59
14	Greensboro- Hamilton Lakes	2005	7,321	1,681,690	838,838	376	2,231	5.14	114.58
		2006	6,961	1,573,191	897,417	422	2,127	6.06	128.92
		2007	6,721	1,346,929	733,499	399	1,838	5.94	109.14
		Total	21,003	4,601,810	2,469,754	1,197	2,063	5.70	117.59
15	High Point	2005	2,682	571,631	231,856	133	1,743	4.96	86.45
		2006	2,532	541,097	270,928	121	2,239	4.78	107.00
		2007	2,341	451,526	305,205	125	2,442	5.34	130.37
		Total	7,555	1,564,254	807,989	379	2,132	5.02	106.95
16	Raleigh	2005	20,105	4,592,638	2,446,732	1,077	2,272	5.36	121.70
		2006	19,453	4,317,377	2,297,497	1,000	2,297	5.14	118.11
		2007	19,002	3,668,410	2,431,870	1,032	2,356	5.43	127.98
		Total	58,560	12,578,425	7,176,099	3,109	2,308	5.31	122.54

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 74		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims Cost	Claim Freq. (2)	Pure Prem.	
Territory									
17	Wilmington	2005	7,800	1,661,866	1,121,597	404	2,776	5.18	143.79
		2006	7,532	1,589,701	857,459	377	2,274	5.01	113.84
		2007	7,292	1,424,307	1,031,269	380	2,714	5.21	141.42
		Total	22,624	4,675,874	3,010,325	1,161	2,593	5.13	133.06
18	Winston-Salem	2005	9,738	1,957,435	1,082,531	543	1,994	5.58	111.17
		2006	9,251	1,832,395	1,093,102	490	2,231	5.30	118.16
		2007	8,980	1,611,163	993,576	489	2,032	5.45	110.64
		Total	27,969	5,400,993	3,169,209	1,522	2,082	5.44	113.31
24	Western Territories	2005	102,040	20,471,849	9,628,296	4,168	2,310	4.08	94.36
		2006	96,498	18,877,331	10,008,053	4,099	2,442	4.25	103.71
		2007	93,443	15,981,201	9,131,951	4,017	2,273	4.30	97.73
		Total	291,981	55,330,381	28,768,300	12,284	2,342	4.21	98.53
25	Gaston County	2005	9,107	2,000,549	973,484	410	2,374	4.50	106.89
		2006	8,631	1,831,285	1,018,260	426	2,390	4.94	117.98
		2007	8,347	1,535,377	998,482	403	2,478	4.83	119.62
		Total	26,085	5,367,211	2,990,226	1,239	2,413	4.75	114.63
26	Southern Territories	2005	22,504	4,960,246	2,123,741	910	2,334	4.04	94.37
		2006	21,353	4,602,247	2,281,322	882	2,587	4.13	106.84
		2007	20,450	3,906,583	2,109,650	844	2,500	4.13	103.16
		Total	64,307	13,469,076	6,514,713	2,636	2,471	4.10	101.31

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 74		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	18,971	3,989,446	2,391,644	977	2,448	5.15	126.07
		2006	18,149	3,727,978	2,101,721	885	2,375	4.88	115.80
		2007	17,588	3,218,094	2,231,588	937	2,382	5.33	126.88
		Total	54,708	10,935,518	6,724,953	2,799	2,403	5.12	122.92
32	Guilford, Buncombe, etc.	2005	38,225	7,537,385	3,794,496	1,754	2,163	4.59	99.27
		2006	36,359	7,000,314	3,827,240	1,739	2,201	4.78	105.26
		2007	35,586	5,996,340	3,677,611	1,682	2,186	4.73	103.34
		Total	110,170	20,534,039	11,299,347	5,175	2,183	4.70	102.56
33	Eastern Territories	2005	63,703	13,034,391	6,215,993	2,825	2,200	4.43	97.58
		2006	60,505	12,096,070	6,413,730	2,572	2,494	4.25	106.00
		2007	58,340	10,563,274	5,717,878	2,493	2,294	4.27	98.01
		Total	182,548	35,693,735	18,347,601	7,890	2,325	4.32	100.51
40	Fayetteville	2005	10,463	2,794,762	1,345,074	659	2,041	6.30	128.56
		2006	9,983	2,613,772	1,445,359	633	2,283	6.34	144.78
		2007	9,761	2,202,855	1,522,292	670	2,272	6.86	155.96
		Total	30,207	7,611,389	4,312,725	1,962	2,198	6.50	142.77
41	Onslow County	2005	4,993	1,342,453	549,994	260	2,115	5.21	110.15
		2006	4,854	1,232,690	618,030	259	2,386	5.34	127.32
		2007	4,795	947,625	549,343	257	2,138	5.36	114.57
		Total	14,642	3,522,768	1,717,367	776	2,213	5.30	117.29

H-420

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 74		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	4,764	941,619	505,413	213	2,373	4.47	106.09
		2006	4,528	871,429	489,506	236	2,074	5.21	108.11
		2007	4,350	756,709	522,057	247	2,114	5.68	120.01
		Total	13,642	2,569,757	1,516,976	696	2,180	5.10	111.20
47	Wayne County	2005	4,091	853,098	435,918	188	2,319	4.60	106.56
		2006	3,942	799,001	427,796	198	2,161	5.02	108.52
		2007	3,811	682,166	472,854	183	2,584	4.80	124.08
		Total	11,844	2,334,265	1,336,568	569	2,349	4.80	112.85
51	Mecklenburg County Remainder	2005	2,166	488,074	326,044	130	2,508	6.00	150.53
		2006	2,355	522,253	276,118	143	1,931	6.07	117.25
		2007	2,325	457,375	440,235	171	2,574	7.35	189.35
		Total	6,846	1,467,702	1,042,397	444	2,348	6.49	152.26
52	Charlotte	2005	17,295	4,269,339	2,632,736	1,115	2,361	6.45	152.23
		2006	16,767	4,061,375	2,737,696	1,146	2,389	6.83	163.28
		2007	16,737	3,630,409	2,495,667	1,176	2,122	7.03	149.11
		Total	50,799	11,961,123	7,866,099	3,437	2,289	6.77	154.85
Statewide Totals		2005	360,431	76,439,617	38,502,741	17,033	2,260	4.73	106.82
		2006	343,408	71,141,104	38,644,167	16,362	2,362	4.76	112.53
		2007	333,074	61,003,276	36,891,547	16,246	2,271	4.88	110.76
		Total	1,036,913	208,583,997	114,038,455	49,641	2,297	4.79	109.98

H-421

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 76		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
11	Asheville	2005	32,063	7,965,013	4,503,585	1,879	2,397	5.86	140.46
		2006	32,354	7,740,238	4,455,803	1,889	2,359	5.84	137.72
		2007	32,076	7,023,219	4,499,128	1,842	2,443	5.74	140.26
		Total	96,493	22,728,470	13,458,516	5,610	2,399	5.81	139.48
13	Durham	2005	37,982	10,708,731	5,570,952	2,403	2,318	6.33	146.67
		2006	36,644	10,073,581	5,268,106	2,166	2,432	5.91	143.76
		2007	35,941	8,841,830	5,479,250	2,128	2,575	5.92	152.45
		Total	110,567	29,624,142	16,318,308	6,697	2,437	6.06	147.59
14	Greensboro- Hamilton Lakes	2005	42,792	11,586,363	5,894,078	2,561	2,301	5.98	137.74
		2006	41,220	10,811,037	5,867,325	2,423	2,422	5.88	142.34
		2007	40,748	9,471,095	6,091,304	2,413	2,524	5.92	149.49
		Total	124,760	31,868,495	17,852,707	7,397	2,414	5.93	143.10
15	High Point	2005	14,597	3,833,294	1,979,974	858	2,308	5.88	135.64
		2006	14,093	3,573,249	1,774,699	773	2,296	5.48	125.93
		2007	13,613	3,083,686	1,725,937	754	2,289	5.54	126.79
		Total	42,303	10,490,229	5,480,610	2,385	2,298	5.64	129.56
16	Raleigh	2005	104,471	27,592,164	14,872,108	5,821	2,555	5.57	142.36
		2006	103,805	26,558,181	14,237,474	5,343	2,665	5.15	137.16
		2007	104,004	23,472,238	14,456,640	5,497	2,630	5.29	139.00
		Total	312,280	77,622,583	43,566,222	16,661	2,615	5.34	139.51

H-422

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.



NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 76		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	34,620	8,289,255	4,503,721	1,701	2,648	4.91	130.09
		2006	34,336	8,011,365	4,428,657	1,638	2,704	4.77	128.98
		2007	34,041	7,372,572	4,201,281	1,634	2,571	4.80	123.42
		Total	102,997	23,673,192	13,133,659	4,973	2,641	4.83	127.51
18	Winston-Salem	2005	44,701	11,067,008	6,175,320	2,705	2,283	6.05	138.15
		2006	44,470	10,595,978	5,854,522	2,499	2,343	5.62	131.65
		2007	43,778	9,383,982	5,648,006	2,458	2,298	5.61	129.01
		Total	132,949	31,046,968	17,677,848	7,662	2,307	5.76	132.97
24	Western Territories	2005	565,607	134,501,841	69,224,852	25,966	2,666	4.59	122.39
		2006	554,667	126,993,487	69,933,268	25,455	2,747	4.59	126.08
		2007	554,500	111,813,418	68,800,727	25,677	2,679	4.63	124.08
		Total	1,674,774	373,308,746	207,958,847	77,098	2,697	4.60	124.17
25	Gaston County	2005	38,186	10,310,103	5,387,540	2,034	2,649	5.33	141.09
		2006	37,793	9,679,650	5,774,060	2,035	2,837	5.38	152.78
		2007	38,183	8,664,866	5,596,441	1,994	2,807	5.22	146.57
		Total	114,162	28,654,619	16,758,041	6,063	2,764	5.31	146.79
26	Southern Territories	2005	122,896	33,110,289	15,629,260	5,790	2,699	4.71	127.17
		2006	121,679	31,458,600	16,597,690	5,661	2,932	4.65	136.41
		2007	120,707	27,955,838	17,541,493	5,739	3,057	4.75	145.32
		Total	365,282	92,524,727	49,768,443	17,190	2,895	4.71	136.25

H-423

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 76		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	89,959	23,175,223	13,095,168	4,945	2,648	5.50	145.57
		2006	89,402	22,028,103	12,221,170	4,589	2,663	5.13	136.70
		2007	89,824	19,809,851	12,259,153	4,686	2,616	5.22	136.48
		Total	269,185	65,013,177	37,575,491	14,220	2,642	5.28	139.59
32	Guilford, Buncombe, etc.	2005	199,577	47,917,593	24,710,237	9,761	2,532	4.89	123.81
		2006	198,000	45,640,475	25,331,148	9,640	2,628	4.87	127.94
		2007	199,890	40,422,042	24,579,384	9,818	2,504	4.91	122.96
		Total	597,467	133,980,110	74,620,769	29,219	2,554	4.89	124.90
33	Eastern Territories	2005	229,252	59,118,404	30,803,792	11,881	2,593	5.18	134.37
		2006	227,663	56,202,783	29,866,544	11,222	2,661	4.93	131.19
		2007	227,325	51,404,945	30,479,928	11,366	2,682	5.00	134.08
		Total	684,240	166,726,132	91,150,264	34,469	2,644	5.04	133.21
40	Fayetteville	2005	47,985	15,150,241	7,634,296	3,139	2,432	6.54	159.10
		2006	46,934	14,091,692	7,742,715	2,977	2,601	6.34	164.97
		2007	46,353	12,026,874	7,276,885	2,939	2,476	6.34	156.99
		Total	141,272	41,268,807	22,653,896	9,055	2,502	6.41	160.36
41	Onslow County	2005	22,276	6,783,395	2,928,441	1,126	2,601	5.05	131.46
		2006	21,807	6,173,246	2,644,329	997	2,652	4.57	121.26
		2007	21,971	4,850,861	3,056,821	1,073	2,849	4.88	139.13
		Total	66,054	17,807,502	8,629,591	3,196	2,700	4.84	130.64

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 76		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
43	Craven County	2005	23,872	5,750,712	3,065,797	1,202	2,551	5.04	128.43
		2006	23,741	5,578,611	3,192,553	1,180	2,706	4.97	134.47
		2007	23,445	5,029,556	3,054,358	1,182	2,584	5.04	130.28
		Total	71,058	16,358,879	9,312,708	3,564	2,613	5.02	131.06
47	Wayne County	2005	25,262	6,534,719	3,244,287	1,270	2,555	5.03	128.43
		2006	25,002	6,173,033	3,196,096	1,212	2,637	4.85	127.83
		2007	25,090	5,626,404	3,205,370	1,271	2,522	5.07	127.75
		Total	75,354	18,334,156	9,645,753	3,753	2,570	4.98	128.01
51	Mecklenburg County Remainder	2005	16,820	4,390,286	2,631,345	971	2,710	5.77	156.44
		2006	18,720	4,753,225	2,715,052	1,033	2,628	5.52	145.03
		2007	18,543	4,107,194	2,859,908	1,104	2,590	5.95	154.23
		Total	54,083	13,250,705	8,206,305	3,108	2,640	5.75	151.74
52	Charlotte	2005	124,184	36,465,265	20,640,055	8,198	2,518	6.60	166.21
		2006	121,702	34,563,188	20,901,031	8,086	2,585	6.64	171.74
		2007	121,441	30,844,618	21,098,110	8,384	2,516	6.90	173.73
		Total	367,327	101,873,071	62,639,196	24,668	2,539	6.72	170.53
Statewide Totals	2005	1,817,102	464,249,899	242,494,808	94,211	2,574	5.18	133.45	
	2006	1,794,032	440,699,722	242,002,242	90,818	2,665	5.06	134.89	
	2007	1,791,473	391,205,089	241,910,124	91,959	2,631	5.13	135.03	
	Total	5,402,607	1,296,154,710	726,407,174	276,988	2,623	5.13	134.45	

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 77		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
11	Asheville	2005	29,042	7,740,887	4,447,519	1,434	3,101	4.94	153.14
		2006	31,374	8,181,011	4,664,516	1,492	3,126	4.76	148.67
		2007	33,340	7,928,524	4,631,638	1,561	2,967	4.68	138.92
		Total	93,756	23,850,422	13,743,673	4,487	3,063	4.79	146.59
13	Durham	2005	38,145	12,432,194	6,132,309	2,133	2,875	5.59	160.76
		2006	40,671	12,807,773	6,671,163	2,190	3,046	5.38	164.03
		2007	43,701	12,400,765	6,622,416	2,289	2,893	5.24	151.54
		Total	122,517	37,640,732	19,425,888	6,612	2,938	5.40	158.56
14	Greensboro- Hamilton Lakes	2005	46,863	14,954,556	7,112,654	2,485	2,862	5.30	151.78
		2006	49,393	15,027,457	7,632,174	2,584	2,954	5.23	154.52
		2007	51,852	14,037,022	8,207,140	2,826	2,904	5.45	158.28
		Total	148,108	44,019,035	22,951,968	7,895	2,907	5.33	154.97
15	High Point	2005	14,570	4,329,029	1,887,404	715	2,640	4.91	129.54
		2006	15,414	4,366,207	2,278,981	723	3,152	4.69	147.85
		2007	15,993	4,125,478	2,414,368	871	2,772	5.45	150.96
		Total	45,977	12,820,714	6,580,753	2,309	2,850	5.02	143.13
16	Raleigh	2005	136,732	41,195,108	20,311,694	6,695	3,034	4.90	148.55
		2006	149,372	43,440,129	22,416,906	6,974	3,214	4.67	150.07
		2007	162,072	42,044,173	25,158,882	7,872	3,196	4.86	155.23
		Total	448,176	126,679,410	67,887,482	21,541	3,152	4.81	151.48

H-426

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 77		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	51,449	14,725,678	8,597,591	2,640	3,257	5.13	167.11
		2006	55,984	15,558,303	9,271,248	2,707	3,425	4.84	165.61
		2007	59,039	15,336,192	8,992,814	2,790	3,223	4.73	152.32
		Total	166,472	45,620,173	26,861,653	8,137	3,301	4.89	161.36
18	Winston-Salem	2005	43,320	12,072,182	5,898,723	2,234	2,640	5.16	136.17
		2006	46,154	12,437,026	6,732,571	2,260	2,979	4.90	145.87
		2007	48,525	11,968,096	6,851,253	2,378	2,881	4.90	141.19
		Total	137,999	36,477,304	19,482,547	6,872	2,835	4.98	141.18
24	Western Territories	2005	491,764	133,666,300	67,605,404	20,877	3,238	4.25	137.48
		2006	527,649	137,798,543	76,344,000	22,705	3,362	4.30	144.69
		2007	564,968	131,509,096	81,182,571	24,026	3,379	4.25	143.69
		Total	1,584,381	402,973,939	225,131,975	67,608	3,330	4.27	142.09
25	Gaston County	2005	34,733	10,779,865	5,436,235	1,729	3,144	4.98	156.51
		2006	37,420	10,944,766	5,843,199	1,756	3,328	4.69	156.15
		2007	40,285	10,526,699	6,586,531	1,971	3,342	4.89	163.50
		Total	112,438	32,251,330	17,865,965	5,456	3,275	4.85	158.90
26	Southern Territories	2005	112,119	34,433,365	18,491,688	5,536	3,340	4.94	164.93
		2006	123,053	35,958,628	20,072,833	5,768	3,480	4.69	163.12
		2007	132,269	34,600,132	21,487,179	5,992	3,586	4.53	162.45
		Total	367,441	104,992,125	60,051,700	17,296	3,472	4.71	163.43

H-427

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 77		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	93,400	25,245,641	13,224,761	4,269	3,098	4.57	141.59
		2006	102,638	26,826,620	14,924,348	4,386	3,403	4.27	145.41
		2007	111,904	26,041,455	15,454,224	4,700	3,288	4.20	138.10
		Total	307,942	78,113,716	43,603,333	13,355	3,265	4.34	141.60
32	Guilford, Buncombe, etc.	2005	169,263	45,857,151	22,694,438	7,209	3,148	4.26	134.08
		2006	182,733	47,475,070	24,797,664	7,704	3,219	4.22	135.70
		2007	197,244	45,113,472	26,698,635	8,324	3,207	4.22	135.36
		Total	549,240	138,445,693	74,190,737	23,237	3,193	4.23	135.08
33	Eastern Territories	2005	146,221	41,113,464	22,110,720	6,704	3,298	4.58	151.21
		2006	158,639	42,943,965	23,664,438	7,020	3,371	4.43	149.17
		2007	168,930	41,776,380	24,105,847	7,376	3,268	4.37	142.70
		Total	473,790	125,833,809	69,881,005	21,100	3,312	4.45	147.49
40	Fayetteville	2005	60,005	23,842,904	12,825,930	3,860	3,323	6.43	213.75
		2006	64,436	23,943,360	14,558,598	4,180	3,483	6.49	225.94
		2007	68,372	21,100,329	14,369,055	4,366	3,291	6.39	210.16
		Total	192,813	68,886,593	41,753,583	12,406	3,366	6.43	216.55
41	Onslow County	2005	38,064	17,101,422	9,090,787	2,609	3,484	6.85	238.83
		2006	42,521	17,693,099	9,794,970	2,630	3,724	6.19	230.36
		2007	45,608	14,805,669	10,779,794	2,643	4,079	5.80	236.36
		Total	126,193	49,600,190	29,665,551	7,882	3,764	6.25	235.08

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

H-428

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 77		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
43	Craven County	2005	19,644	5,923,305	2,861,156	918	3,117	4.67	145.65
		2006	21,281	6,103,334	3,468,381	966	3,590	4.54	162.98
		2007	22,387	5,529,798	3,609,154	1,066	3,386	4.76	161.22
		Total	63,312	17,556,437	9,938,691	2,950	3,369	4.66	156.98
47	Wayne County	2005	21,671	6,478,681	3,304,599	1,015	3,256	4.68	152.49
		2006	22,717	6,384,966	3,240,677	979	3,310	4.31	142.65
		2007	24,098	5,990,873	3,653,040	1,117	3,270	4.64	151.59
		Total	68,486	18,854,520	10,198,316	3,111	3,278	4.54	148.91
51	Mecklenburg County Remainder	2005	25,537	7,260,117	4,228,149	1,259	3,358	4.93	165.57
		2006	30,791	8,738,518	4,658,814	1,470	3,169	4.77	151.30
		2007	33,282	8,370,049	5,348,698	1,706	3,135	5.13	160.71
		Total	89,610	24,368,684	14,235,661	4,435	3,210	4.95	158.86
52	Charlotte	2005	164,754	55,323,325	28,657,557	9,753	2,938	5.92	173.94
		2006	176,443	57,227,913	30,553,524	10,112	3,022	5.73	173.16
		2007	189,488	55,803,164	33,042,736	10,840	3,048	5.72	174.38
		Total	530,685	168,354,402	92,253,817	30,705	3,005	5.79	173.84
Statewide Totals		2005	1,737,296	514,475,174	264,919,318	84,074	3,151	4.84	152.49
		2006	1,878,683	533,856,688	291,589,005	88,606	3,291	4.72	155.21
		2007	2,013,357	509,007,366	309,195,975	94,714	3,265	4.70	153.57
		Total	5,629,336	1,557,339,228	865,704,298	267,394	3,238	4.75	153.78

H-429

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 78		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
11	Asheville	2005	2,391	593,619	248,472	66	3,765	2.76	103.92
		2006	2,906	682,758	379,249	89	4,261	3.06	130.51
		2007	3,257	690,127	549,289	106	5,182	3.25	168.65
		Total	8,554	1,966,504	1,177,010	261	4,510	3.05	137.60
13	Durham	2005	3,345	956,709	376,983	117	3,222	3.50	112.70
		2006	4,006	1,108,340	453,773	117	3,878	2.92	113.27
		2007	4,484	1,100,863	514,940	122	4,221	2.72	114.84
		Total	11,835	3,165,912	1,345,696	356	3,780	3.01	113.70
14	Greensboro- Hamilton Lakes	2005	3,575	1,022,544	563,999	135	4,178	3.78	157.76
		2006	4,130	1,128,097	484,473	111	4,365	2.69	117.31
		2007	4,641	1,113,896	564,182	158	3,571	3.40	121.56
		Total	12,346	3,264,537	1,612,654	404	3,992	3.27	130.62
15	High Point	2005	924	254,873	109,461	29	3,775	3.14	118.46
		2006	1,138	294,808	131,071	35	3,745	3.08	115.18
		2007	1,204	279,357	171,660	38	4,517	3.16	142.57
		Total	3,266	829,038	412,192	102	4,041	3.12	126.21
16	Raleigh	2005	13,033	3,444,757	1,852,474	420	4,411	3.22	142.14
		2006	15,534	3,853,902	1,768,939	432	4,095	2.78	113.88
		2007	17,696	3,852,005	2,133,566	530	4,026	3.00	120.57
		Total	46,263	11,150,664	5,754,979	1,382	4,164	2.99	124.40

H-430

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.



NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 78		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
17	Wilmington	2005	4,703	1,206,795	638,207	149	4,283	3.17	135.70
		2006	5,526	1,353,457	685,659	161	4,259	2.91	124.08
		2007	6,235	1,443,745	703,209	184	3,822	2.95	112.78
		Total	16,464	4,003,997	2,027,075	494	4,103	3.00	123.12
18	Winston-Salem	2005	3,134	765,882	395,444	86	4,598	2.74	126.18
		2006	3,714	864,065	535,090	120	4,459	3.23	144.07
		2007	4,058	866,582	324,385	104	3,119	2.56	79.94
		Total	10,906	2,496,529	1,254,919	310	4,048	2.84	115.07
24	Western Territories	2005	34,625	8,962,018	4,277,285	1,004	4,260	2.90	123.53
		2006	40,240	9,935,239	5,167,245	1,111	4,651	2.76	128.41
		2007	45,191	9,716,282	5,520,839	1,237	4,463	2.74	122.17
		Total	120,056	28,613,539	14,965,369	3,352	4,465	2.79	124.65
25	Gaston County	2005	1,911	550,829	210,380	51	4,125	2.67	110.09
		2006	2,236	594,866	415,892	81	5,134	3.62	186.00
		2007	2,526	615,517	346,284	86	4,027	3.40	137.09
		Total	6,673	1,761,212	972,556	218	4,461	3.27	145.74
26	Southern Territories	2005	6,788	1,824,530	981,226	240	4,088	3.54	144.55
		2006	8,155	2,096,816	961,869	221	4,352	2.71	117.95
		2007	9,292	2,083,438	1,089,061	228	4,777	2.45	117.20
		Total	24,235	6,004,784	3,032,156	689	4,401	2.84	125.11

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 78		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
Territory									
31	Wilson, Rocky Mount, etc.	2005	7,960	1,985,047	921,893	221	4,171	2.78	115.82
		2006	9,521	2,227,289	1,372,387	271	5,064	2.85	144.14
		2007	11,122	2,306,686	1,201,212	312	3,850	2.81	108.00
		Total	28,603	6,519,022	3,495,492	804	4,348	2.81	122.21
32	Guilford, Buncombe, etc.	2005	11,195	2,756,338	1,344,325	312	4,309	2.79	120.08
		2006	13,141	3,065,649	1,516,944	359	4,225	2.73	115.44
		2007	14,891	3,048,909	1,638,760	394	4,159	2.65	110.05
		Total	39,227	8,870,896	4,500,029	1,065	4,225	2.71	114.72
33	Eastern Territories	2005	9,411	2,387,808	1,561,150	320	4,879	3.40	165.89
		2006	11,111	2,716,825	1,294,960	267	4,850	2.40	116.55
		2007	12,515	2,758,463	1,618,676	326	4,965	2.60	129.34
		Total	33,037	7,863,096	4,474,786	913	4,901	2.76	135.45
40	Fayetteville	2005	3,474	1,278,735	588,209	147	4,001	4.23	169.32
		2006	4,235	1,495,445	856,433	175	4,894	4.13	202.23
		2007	4,755	1,326,468	761,958	179	4,257	3.76	160.24
		Total	12,464	4,100,648	2,206,600	501	4,404	4.02	177.04
41	Onslow County	2005	2,424	1,116,662	682,749	141	4,842	5.82	281.66
		2006	3,286	1,376,672	871,404	178	4,896	5.42	265.19
		2007	3,838	1,233,113	998,697	197	5,070	5.13	260.21
		Total	9,548	3,726,447	2,552,850	516	4,947	5.40	267.37

H-432

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA  
AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)  
PRIVATE PASSENGER NON-FLEET STANDARD AND NON-STANDARD BUSINESS

COVERAGE 78		Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Average Claim Cost	Claim Freq. (2)	Pure Prem.	
Territory	Claims								
43	Craven County	2005	1,399	409,067	208,444	49	4,254	3.50	148.99
		2006	1,688	472,751	238,739	53	4,505	3.14	141.43
		2007	1,811	434,932	211,942	54	3,925	2.98	117.03
		Total	4,898	1,316,750	659,125	156	4,225	3.18	134.57
47	Wayne County	2005	1,150	336,383	116,585	40	2,915	3.48	101.38
		2006	1,332	348,188	157,462	41	3,841	3.08	118.21
		2007	1,459	327,794	246,606	52	4,742	3.56	169.02
		Total	3,941	1,012,365	520,653	133	3,915	3.37	132.11
51	Mecklenburg County Remainder	2005	2,602	718,633	436,094	89	4,900	3.42	167.60
		2006	3,399	923,183	529,298	112	4,726	3.30	155.72
		2007	3,823	909,214	549,206	110	4,993	2.88	143.66
		Total	9,824	2,551,030	1,514,598	311	4,870	3.17	154.17
52	Charlotte	2005	13,995	4,286,387	2,087,709	514	4,062	3.67	149.18
		2006	16,490	4,837,907	2,400,223	592	4,054	3.59	145.56
		2007	18,665	4,918,332	2,723,594	622	4,379	3.33	145.92
		Total	49,150	14,042,626	7,211,526	1,728	4,173	3.52	146.72
Statewide Totals		2005	128,039	34,857,616	17,601,089	4,130	4,262	3.23	137.47
		2006	151,788	39,376,257	20,221,110	4,526	4,468	2.98	133.22
		2007	171,463	39,025,723	21,868,066	5,039	4,340	2.94	127.54
		Total	451,290	113,259,596	59,690,265	13,695	4,359	3.03	132.27

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Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

See attached exhibits, Section D and prefiled testimony of P. Woods and M. Miller.

## Credibility Factor Determination

Credibility considerations enter into the private passenger ratemaking formula in three areas:

- 1) statewide rate level in the determination of accident year weights.
- 2) territory rate level in the determination of the individual territory's formula loss ratio.
- 3) trend factor determination in the determination to base the average annual change on North Carolina data or a combination of North Carolina and countrywide data.

The first two areas full credibility standard is based on an application of the credibility formula contained in the paper "On The Credibility of The Pure Premium" by Mayerson, Jones and Bowers (PCAS LV, 1968). The full credibility standards contemplate P and K values of 95% and 5% for statewide and 90% and 5% for territory.

The trend credibility procedure is based on the first model discussed in "An Introduction to Credibility Theory" by L. H. Longley-Cook. The full credibility standard is based on P and K values of 99% and 2 1/2%.

For Uninsured Motorists and Underinsured Motorists, each year of the experience period is given weight proportional to its earned car years in the calculation of an indicated premium per exposure.

For Motorcycles, each year of the experience period is given weight proportional to its earned premium at present manual rates in the calculation of an indicated change.

CREDIBILITY TABLES BASED  
UPON NUMBER OF CLAIMS

The projected loss ratios are weighted in accordance with the following:

<u>Average Number of Claim for the Latest Two Years (A)</u>	<u>Weight to Earlier Year</u>	<u>Weight to Later Year</u>
4000 and over	0%	100%
3600 - 3999	10	90
3200 - 3599	20	80
2800 - 3199	30	70
2400 - 2799	40	60
under 2400	50	50

(A) Applied separately by coverage.

<u>Credibility</u>	<u>Determination of Territory Credibility (B)</u>	<u>Credibility</u>	<u>Determination of Trend Factor Credibility (C)</u>
0	0 - 29	0	0 - 26
.10	30 - 119	.05	27 - 105
.20	120 - 269	.10	106 - 238
.30	270 - 479	.15	239 - 424
.40	480 - 749	.20	425 - 663
.50	750 - 1,079	.25	664 - 955
.60	1,080 - 1,469	.30	956 - 1,300
.70	1,470 - 1,919	.35	1,301 - 1,699
.80	1,920 - 2,429	.40	1,700 - 2,150
.90	2,430 - 2,999	.45	2,151 - 2,655
1.00	3,000 or more	.50	2,656 - 3,212
		.55	3,213 - 3,823
		.60	3,824 - 4,487
		.65	4,488 - 5,204
		.70	5,205 - 5,974
		.75	5,975 - 6,798
		.80	6,799 - 7,674
		.85	7,675 - 8,604
		.90	8,605 - 9,586
		.95	9,587 - 10,622
		1.00	10,623 or more

(B) Territory credibility is based on the number of claims underlying the three year pure premium.

(C) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND  
INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS

3(a) Loss development factor derivation is contained on the following pages  
H-438-511. In selecting the loss development factor, three and five year  
straight averages were considered, with the three year factor being  
selected as the best blend of responsiveness and stability for Bodily  
Injury, Property Damage and Underinsured Motorists. For Uninsured  
Motorists Bodily Injury, Uninsured Motorists Property Damage and Medical  
Payments, the average of the latest five years was selected for increased  
stability.

Development for all coverages is to 63 months.

Additional information regarding loss development is contained in the  
prefiled testimony of P. Woods and M. Miller.

## NORTH CAROLINA

## PRIVATE PASSENGER AUTOMOBILE INSURANCE

EARNED EXPOSURES BY COVERAGE

## VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>	<u>UNINSURED MOTORISTS B.I.</u>	<u>UNDERINSURED MOTORISTS B.I.</u>
2003	6,044,390	6,044,390	4,510,582	5,742,171	3,598,514
2004	6,216,885	6,216,885	4,675,148	5,906,041	3,835,590
2005	6,380,628	6,380,628	4,797,838	6,061,597	4,001,077
2006	6,524,761	6,524,761	4,923,328	6,198,523	4,091,458
2007	6,678,502	6,678,502	5,056,228	6,344,577	4,187,864

ESTIMATED EARNED PREMIUM BY COVERAGE

## VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>	<u>UNINSURED MOTORISTS B.I.</u>	<u>UNDERINSURED MOTORISTS B.I.</u>
2003	949,074,847	963,162,094	116,325,170	96,543,121	51,820,790
2004	1,001,328,224	944,532,385	127,128,014	98,876,576	59,122,882
2005	1,054,594,409	977,512,213	135,018,152	103,089,580	61,203,477
2006	1,061,042,938	1,007,891,551	132,192,089	105,418,281	65,093,351
2007	1,173,302,045	1,009,531,199	157,004,286	107,902,221	79,556,844



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					575,785,047
1995				571,835,213	592,222,495
1996			517,700,097	572,219,289	595,630,897
1997		431,616,003	522,274,331	575,363,333	598,211,754
1998	228,601,621	419,173,460	509,047,219	560,022,842	584,627,204
1999	231,875,451	430,590,663	526,829,968	580,273,861	606,476,653
2000	238,267,007	437,442,957	529,910,268	585,820,489	610,400,096
2001	229,462,179	436,717,674	533,389,591	592,028,458	616,280,688
2002	246,948,525	462,762,209	567,363,065	626,151,877	648,832,874
2003	254,756,938	492,397,536	598,800,404	663,593,397	690,985,558
2004	266,628,448	503,870,232	634,817,214	700,370,326	
2005	282,695,085	517,876,348	630,830,040		
2006	292,730,189	548,323,142			
2007	309,546,634				

## Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.036
1996			1.105	1.041
1997		1.210	1.102	1.040
1998	1.834	1.214	1.100	1.044
1999	1.857	1.224	1.101	1.045
2000	1.836	1.211	1.106	1.042
2001	1.903	1.221	1.110	1.041
2002	1.874	1.226	1.104	1.036
2003	1.933	1.216	1.108	1.041
2004	1.890	1.260	1.103	
2005	1.832	1.218		
2006	1.873			
Five Year Average	1.880	1.228	1.106	1.041
Three Year Average	1.865	1.231	1.105	1.039
		Five Year	Three Year	
39 to 63 months:		1.151	1.148	
27 to 63 months:		1.413	1.413	
15 to 63 months:		2.656	2.635	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					345,929,741
1995				392,231,532	392,500,763
1996			441,000,989	442,165,389	442,374,585
1997		446,053,289	448,742,218	449,706,036	449,941,321
1998	443,376,912	459,294,282	462,141,524	463,004,806	463,273,676
1999	473,099,750	491,607,819	495,153,281	496,272,202	496,169,911
2000	496,862,761	518,966,482	518,878,432	519,743,391	519,978,486
2001	493,946,588	513,666,485	516,084,363	517,052,035	517,362,688
2002	509,903,937	529,448,599	532,558,761	534,150,312	534,267,857
2003	528,534,090	549,681,580	552,343,563	552,381,115	552,913,320
2004	532,021,733	553,414,856	563,658,846	564,888,600	
2005	552,358,659	574,591,781	577,166,203		
2006	575,788,091	598,239,857			
2007	582,144,113				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.003	1.000
1997		1.006	1.002	1.001
1998	1.036	1.006	1.002	1.001
1999	1.039	1.007	1.002	1.000
2000	1.044	1.000	1.002	1.000
2001	1.040	1.005	1.002	1.001
2002	1.038	1.006	1.003	1.000
2003	1.040	1.005	1.000	1.001
2004	1.040	1.019	1.002	
2005	1.040	1.004		
2006	1.039			
Five Year Average	1.039	1.008	1.002	1.000
Three Year Average	1.040	1.009	1.002	1.001
		Five Year	Three Year	
39 to 63 months:		1.002	1.003	
27 to 63 months:		1.010	1.012	
15 to 63 months:		1.049	1.052	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					79,169,009
1995				82,850,110	83,099,064
1996			81,252,411	82,270,818	82,662,642
1997		77,624,152	80,362,354	81,475,584	81,744,979
1998	61,315,057	74,200,833	76,699,175	77,650,349	77,955,069
1999	61,899,560	75,847,264	78,196,726	79,445,330	79,605,727
2000	63,973,747	76,775,187	79,442,173	80,684,010	80,857,818
2001	66,363,192	79,778,901	82,743,631	83,774,120	84,093,567
2002	72,832,848	86,945,509	90,039,406	91,146,242	91,367,436
2003	73,605,060	89,033,077	91,288,309	92,448,238	92,668,042
2004	73,160,155	87,355,286	90,425,663	91,615,895	
2005	74,020,498	87,050,643	89,446,043		
2006	76,749,927	90,799,805			
2007	77,274,681				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.003
1996			1.013	1.005
1997		1.035	1.014	1.003
1998	1.210	1.034	1.012	1.004
1999	1.225	1.031	1.016	1.002
2000	1.200	1.035	1.016	1.002
2001	1.202	1.037	1.012	1.004
2002	1.194	1.036	1.012	1.002
2003	1.210	1.025	1.013	1.002
2004	1.194	1.035	1.013	
2005	1.176	1.028		
2006	1.183			
Five Year Average	1.191	1.032	1.013	1.002
Three Year Average	1.184	1.029	1.013	1.003
		Five Year	Three Year	
39 to 63 months:		1.015	1.016	
27 to 63 months:		1.047	1.045	
15 to 63 months:		1.247	1.237	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					33,021,225
1995				36,729,469	38,610,829
1996			34,895,996	38,366,007	40,340,691
1997		31,032,748	37,800,567	42,044,914	43,605,928
1998	15,460,187	28,571,696	35,077,519	37,419,593	38,622,016
1999	14,411,088	29,119,557	34,963,964	38,353,747	40,780,871
2000	15,307,626	29,445,056	35,433,440	38,409,507	39,907,933
2001	16,391,534	31,509,992	39,125,921	43,007,690	44,763,863
2002	18,611,285	35,811,567	43,619,176	47,540,736	49,799,801
2003	16,897,324	35,833,516	43,656,833	49,202,863	50,875,823
2004	18,196,091	35,907,427	45,312,080	49,555,999	
2005	19,487,805	37,329,532	45,100,689		
2006	21,911,242	41,723,667			
2007	21,582,941				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.051
1996			1.099	1.051
1997		1.218	1.112	1.037
1998	1.848	1.228	1.067	1.032
1999	2.021	1.201	1.097	1.063
2000	1.924	1.203	1.084	1.039
2001	1.922	1.242	1.099	1.041
2002	1.924	1.218	1.090	1.048
2003	2.121	1.218	1.127	1.034
2004	1.973	1.262	1.094	
2005	1.916	1.208		
2006	1.904			
Five Year Average	1.968	1.230	1.099	1.045
Three Year Average	1.931	1.229	1.104	1.041
		Five Year	Three Year	
39 to 63 months:		1.148	1.149	
27 to 63 months:		1.412	1.412	
15 to 63 months:		2.779	2.727	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996				10,000,513	10,015,035
1997			10,576,874	10,659,433	10,604,960
1998		10,805,538	10,973,478	10,965,486	10,932,473
1999	11,110,469	11,406,061	11,354,910	11,354,574	11,295,763
2000	11,756,849	11,791,007	11,714,702	11,592,006	11,514,259
2001	11,418,106	11,259,697	11,214,223	11,120,396	11,067,455
2002	12,000,534	11,865,571	11,734,580	11,623,561	11,639,919
2003	12,201,204	12,202,758	11,983,704	11,793,710	11,678,596
2004	11,517,001	11,469,625	11,385,184	10,938,393	
2005	11,876,391	12,345,074	12,468,497		
2006	11,358,713	11,420,901			
2007	11,012,340				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				1.001
1997			1.008	0.995
1998		1.016	0.999	0.997
1999	1.027	0.996	1.000	0.995
2000	1.003	0.994	0.990	0.993
2001	0.986	0.996	0.992	0.995
2002	0.989	0.989	0.991	1.001
2003	1.000	0.982	0.984	0.990
2004	0.996	0.993	0.961	
2005	1.039	1.010		
2006	1.005			
Five Year Average	1.006	0.994	0.984	0.995
Three Year Average	1.013	0.995	0.979	0.995
		Five Year	Three Year	
39 to 63 months:		0.979	0.974	
27 to 63 months:		0.973	0.969	
15 to 63 months:		0.979	0.982	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					40,103,279
1995				34,937,500	38,436,320
1996			30,695,883	39,357,651	42,266,024
1997		18,294,015	28,862,559	35,318,597	38,241,927
1998	5,270,664	18,908,446	28,756,446	34,447,766	40,375,162
1999	7,301,092	23,451,006	32,689,236	39,597,955	42,735,859
2000	8,863,865	24,968,236	35,812,558	42,582,291	45,965,280
2001	8,556,615	24,575,537	37,214,206	44,631,262	48,465,077
2002	8,862,632	25,289,748	40,200,274	46,471,797	49,294,528
2003	7,223,658	26,086,718	38,631,041	46,647,289	50,621,274
2004	11,003,834	33,989,639	48,380,267	57,565,191	
2005	11,314,275	33,648,408	47,945,700		
2006	14,427,960	39,621,357			
2007	14,432,444				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.100
1996			1.282	1.074
1997		1.578	1.224	1.083
1998	3.587	1.521	1.198	1.172
1999	3.212	1.394	1.211	1.079
2000	2.817	1.434	1.189	1.079
2001	2.872	1.514	1.199	1.086
2002	2.854	1.590	1.156	1.061
2003	3.611	1.481	1.208	1.085
2004	3.089	1.423	1.190	
2005	2.974	1.425		
2006	2.746			
Five Year Average	3.055	1.487	1.188	1.078
Three Year Average	2.936	1.443	1.185	1.077
		Five Year	Three Year	
39 to 63 months:		1.281	1.276	
27 to 63 months:		1.905	1.841	
15 to 63 months:		5.820	5.405	

Losses exclude unallocated loss adjustment expense.

The Rate Bureau is advised by ISO that the data described in Subparagraph (3)(c) are not available.

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See attached Exhibit (3)(d).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-438.



NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					587,515,438
1995				608,845,680	604,190,862
1996			606,937,587	607,877,793	607,527,453
1997		591,973,459	600,807,278	607,377,686	609,373,618
1998	535,782,655	571,090,594	585,827,205	594,262,071	595,538,970
1999	547,858,022	584,450,486	607,315,095	616,343,115	618,962,876
2000	528,771,428	584,171,819	607,343,649	619,331,394	621,691,752
2001	540,606,810	590,573,084	615,270,128	627,427,574	627,806,583
2002	568,917,216	626,297,432	650,597,403	662,372,926	660,826,093
2003	590,218,744	662,896,265	695,233,004	702,075,913	703,472,072
2004	629,424,611	687,246,213	726,032,756	732,396,630	
2005	622,795,154	693,338,754	718,541,814		
2006	655,183,999	728,020,260			
2007	669,468,509				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.992
1996			1.002	0.999
1997		1.015	1.011	1.003
1998	1.066	1.026	1.014	1.002
1999	1.067	1.039	1.015	1.004
2000	1.105	1.040	1.020	1.004
2001	1.092	1.042	1.020	1.001
2002	1.101	1.039	1.018	0.998
2003	1.123	1.049	1.010	1.002
2004	1.092	1.056	1.009	
2005	1.113	1.036		
2006	1.111			
Five Year Average	1.108	1.044	1.015	1.002
Three Year Average	1.105	1.047	1.012	1.000
		Five Year	Three Year	
39 to 63 months:		1.017	1.012	
27 to 63 months:		1.062	1.060	
15 to 63 months:		1.177	1.171	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					346,114,290
1995				392,780,992	392,734,006
1996			442,330,336	442,801,982	442,611,518
1997		449,027,076	450,122,589	450,323,753	450,139,184
1998	459,158,210	462,733,971	463,368,820	463,408,859	463,353,715
1999	491,215,772	495,074,602	496,620,194	496,760,747	496,603,613
2000	512,061,856	522,380,676	520,124,759	520,292,907	520,234,996
2001	509,607,662	516,507,961	517,508,923	517,801,842	517,592,358
2002	523,908,951	532,151,212	533,775,479	534,777,466	534,427,287
2003	542,796,004	551,748,287	553,314,103	552,864,078	553,069,531
2004	545,709,696	555,915,798	564,500,217	565,387,941	
2005	564,664,269	576,768,472	578,203,291		
2006	589,948,039	600,460,752			
2007	593,936,320				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.002	1.000	1.000
1998	1.008	1.001	1.000	1.000
1999	1.008	1.003	1.000	1.000
2000	1.020	0.996	1.000	1.000
2001	1.014	1.002	1.001	1.000
2002	1.016	1.003	1.002	0.999
2003	1.016	1.003	0.999	1.000
2004	1.019	1.015	1.002	
2005	1.021	1.002		
2006	1.018			
Five Year Average	1.018	1.005	1.001	1.000
Three Year Average	1.019	1.007	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.006	1.008	
15 to 63 months:		1.024	1.027	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					79,248,603
1995				83,077,081	83,224,393
1996			81,935,144	82,511,325	82,792,510
1997		79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	84,208,944
2002	84,407,330	89,375,713	90,811,468	91,440,492	91,468,157
2003	85,399,350	91,379,102	91,931,978	92,675,518	92,750,269
2004	85,271,787	89,295,154	91,165,945	92,016,430	
2005	84,730,224	89,100,195	90,329,957		
2006	91,005,311	92,565,563			
2007	91,030,009				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.002
1996			1.007	1.003
1997		1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	1.000
2002	1.059	1.016	1.007	1.000
2003	1.070	1.006	1.008	1.001
2004	1.047	1.021	1.009	
2005	1.052	1.014		
2006	1.017			

Five Year Average	1.049	1.015	1.008	1.003
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Three Year Average	1.039	1.014	1.008	1.000
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	Five Year	Three Year
39 to 63 months:	1.011	1.008
27 to 63 months:	1.026	1.022
15 to 63 months:	1.076	1.062

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					33,870,375
1995				40,454,519	40,244,972
1996			42,233,897	42,138,160	41,897,880
1997		41,476,944	43,089,067	45,023,830	45,597,964
1998	34,730,646	39,335,195	40,232,839	40,165,311	39,676,840
1999	33,844,288	39,401,625	40,895,619	41,968,526	42,065,404
2000	34,492,399	39,823,570	40,854,460	42,011,925	41,324,158
2001	38,089,800	42,975,232	45,262,195	46,148,079	46,341,896
2002	38,918,375	47,611,602	50,400,213	50,208,191	50,666,563
2003	42,683,852	48,534,844	50,786,129	52,305,914	52,299,269
2004	44,012,059	48,971,187	51,836,511	52,026,941	
2005	43,302,325	49,506,298	51,967,884		
2006	46,363,207	54,782,444			
2007	47,875,364				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.995
1996			0.998	0.994
1997		1.039	1.045	1.013
1998	1.133	1.023	0.998	0.988
1999	1.164	1.038	1.026	1.002
2000	1.155	1.026	1.028	0.984
2001	1.128	1.053	1.020	1.004
2002	1.223	1.059	0.996	1.009
2003	1.137	1.046	1.030	1.000
2004	1.113	1.059	1.004	
2005	1.143	1.050		
2006	1.182			
Five Year Average	1.160	1.053	1.016	1.000
Three Year Average	1.146	1.052	1.010	1.004
		Five Year	Three Year	
39 to 63 months:		1.016	1.014	
27 to 63 months:		1.070	1.067	
15 to 63 months:		1.241	1.223	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996				10,203,061	10,076,383
1997			11,008,017	10,743,091	10,651,143
1998		11,394,293	11,114,149	11,012,708	10,944,152
1999	12,646,423	11,537,251	11,423,295	11,369,299	11,482,883
2000	12,388,721	12,006,427	11,819,962	11,638,277	11,537,925
2001	11,822,624	11,591,092	11,354,463	11,189,105	11,098,552
2002	12,833,292	12,129,687	11,933,562	11,679,374	11,680,654
2003	12,994,158	12,324,915	12,034,219	11,810,327	11,710,817
2004	12,196,649	11,581,589	11,458,158	10,950,035	
2005	12,810,536	12,700,498	12,723,745		
2006	11,779,484	11,462,265			
2007	11,436,331				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				0.988
1997			0.976	0.991
1998		0.975	0.991	0.994
1999	0.912	0.990	0.995	1.010
2000	0.969	0.984	0.985	0.991
2001	0.980	0.980	0.985	0.992
2002	0.945	0.984	0.979	1.000
2003	0.948	0.976	0.981	0.992
2004	0.950	0.989	0.956	
2005	0.991	1.002		
2006	0.973			
Five Year Average	0.961	0.986	0.977	0.997
Three Year Average	0.971	0.989	0.972	0.995
		Five Year	Three Year	
39 to 63 months:		0.974	0.967	
27 to 63 months:		0.960	0.956	
15 to 63 months:		0.923	0.928	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					41,679,804
1995				38,600,050	39,545,528
1996			41,906,510	45,507,696	45,933,358
1997		31,228,556	36,908,717	39,911,030	40,453,064
1998	19,555,007	30,462,809	36,458,420	40,879,625	42,204,871
1999	22,430,098	34,418,359	40,993,481	44,827,131	45,514,430
2000	24,055,149	36,995,866	44,712,621	47,905,237	48,554,944
2001	24,421,662	37,415,497	46,420,538	51,011,821	51,502,208
2002	23,147,591	39,559,551	49,215,193	52,127,755	52,109,200
2003	24,095,268	44,137,295	49,768,667	53,408,780	53,363,216
2004	33,532,085	53,425,768	61,714,574	65,515,307	
2005	32,329,148	51,262,138	57,958,809		
2006	37,987,530	59,914,174			
2007	43,909,227				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.024
1996			1.086	1.009
1997		1.182	1.081	1.014
1998	1.558	1.197	1.121	1.032
1999	1.534	1.191	1.094	1.015
2000	1.538	1.209	1.071	1.014
2001	1.532	1.241	1.099	1.010
2002	1.709	1.244	1.059	1.000
2003	1.832	1.128	1.073	0.999
2004	1.593	1.155	1.062	
2005	1.586	1.131		
2006	1.577			
Five Year Average	1.659	1.180	1.073	1.008
Three Year Average	1.585	1.138	1.065	1.003

	Five Year	Three Year
39 to 63 months:	1.082	1.068
27 to 63 months:	1.277	1.215
15 to 63 months:	2.119	1.926

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(e).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-438.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					497,362,994
1995				510,695,093	507,711,940
1996			507,244,864	507,972,820	508,379,926
1997		506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	506,516,812
2002	502,055,673	533,149,260	548,869,443	557,723,529	557,289,176
2003	515,817,257	559,094,357	578,617,400	585,187,725	587,656,474
2004	539,624,419	573,780,470	593,251,141	599,181,659	
2005	534,184,208	576,962,347	592,877,647		
2006	555,212,150	598,097,338			
2007	564,072,152				

## Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.994
1996			1.001	1.001
1997		1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	1.003
2002	1.062	1.029	1.016	0.999
2003	1.084	1.035	1.011	1.004
2004	1.063	1.034	1.010	
2005	1.080	1.028		
2006	1.077			

Five Year Average	1.073	1.030	1.013	1.003
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Three Year Average	1.073	1.032	1.012	1.002
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	Five Year	Three Year
39 to 63 months:	1.016	1.014
27 to 63 months:	1.046	1.046
15 to 63 months:	1.122	1.122

(a) Losses are on a 30/60 level for 2002-2007.

Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.



NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Excess Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					90,152,444
1995				98,150,587	96,478,922
1996			99,692,723	99,904,973	99,147,527
1997		85,557,312	90,714,258	94,315,255	94,318,777
1998	60,500,292	81,972,419	91,097,088	95,182,776	95,303,963
1999	63,790,789	87,006,201	101,210,760	104,682,292	104,825,462
2000	61,523,224	89,205,766	101,479,928	106,432,851	106,503,506
2001	72,030,506	103,854,315	118,014,383	122,629,813	121,289,771
2002	66,861,543	93,148,172	101,727,960	104,649,397	103,536,917
2003	74,401,487	103,801,908	116,615,604	116,888,188	115,815,598
2004	89,800,192	113,465,743	132,781,615	133,214,971	
2005	88,610,946	116,376,407	125,664,167		
2006	99,971,849	129,922,922			
2007	105,396,357				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.983
1996			1.002	0.992
1997		1.060	1.040	1.000
1998	1.355	1.111	1.045	1.001
1999	1.364	1.163	1.034	1.001
2000	1.450	1.138	1.049	1.001
2001	1.442	1.136	1.039	0.989
2002	1.393	1.092	1.029	0.989
2003	1.395	1.123	1.002	0.991
2004	1.264	1.170	1.003	
2005	1.313	1.080		
2006	1.300			
Five Year Average	1.333	1.120	1.024	0.994
Three Year Average	1.292	1.124	1.011	0.990

Five Year                      Three Year

39 to 63 months:	1.018	1.001
27 to 63 months:	1.140	1.125
15 to 63 months:	1.520	1.454

(a) Losses are on a 30/60 level for 2002-2007.  
Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					342,489,519
1995				387,215,933	387,183,990
1996			434,632,796	434,999,549	434,974,174
1997		440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	502,958,797
2002	521,387,936	529,534,675	531,145,335	532,186,698	531,950,120
2003	537,475,817	547,204,102	549,683,599	549,242,647	549,474,560
2004	540,779,130	552,344,575	560,950,492	561,749,173	
2005	560,372,482	572,679,307	574,144,621		
2006	585,759,190	596,197,749			
2007	590,039,880				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	1.000
2002	1.016	1.003	1.002	1.000
2003	1.018	1.005	0.999	1.000
2004	1.021	1.016	1.001	
2005	1.022	1.003		
2006	1.018			
Five Year Average	1.019	1.006	1.001	1.000
Three Year Average	1.020	1.008	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.007	1.009
15 to 63 months:	1.026	1.029

(a) Losses are on a \$25,000 level for 2002-2007.  
Losses are on a \$15,000 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Excess Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					3,624,771
1995				5,565,059	5,550,016
1996			7,697,540	7,802,433	7,637,344
1997		8,567,678	8,699,442	8,582,461	8,560,273
1998	10,497,477	10,416,403	10,433,189	10,432,959	10,194,028
1999	12,290,268	11,356,963	11,368,177	11,188,297	11,162,968
2000	12,245,392	12,275,225	12,101,683	12,240,868	12,174,833
2001	15,468,085	14,746,275	14,837,294	14,597,979	14,633,561
2002	2,521,015	2,616,537	2,630,144	2,590,768	2,477,167
2003	5,320,187	4,544,185	3,630,504	3,621,431	3,594,971
2004	4,930,566	3,571,223	3,549,725	3,638,768	
2005	4,291,787	4,089,165	4,058,670		
2006	4,188,849	4,263,003			
2007	3,896,440				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.997
1996			1.014	0.979
1997		1.015	0.987	0.997
1998	0.992	1.002	1.000	0.977
1999	0.924	1.001	0.984	0.998
2000	1.002	0.986	1.012	0.995
2001	0.953	1.006	0.984	1.002
2002	1.038	1.005	0.985	0.956
2003	0.854	0.799	0.998	0.993
2004	0.724	0.994	1.025	
2005	0.953	0.993		
2006	1.018			

Five Year Average	0.917	0.959	1.001	0.989
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Three Year Average	0.898	0.929	1.003	0.984
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	Five Year	Three Year
39 to 63 months:	0.990	0.987
27 to 63 months:	0.949	0.917
15 to 63 months:	0.870	0.823

(a) Losses are on a \$25,000 level for 2002-2007.  
Losses are on a \$15,000 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					27,736,873
1995				31,439,072	31,176,700
1996			32,492,388	32,306,324	31,794,036
1997		35,255,333	35,901,298	36,875,978	36,519,975
1998	31,585,724	34,066,749	34,181,670	33,882,419	33,680,968
1999	29,239,280	32,978,345	33,190,330	33,444,514	33,492,209
2000	31,236,093	32,637,501	33,073,301	33,677,305	33,379,655
2001	31,401,868	33,755,318	35,021,950	35,507,827	35,426,244
2002	32,704,663	37,596,181	39,565,990	39,583,086	39,653,863
2003	35,307,464	39,489,354	40,993,396	41,853,946	41,929,146
2004	34,894,192	37,454,484	39,846,551	40,160,252	
2005	35,135,790	39,433,924	41,021,443		
2006	37,169,628	41,684,546			
2007	37,203,739				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.992
1996			0.994	0.984
1997		1.018	1.027	0.990
1998	1.079	1.003	0.991	0.994
1999	1.128	1.006	1.008	1.001
2000	1.045	1.013	1.018	0.991
2001	1.075	1.038	1.014	0.998
2002	1.150	1.052	1.000	1.002
2003	1.118	1.038	1.021	1.002
2004	1.073	1.064	1.008	
2005	1.122	1.040		
2006	1.121			
Five Year Average	1.117	1.046	1.012	0.999
Three Year Average	1.105	1.047	1.010	1.001

Five Year                      Three Year

39 to 63 months:	1.011	1.011
27 to 63 months:	1.058	1.059
15 to 63 months:	1.182	1.170

(a) Losses are on a 30/60 level for 2002-2007.  
 Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996				10,190,734	10,047,584
1997			10,938,146	10,658,220	10,566,331
1998		11,271,321	10,965,606	10,864,638	10,831,683
1999	12,485,180	11,385,922	11,252,921	11,143,920	11,257,504
2000	12,175,598	11,758,667	11,563,960	11,413,456	11,324,557
2001	11,522,357	11,260,876	11,051,061	10,921,388	10,833,455
2002	12,734,308	11,995,876	11,782,745	11,588,557	11,589,837
2003	12,929,486	12,177,961	11,919,457	11,701,679	11,600,679
2004	11,802,989	11,227,531	11,105,182	10,786,663	
2005	12,302,623	11,786,546	11,601,533		
2006	11,776,886	11,461,080			
2007	11,386,161				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				0.986
1997			0.974	0.991
1998		0.973	0.991	0.997
1999	0.912	0.988	0.990	1.010
2000	0.966	0.983	0.987	0.992
2001	0.977	0.981	0.988	0.992
2002	0.942	0.982	0.984	1.000
2003	0.942	0.979	0.982	0.991
2004	0.951	0.989	0.971	
2005	0.958	0.984		
2006	0.973			
Five Year Average	0.953	0.983	0.982	0.997
Three Year Average	0.961	0.984	0.979	0.994

	Five Year	Three Year
39 to 63 months:	0.979	0.973
27 to 63 months:	0.962	0.957
15 to 63 months:	0.917	0.920

(a) Losses are on a \$25,000 level for 2002-2007.  
 Losses are on a \$15,000 level for 1997-2001.

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(f).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-438.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

## Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					83,184
1995				88,337	89,284
1996			88,901	91,807	92,819
1997		82,622	88,449	91,253	92,277
1998	59,043	79,605	85,451	88,361	89,314
1999	59,845	81,377	87,482	90,444	91,471
2000	59,539	80,064	85,793	88,725	89,700
2001	57,221	77,647	83,194	86,137	87,056
2002	60,245	81,132	87,177	90,102	90,461
2003	60,906	82,199	88,117	90,880	91,885
2004	61,763	83,136	89,871	92,645	
2005	62,053	81,836	87,385		
2006	61,834	81,576			
2007	59,048				

## Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.011
1996			1.033	1.011
1997		1.071	1.032	1.011
1998	1.348	1.073	1.034	1.011
1999	1.360	1.075	1.034	1.011
2000	1.345	1.072	1.034	1.011
2001	1.357	1.071	1.035	1.011
2002	1.347	1.075	1.034	1.004
2003	1.350	1.072	1.031	1.011
2004	1.346	1.081	1.031	
2005	1.319	1.068		
2006	1.319			
Five Year Average	1.336	1.073	1.033	1.010
Three Year Average	1.328	1.074	1.032	1.009
		Five Year	Three Year	
39 to 63 months:		1.043	1.041	
27 to 63 months:		1.119	1.118	
15 to 63 months:		1.495	1.485	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					191,071
1995				203,377	203,471
1996			214,766	215,084	215,157
1997		214,316	215,181	215,479	215,548
1998	210,147	215,295	216,291	216,497	216,571
1999	216,348	222,135	222,961	223,195	223,252
2000	217,097	224,702	223,537	223,727	223,763
2001	216,633	221,788	222,482	222,688	222,760
2002	219,946	226,020	226,750	227,188	227,129
2003	230,206	236,407	237,156	236,794	236,914
2004	234,927	241,118	244,667	244,978	
2005	238,818	244,659	245,104		
2006	240,200	245,554			
2007	239,145				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.004	1.001	1.000
1998	1.024	1.005	1.001	1.000
1999	1.027	1.004	1.001	1.000
2000	1.035	0.995	1.001	1.000
2001	1.024	1.003	1.001	1.000
2002	1.028	1.003	1.002	1.000
2003	1.027	1.003	0.998	1.001
2004	1.026	1.015	1.001	
2005	1.024	1.002		
2006	1.022			
Five Year Average	1.025	1.005	1.001	1.000
Three Year Average	1.024	1.007	1.000	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.000
27 to 63 months:	1.006	1.007
15 to 63 months:	1.031	1.031



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Medical Payments Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					66,539
1995				68,932	69,016
1996			68,087	68,546	68,658
1997		64,573	65,830	66,314	66,404
1998	51,556	60,079	61,326	61,768	61,856
1999	50,559	59,461	60,641	61,102	61,206
2000	50,952	59,085	60,271	60,725	60,783
2001	50,543	57,939	59,077	59,466	59,548
2002	52,732	60,717	61,839	62,274	62,348
2003	51,306	58,999	60,127	60,471	60,547
2004	49,281	56,604	58,060	58,571	
2005	49,575	56,506	57,399		
2006	50,669	58,333			
2007	47,868				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.007	1.002
1997		1.019	1.007	1.001
1998	1.165	1.021	1.007	1.001
1999	1.176	1.020	1.008	1.002
2000	1.160	1.020	1.008	1.001
2001	1.146	1.020	1.007	1.001
2002	1.151	1.018	1.007	1.001
2003	1.150	1.019	1.006	1.001
2004	1.149	1.026	1.009	
2005	1.140	1.016		
2006	1.151			
Five Year Average	1.148	1.020	1.007	1.001
Three Year Average	1.147	1.020	1.007	1.001
		Five Year	Three Year	
39 to 63 months:		1.008	1.008	
27 to 63 months:		1.028	1.028	
15 to 63 months:		1.180	1.179	

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Uninsured Motorists Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					4,621
1995				5,069	5,149
1996			5,541	5,729	5,842
1997		5,655	6,079	6,337	6,419
1998	3,952	5,500	5,931	6,083	6,170
1999	3,605	5,197	5,624	5,854	5,951
2000	3,822	5,275	5,720	5,919	6,005
2001	3,700	5,232	5,678	5,869	5,942
2002	4,114	5,655	6,077	6,272	6,068
2003	4,089	5,738	6,179	6,345	6,312
2004	3,908	5,448	5,897	6,057	
2005	4,210	5,585	5,945		
2006	4,047	5,462			
2007	3,836				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.016
1996			1.034	1.020
1997		1.075	1.042	1.013
1998	1.392	1.078	1.026	1.014
1999	1.442	1.082	1.041	1.017
2000	1.380	1.084	1.035	1.015
2001	1.414	1.085	1.034	1.012
2002	1.375	1.075	1.032	0.967
2003	1.403	1.077	1.027	0.995
2004	1.394	1.082	1.027	
2005	1.327	1.064		
2006	1.350			
Five Year Average	1.370	1.077	1.031	1.001
Three Year Average	1.357	1.074	1.029	0.991
		Five Year	Three Year	
39 to 63 months:		1.032	1.020	
27 to 63 months:		1.111	1.095	
15 to 63 months:		1.522	1.486	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Injury Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996				8,534	8,582
1997			9,288	9,338	9,360
1998		9,482	9,577	9,603	9,641
1999	9,311	9,817	9,921	10,015	10,058
2000	9,426	9,839	9,956	10,037	10,052
2001	8,983	9,421	9,580	9,653	9,665
2002	8,939	9,386	9,459	9,468	9,377
2003	8,957	9,308	9,301	9,198	9,209
2004	8,759	9,020	9,120	9,029	
2005	8,959	9,178	9,072		
2006	8,508	8,729			
2007	8,140				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				1.006
1997			1.005	1.002
1998		1.010	1.003	1.004
1999	1.054	1.011	1.009	1.004
2000	1.044	1.012	1.008	1.001
2001	1.049	1.017	1.008	1.001
2002	1.050	1.008	1.001	0.990
2003	1.039	0.999	0.989	1.001
2004	1.030	1.011	0.990	
2005	1.024	0.988		
2006	1.026			
Five Year Average				
	1.034	1.005	0.999	0.999
Three Year Average				
	1.027	0.999	0.993	0.997
Five Year                      Three Year				
39 to 63 months:		0.998	0.990	
27 to 63 months:		1.003	0.989	
15 to 63 months:		1.037	1.016	

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Underinsured Motorists Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					1,157
1995				1,006	1,084
1996			913	1,075	1,145
1997		599	859	1,036	1,119
1998	248	602	842	982	1,083
1999	365	769	1,027	1,192	1,277
2000	293	680	957	1,133	1,213
2001	210	626	907	1,069	1,164
2002	201	595	923	1,091	1,182
2003	167	577	885	1,057	1,135
2004	249	766	1,101	1,296	
2005	237	704	1,031		
2006	307	885			
2007	322				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.078
1996			1.177	1.065
1997		1.434	1.206	1.080
1998	2.427	1.399	1.166	1.103
1999	2.107	1.336	1.161	1.071
2000	2.321	1.407	1.184	1.071
2001	2.981	1.449	1.179	1.089
2002	2.960	1.551	1.182	1.083
2003	3.455	1.534	1.194	1.074
2004	3.076	1.437	1.177	
2005	2.970	1.464		
2006	2.883			
Five Year Average	3.069	1.487	1.183	1.078
Three Year Average	2.976	1.478	1.184	1.082
		Five Year	Three Year	
39 to 63 months:		1.275	1.281	
27 to 63 months:		1.896	1.893	
15 to 63 months:		5.819	5.634	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					83,857
1995				90,309	89,961
1996			94,022	93,916	93,519
1997		94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	87,694
2002	96,845	93,413	92,563	92,015	91,069
2003	98,407	94,411	93,472	92,709	92,448
2004	98,867	95,352	94,812	94,243	
2005	96,834	93,155	92,088		
2006	96,429	92,256			
2007	92,006				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.996
1996			0.999	0.996
1997		0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	0.995
2002	0.965	0.991	0.994	0.990
2003	0.959	0.990	0.992	0.997
2004	0.964	0.994	0.994	
2005	0.962	0.989		
2006	0.957			
Five Year Average	0.961	0.991	0.994	0.995
Three Year Average	0.961	0.991	0.993	0.994
		Five Year	Three Year	
39 to 63 months:		0.989	0.987	
27 to 63 months:		0.980	0.978	
15 to 63 months:		0.942	0.940	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					191,119
1995				203,482	203,511
1996			215,087	215,218	215,208
1997		215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	222,788
2002	225,129	226,768	227,050	227,280	227,151
2003	235,482	236,947	237,345	236,866	236,927
2004	239,528	241,668	244,848	245,053	
2005	242,482	245,096	245,287		
2006	243,912	245,951			
2007	242,462				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	0.999
2002	1.007	1.001	1.001	0.999
2003	1.006	1.002	0.998	1.000
2004	1.009	1.013	1.001	
2005	1.011	1.001		
2006	1.008			
Five Year Average	1.008	1.004	1.000	1.000
Three Year Average	1.009	1.005	1.000	0.999
		Five Year	Three Year	
39 to 63 months:		1.000	0.999	
27 to 63 months:		1.004	1.004	
15 to 63 months:		1.012	1.013	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					66,592
1995				69,056	69,057
1996			68,540	68,706	68,723
1997		65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	59,579
2002	60,999	61,948	62,273	62,406	62,393
2003	59,036	60,027	60,458	60,586	60,594
2004	56,892	57,641	58,405	58,675	
2005	56,522	57,491	57,769		
2006	59,284	59,249			
2007	55,847				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.002	1.000
1997		1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	1.000
2002	1.016	1.005	1.002	1.000
2003	1.017	1.007	1.002	1.000
2004	1.013	1.013	1.005	
2005	1.017	1.005		
2006	0.999			
Five Year Average	1.012	1.007	1.003	1.000
Three Year Average	1.010	1.008	1.003	1.000
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.010	1.011	
15 to 63 months:		1.022	1.021	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Uninsured Motorists Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					4,677
1995				5,296	5,244
1996			5,939	5,923	5,921
1997		6,526	6,527	6,543	6,508
1998	6,308	6,296	6,277	6,261	6,245
1999	5,790	6,012	6,033	6,040	6,016
2000	6,050	6,100	6,127	6,114	6,082
2001	6,123	6,048	6,072	6,028	5,989
2002	6,506	6,480	6,498	6,426	6,113
2003	6,583	6,533	6,544	6,484	6,366
2004	6,254	6,110	6,207	6,173	
2005	6,348	6,284	6,264		
2006	6,300	6,192			
2007	5,887				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.990
1996			0.997	1.000
1997		1.000	1.002	0.995
1998	0.998	0.997	0.997	0.997
1999	1.038	1.003	1.001	0.996
2000	1.008	1.004	0.998	0.995
2001	0.988	1.004	0.993	0.994
2002	0.996	1.003	0.989	0.951
2003	0.992	1.002	0.991	0.982
2004	0.977	1.016	0.995	
2005	0.990	0.997		
2006	0.983			
Five Year Average	0.988	1.004	0.993	0.984
Three Year Average	0.983	1.005	0.992	0.976
		Five Year	Three Year	
39 to 63 months:		0.977	0.968	
27 to 63 months:		0.981	0.973	
15 to 63 months:		0.969	0.956	



NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					
1995					
1996				8,561	8,591
1997			9,348	9,351	9,364
1998		9,621	9,615	9,616	9,645
1999	9,870	9,909	9,954	10,039	10,063
2000	9,827	9,910	9,992	10,061	10,067
2001	9,343	9,517	9,627	9,684	9,673
2002	9,342	9,463	9,493	9,481	9,383
2003	9,339	9,354	9,314	9,205	9,213
2004	9,078	9,071	9,150	9,037	
2005	9,203	9,224	9,099		
2006	8,781	8,771			
2007	8,399				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				
1996				1.004
1997			1.000	1.001
1998		0.999	1.000	1.003
1999	1.004	1.005	1.009	1.002
2000	1.008	1.008	1.007	1.001
2001	1.019	1.012	1.006	0.999
2002	1.013	1.003	0.999	0.990
2003	1.002	0.996	0.988	1.001
2004	0.999	1.009	0.988	
2005	1.002	0.986		
2006	0.999			
Five Year Average				
	1.003	1.001	0.998	0.999
Three Year Average				
	1.000	0.997	0.992	0.997
Five Year                      Three Year				
39 to 63 months:		0.997	0.989	
27 to 63 months:		0.998	0.986	
15 to 63 months:		1.001	0.986	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Underinsured Motorists Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					1,262
1995				1,207	1,157
1996			1,266	1,326	1,253
1997		1,061	1,213	1,263	1,203
1998	773	1,072	1,215	1,282	1,187
1999	967	1,191	1,357	1,446	1,366
2000	807	1,188	1,322	1,368	1,325
2001	708	1,063	1,243	1,332	1,245
2002	696	1,087	1,311	1,308	1,266
2003	721	1,107	1,260	1,317	1,230
2004	943	1,356	1,503	1,517	
2005	837	1,203	1,356		
2006	957	1,402			
2007	1,124				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.959
1996			1.047	0.945
1997		1.143	1.041	0.952
1998	1.387	1.133	1.055	0.926
1999	1.232	1.139	1.066	0.945
2000	1.472	1.113	1.035	0.969
2001	1.501	1.169	1.072	0.935
2002	1.562	1.206	0.998	0.968
2003	1.535	1.138	1.045	0.934
2004	1.438	1.108	1.009	
2005	1.437	1.127		
2006	1.465			
Five Year Average	1.487	1.150	1.032	0.950
Three Year Average	1.447	1.124	1.017	0.946
		Five Year	Three Year	
39 to 63 months:		0.980	0.962	
27 to 63 months:		1.127	1.081	
15 to 63 months:		1.676	1.564	

See attached Exhibit (3)(g).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-438.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

## Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			5,121
1997		11,634	5,362
1998	34,683	11,634	5,261
1999	36,658	12,038	5,663
2000	34,470	12,037	5,344
2001	35,744	11,596	5,216
2002	36,600	12,281	5,386
2003	37,501	12,212	5,355
2004	37,104	12,216	4,941
2005	34,781	11,319	4,703
2006	34,595	10,680	
2007	32,958		

## Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.461
1998	0.335	0.452
1999	0.328	0.470
2000	0.349	0.444
2001	0.324	0.450
2002	0.336	0.439
2003	0.326	0.439
2004	0.329	0.404
2005	0.325	0.415
2006	0.309	
Five Year Average	0.325	0.429
Three Year Average	0.321	0.419
	Five Year	Three Year
27 to 39 months:	0.429	0.419
15 to 39 months:	0.139	0.134

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			321
1997		736	306
1998	4,903	943	297
1999	5,650	1,175	316
2000	4,808	900	401
2001	4,708	831	376
2002	5,183	748	300
2003	5,276	540	189
2004	4,601	550	181
2005	3,664	437	183
2006	3,712	397	
2007	3,317		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.416
1998	0.192	0.315
1999	0.208	0.269
2000	0.187	0.446
2001	0.177	0.452
2002	0.144	0.401
2003	0.102	0.350
2004	0.120	0.329
2005	0.119	0.419
2006	0.107	
Five Year Average	0.118	0.390
Three Year Average	0.115	0.366
	Five Year	Three Year
27 to 39 months:	0.390	0.366
15 to 39 months:	0.046	0.042

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Medical Payments Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			453
1997		1,288	522
1998	8,506	1,457	425
1999	9,073	1,421	529
2000	8,026	1,266	414
2001	7,564	1,111	395
2002	8,267	1,231	434
2003	7,730	1,028	331
2004	7,611	1,037	345
2005	6,947	985	370
2006	8,615	916	
2007	7,979		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.405
1998	0.171	0.292
1999	0.157	0.372
2000	0.158	0.327
2001	0.147	0.356
2002	0.149	0.353
2003	0.133	0.322
2004	0.136	0.333
2005	0.142	0.376
2006	0.106	
Five Year Average	0.133	0.348
Three Year Average	0.128	0.344
	Five Year	Three Year
27 to 39 months:	0.348	0.344
15 to 39 months:	0.046	0.044

## NORTH CAROLINA

## PRIVATE PASSENGER AUTOMOBILE INSURANCE

EARNED EXPOSURES BY COVERAGE

## VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2003	4,702,282	4,702,282	3,729,677
2004	4,743,139	4,743,139	3,784,889
2005	4,886,177	4,886,177	3,889,376
2006	5,021,433	5,021,433	3,993,574
2007	5,204,514	5,204,514	4,132,207

## CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2003	1,342,108	1,342,108	780,905
2004	1,473,746	1,473,746	890,259
2005	1,494,451	1,494,451	908,462
2006	1,503,328	1,503,328	929,754
2007	1,473,988	1,473,988	924,021

ESTIMATED EARNED PREMIUM BY COVERAGE

## VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2003	616,132,326	662,935,691	87,396,102
2004	640,538,388	640,825,636	95,274,269
2005	663,250,471	662,026,790	96,916,917
2006	700,307,887	689,206,548	100,419,254
2007	786,953,532	726,877,048	122,563,333

## CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2003	332,942,521	300,226,403	28,929,068
2004	360,789,836	303,706,749	31,853,745
2005	391,343,938	315,485,423	38,101,235
2006	360,735,051	318,685,003	31,772,835
2007	386,348,513	282,654,151	34,440,953

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					343,556,805
1995				347,496,187	363,133,994
1996			307,405,624	346,429,686	364,158,644
1997		251,103,010	312,051,907	349,688,161	366,319,867
1998	131,954,580	249,502,212	310,492,979	345,198,499	363,799,178
1999	136,928,680	262,289,392	327,202,535	364,470,808	384,298,124
2000	145,341,494	268,448,618	331,605,380	371,955,668	390,855,362
2001	135,919,115	264,105,448	331,110,357	373,432,756	392,076,769
2002	144,659,219	277,908,596	346,317,622	388,085,630	405,462,685
2003	144,007,524	290,116,674	357,174,830	401,245,592	420,085,462
2004	150,070,170	292,864,126	378,790,997	423,227,080	
2005	161,959,557	305,903,777	378,784,866		
2006	169,423,762	327,714,985			
2007	185,428,933				

## Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.045
1996			1.127	1.051
1997		1.243	1.121	1.048
1998	1.891	1.244	1.112	1.054
1999	1.916	1.247	1.114	1.054
2000	1.847	1.235	1.122	1.051
2001	1.943	1.254	1.128	1.050
2002	1.921	1.246	1.121	1.045
2003	2.015	1.231	1.123	1.047
2004	1.952	1.293	1.117	
2005	1.889	1.238		
2006	1.934			
Five Year Average	1.942	1.252	1.122	1.049
Three Year Average	1.925	1.254	1.120	1.047
		Five Year	Three Year	
39 to 63 months:		1.177	1.173	
27 to 63 months:		1.474	1.471	
15 to 63 months:		2.863	2.832	

Losses exclude unallocated loss adjustment expense.



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					216,165,173
1995				248,286,260	248,442,721
1996			276,481,658	277,172,158	277,283,992
1997		280,249,239	281,952,172	282,533,615	282,721,197
1998	287,051,856	295,893,318	297,624,497	298,142,455	298,255,646
1999	311,224,865	319,543,751	321,709,041	322,118,970	322,251,238
2000	330,726,703	345,020,813	343,267,588	343,840,594	344,026,169
2001	324,681,232	336,106,138	337,702,119	338,424,158	338,637,394
2002	330,325,524	341,696,639	343,743,769	344,754,539	345,031,243
2003	336,393,949	347,871,948	349,428,023	350,094,712	350,329,903
2004	336,418,727	347,690,883	350,323,622	351,201,828	
2005	349,176,567	362,204,335	363,657,104		
2006	368,458,247	381,371,861			
2007	383,758,623				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.002	1.000
1997		1.006	1.002	1.001
1998	1.031	1.006	1.002	1.000
1999	1.027	1.007	1.001	1.000
2000	1.043	0.995	1.002	1.001
2001	1.035	1.005	1.002	1.001
2002	1.034	1.006	1.003	1.001
2003	1.034	1.004	1.002	1.001
2004	1.034	1.008	1.003	
2005	1.037	1.004		
2006	1.035			

Five Year Average	1.035	1.005	1.002	1.001
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Three Year Average	1.035	1.005	1.003	1.001
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	Five Year	Three Year
39 to 63 months:	1.003	1.004
27 to 63 months:	1.008	1.009
15 to 63 months:	1.043	1.044

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					53,716,208
1995				56,849,656	57,077,554
1996			55,603,417	56,470,917	56,811,251
1997		52,934,543	55,142,839	56,099,297	56,383,066
1998	42,515,001	51,981,434	54,064,403	54,900,325	55,169,555
1999	43,858,526	54,378,026	56,378,034	57,412,858	57,550,784
2000	46,002,305	55,806,584	57,959,165	59,021,329	59,187,508
2001	48,384,631	58,718,043	61,263,212	62,202,986	62,457,064
2002	51,922,666	62,694,663	65,325,155	66,246,138	66,421,527
2003	52,255,242	64,218,044	66,054,543	67,073,610	67,255,810
2004	50,890,226	61,429,444	63,330,746	64,268,637	
2005	51,811,123	61,718,993	63,620,412		
2006	53,565,415	64,395,941			
2007	54,715,738				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.004
1996			1.016	1.006
1997		1.042	1.017	1.005
1998	1.223	1.040	1.015	1.005
1999	1.240	1.037	1.018	1.002
2000	1.213	1.039	1.018	1.003
2001	1.214	1.043	1.015	1.004
2002	1.207	1.042	1.014	1.003
2003	1.229	1.029	1.015	1.003
2004	1.207	1.031	1.015	
2005	1.191	1.031		
2006	1.202			

Five Year Average	1.207	1.035	1.015	1.003
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Three Year Average	1.200	1.030	1.015	1.003
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	Five Year	Three Year
39 to 63 months:	1.018	1.018
27 to 63 months:	1.054	1.049
15 to 63 months:	1.272	1.259

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					352,363,980
1995				375,756,132	372,286,476
1996			371,475,392	371,745,045	372,325,990
1997		358,534,649	364,924,210	371,778,989	373,561,529
1998	329,217,076	351,445,425	363,364,191	369,619,589	370,853,319
1999	341,970,362	366,026,255	384,335,134	391,183,332	393,357,986
2000	332,390,379	368,908,257	387,134,717	396,753,921	398,733,679
2001	339,217,710	372,371,262	390,933,974	399,505,127	399,848,937
2002	353,667,044	389,313,941	403,078,765	413,871,348	414,099,441
2003	357,539,084	400,924,950	423,616,821	427,707,079	428,297,131
2004	381,086,400	413,617,152	441,772,958	446,003,689	
2005	378,466,761	423,501,465	439,793,827		
2006	404,910,982	452,557,791			
2007	433,231,587				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.991
1996			1.001	1.002
1997		1.018	1.019	1.005
1998	1.068	1.034	1.017	1.003
1999	1.070	1.050	1.018	1.006
2000	1.110	1.049	1.025	1.005
2001	1.098	1.050	1.022	1.001
2002	1.101	1.035	1.027	1.001
2003	1.121	1.057	1.010	1.001
2004	1.085	1.068	1.010	
2005	1.119	1.038		
2006	1.118			
Five Year Average	1.109	1.050	1.019	1.003
Three Year Average	1.107	1.054	1.016	1.001
		Five Year	Three Year	
39 to 63 months:		1.022	1.017	
27 to 63 months:		1.073	1.072	
15 to 63 months:		1.190	1.187	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					216,276,852
1995				248,651,994	248,616,262
1996			277,164,367	277,526,896	277,431,035
1997		282,022,894	282,816,409	283,027,208	282,865,304
1998	296,849,433	298,005,358	298,510,484	298,469,768	298,306,952
1999	321,836,464	321,832,900	322,569,675	322,410,874	322,299,995
2000	340,096,434	347,224,747	343,980,168	344,040,973	344,081,913
2001	334,870,040	338,075,600	338,673,729	338,830,423	338,806,939
2002	338,996,505	343,527,271	344,531,462	345,219,230	345,136,473
2003	345,413,531	349,415,194	350,134,574	350,427,315	350,457,196
2004	344,995,813	349,026,069	350,898,801	351,545,753	
2005	356,699,420	363,790,808	364,323,094		
2006	377,302,016	382,816,995			
2007	391,294,009				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.003	1.001	0.999
1998	1.004	1.002	1.000	0.999
1999	1.000	1.002	1.000	1.000
2000	1.021	0.991	1.000	1.000
2001	1.010	1.002	1.000	1.000
2002	1.013	1.003	1.002	1.000
2003	1.012	1.002	1.001	1.000
2004	1.012	1.005	1.002	
2005	1.020	1.001		
2006	1.015			
Five Year Average	1.014	1.003	1.001	1.000
Three Year Average	1.016	1.003	1.002	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.002
27 to 63 months:	1.004	1.005
15 to 63 months:	1.018	1.021

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					53,775,408
1995				57,004,741	57,154,627
1996			56,153,565	56,648,821	56,924,833
1997		54,625,154	55,777,610	56,382,846	56,488,286
1998	50,493,680	53,591,274	54,668,107	55,173,400	55,244,596
1999	53,062,938	56,115,237	57,082,950	57,729,545	58,675,761
2000	54,099,493	57,472,357	58,604,710	59,191,875	59,232,269
2001	56,794,753	60,510,986	61,962,205	62,550,973	62,553,582
2002	60,543,949	64,654,043	65,892,613	66,491,214	66,485,157
2003	60,952,465	66,186,274	66,619,913	67,269,601	67,326,019
2004	60,074,640	62,964,357	63,928,606	64,624,228	
2005	60,033,376	63,396,885	64,366,993		
2006	64,957,646	65,937,255			
2007	65,946,301				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.003
1996			1.009	1.005
1997		1.021	1.011	1.002
1998	1.061	1.020	1.009	1.001
1999	1.058	1.017	1.011	1.016
2000	1.062	1.020	1.010	1.001
2001	1.065	1.024	1.010	1.000
2002	1.068	1.019	1.009	1.000
2003	1.086	1.007	1.010	1.001
2004	1.048	1.015	1.011	
2005	1.056	1.015		
2006	1.015			

Five Year Average	1.055	1.016	1.010	1.004
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Three Year Average	1.040	1.012	1.010	1.000
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	Five Year	Three Year
39 to 63 months:	1.014	1.010
27 to 63 months:	1.030	1.022
15 to 63 months:	1.087	1.063

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					281,983,940
1995				296,364,163	294,571,781
1996			290,277,242	290,370,189	291,170,689
1997		288,003,810	289,753,370	293,417,186	294,710,485
1998	279,631,461	283,443,817	287,122,200	290,335,486	291,518,174
1999	287,757,237	291,278,162	297,711,334	301,975,729	304,112,726
2000	280,701,710	294,453,525	302,382,187	307,529,213	309,167,129
2001	281,350,691	289,660,333	296,848,925	301,545,062	303,573,316
2002	297,658,702	311,450,105	319,847,860	326,010,865	327,050,021
2003	295,844,986	316,186,188	327,672,300	331,622,074	333,333,687
2004	307,303,201	320,585,803	331,151,859	334,910,084	
2005	307,770,192	329,825,284	338,236,342		
2006	325,803,683	346,885,647			
2007	345,895,341				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.994
1996			1.000	1.003
1997		1.006	1.013	1.004
1998	1.014	1.013	1.011	1.004
1999	1.012	1.022	1.014	1.007
2000	1.049	1.027	1.017	1.005
2001	1.030	1.025	1.016	1.007
2002	1.046	1.027	1.019	1.003
2003	1.069	1.036	1.012	1.005
2004	1.043	1.033	1.011	
2005	1.072	1.026		
2006	1.065			
Five Year Average	1.059	1.029	1.015	1.005
Three Year Average	1.060	1.032	1.014	1.005

	Five Year	Three Year
39 to 63 months:	1.020	1.019
27 to 63 months:	1.050	1.052
15 to 63 months:	1.112	1.115

(a) Losses are on a 30/60 level for 2002-2007.  
Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					213,535,132
1995				244,741,870	244,723,257
1996			271,696,402	272,012,743	271,996,501
1997		275,941,421	276,685,201	276,967,434	276,813,730
1998	288,938,904	290,584,122	290,817,272	290,825,415	290,891,530
1999	313,167,518	313,788,027	314,571,078	314,556,690	314,455,956
2000	330,730,795	337,810,703	334,749,005	334,771,674	334,834,656
2001	324,263,934	328,208,148	328,832,646	329,114,106	329,140,804
2002	337,116,430	341,671,564	342,630,222	343,327,511	343,353,975
2003	340,874,531	345,542,595	347,175,978	347,499,636	347,560,146
2004	341,071,267	346,449,762	348,374,612	348,898,909	
2005	353,373,762	360,658,158	361,241,374		
2006	374,146,048	379,531,545			
2007	388,280,539				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.003	1.001	0.999
1998	1.006	1.001	1.000	1.000
1999	1.002	1.002	1.000	1.000
2000	1.021	0.991	1.000	1.000
2001	1.012	1.002	1.001	1.000
2002	1.014	1.003	1.002	1.000
2003	1.014	1.005	1.001	1.000
2004	1.016	1.006	1.002	
2005	1.021	1.002		
2006	1.014			
Five Year Average	1.016	1.004	1.001	1.000
Three Year Average	1.017	1.004	1.002	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.002
27 to 63 months:	1.005	1.006
15 to 63 months:	1.021	1.023

(a) Losses are on a \$25,000 level for 2002-2007.  
Losses are on a \$15,000 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					47,020
1995				50,192	50,828
1996			49,242	50,971	51,601
1997		45,678	49,060	50,677	51,312
1998	33,659	45,185	48,526	50,236	50,789
1999	34,948	46,816	50,282	51,998	52,623
2000	35,764	47,333	50,617	52,429	53,079
2001	34,241	46,028	49,435	51,277	51,873
2002	35,848	47,874	51,346	53,077	53,585
2003	35,861	47,815	51,112	52,867	53,419
2004	35,604	47,584	50,947	52,587	
2005	36,122	47,272	50,474		
2006	36,008	47,402			
2007	35,586				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.013
1996			1.035	1.012
1997		1.074	1.033	1.013
1998	1.342	1.074	1.035	1.011
1999	1.340	1.074	1.034	1.012
2000	1.323	1.069	1.036	1.012
2001	1.344	1.074	1.037	1.012
2002	1.335	1.073	1.034	1.010
2003	1.333	1.069	1.034	1.010
2004	1.336	1.071	1.032	
2005	1.309	1.068		
2006	1.316			
Five Year Average	1.326	1.071	1.035	1.011
Three Year Average	1.320	1.069	1.033	1.011
		Five Year	Three Year	
39 to 63 months:		1.046	1.044	
27 to 63 months:		1.120	1.116	
15 to 63 months:		1.485	1.473	



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					119,329
1995				127,315	127,384
1996			132,768	132,933	132,981
1997		132,984	133,550	133,747	133,800
1998	133,638	136,492	137,115	137,235	137,263
1999	139,595	142,084	142,552	142,589	142,628
2000	142,423	147,633	145,909	146,026	146,044
2001	142,114	144,690	145,138	145,269	145,312
2002	142,112	145,639	146,073	146,305	146,386
2003	142,890	146,241	146,644	146,723	146,752
2004	143,403	146,792	147,341	147,568	
2005	146,065	149,555	149,747		
2006	150,334	153,454			
2007	155,155				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.001	1.000
1997		1.004	1.001	1.000
1998	1.021	1.005	1.001	1.000
1999	1.018	1.003	1.000	1.000
2000	1.037	0.988	1.001	1.000
2001	1.018	1.003	1.001	1.000
2002	1.025	1.003	1.002	1.001
2003	1.023	1.003	1.001	1.000
2004	1.024	1.004	1.002	
2005	1.024	1.001		
2006	1.021			
Five Year Average	1.023	1.003	1.001	1.000
Three Year Average	1.023	1.003	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.002	
27 to 63 months:		1.004	1.005	
15 to 63 months:		1.027	1.028	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					41,347
1995				42,696	42,761
1996			41,382	41,708	41,776
1997		39,271	40,123	40,486	40,559
1998	32,118	37,416	38,317	38,667	38,731
1999	32,298	38,069	38,882	39,163	39,241
2000	33,650	39,160	39,932	40,277	40,325
2001	33,696	38,638	39,502	39,808	39,861
2002	34,276	39,705	40,510	40,813	40,875
2003	33,240	38,284	39,058	39,317	39,366
2004	31,189	35,940	36,629	37,024	
2005	31,063	35,574	36,172		
2006	31,693	36,917			
2007	30,303				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.002
1996			1.008	1.002
1997		1.022	1.009	1.002
1998	1.165	1.024	1.009	1.002
1999	1.179	1.021	1.007	1.002
2000	1.164	1.020	1.009	1.001
2001	1.147	1.022	1.008	1.001
2002	1.158	1.020	1.007	1.002
2003	1.152	1.020	1.007	1.001
2004	1.152	1.019	1.011	
2005	1.145	1.017		
2006	1.165			

Five Year Average	1.154	1.020	1.008	1.001
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Three Year Average	1.154	1.019	1.008	1.001
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	Five Year	Three Year
39 to 63 months:	1.009	1.009
27 to 63 months:	1.029	1.028
15 to 63 months:	1.187	1.186

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					47,488
1995				51,632	51,346
1996			52,654	52,386	52,069
1997		53,118	52,492	52,135	51,832
1998	54,721	52,464	51,915	51,551	51,207
1999	57,517	54,562	53,863	53,342	53,044
2000	57,171	54,901	54,115	53,687	53,467
2001	55,746	53,390	52,789	52,550	52,285
2002	57,489	55,279	54,650	54,250	53,943
2003	57,432	55,024	54,359	53,922	53,716
2004	56,878	54,535	53,962	53,580	
2005	56,083	53,951	53,267		
2006	56,360	53,902			
2007	56,238				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.994
1996			0.995	0.994
1997		0.988	0.993	0.994
1998	0.959	0.990	0.993	0.993
1999	0.949	0.987	0.990	0.994
2000	0.960	0.986	0.992	0.996
2001	0.958	0.989	0.995	0.995
2002	0.962	0.989	0.993	0.994
2003	0.958	0.988	0.992	0.996
2004	0.959	0.989	0.993	
2005	0.962	0.987		
2006	0.956			
Five Year Average	0.959	0.988	0.993	0.995
Three Year Average	0.959	0.988	0.993	0.995
		Five Year	Three Year	
39 to 63 months:		0.988	0.988	
27 to 63 months:		0.976	0.976	
15 to 63 months:		0.936	0.936	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					119,361
1995				127,392	127,415
1996			132,991	133,026	133,020
1997		133,485	133,761	133,826	133,837
1998	136,734	137,101	137,319	137,320	137,283
1999	142,944	142,633	142,749	142,663	142,646
2000	145,422	148,156	146,101	146,076	146,059
2001	145,005	145,139	145,299	145,327	145,329
2002	145,234	146,083	146,229	146,362	146,400
2003	145,932	146,602	146,767	146,765	146,762
2004	146,263	147,078	147,461	147,608	
2005	148,292	149,843	149,856		
2006	152,635	153,713			
2007	157,339				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.000	1.000
1997		1.002	1.000	1.000
1998	1.003	1.002	1.000	1.000
1999	0.998	1.001	0.999	1.000
2000	1.019	0.986	1.000	1.000
2001	1.001	1.001	1.000	1.000
2002	1.006	1.001	1.001	1.000
2003	1.005	1.001	1.000	1.000
2004	1.006	1.003	1.001	
2005	1.010	1.000		
2006	1.007			

Five Year Average	1.007	1.001	1.000	1.000
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Three Year Average	1.008	1.001	1.001	1.000
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	Five Year	Three Year
39 to 63 months:	1.000	1.001
27 to 63 months:	1.001	1.002
15 to 63 months:	1.008	1.010

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					41,377
1995				42,791	42,790
1996			41,711	41,817	41,827
1997		40,211	40,493	40,604	40,618
1998	37,677	38,369	38,652	38,786	38,764
1999	38,340	39,056	39,267	39,319	39,295
2000	39,174	40,060	40,237	40,402	40,356
2001	38,773	39,399	39,776	39,895	39,881
2002	39,568	40,472	40,791	40,910	40,900
2003	38,088	38,982	39,308	39,403	39,401
2004	35,941	36,635	36,859	37,093	
2005	35,441	36,228	36,418		
2006	37,567	37,604			
2007	36,013				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.003	1.000
1997		1.007	1.003	1.000
1998	1.018	1.007	1.003	0.999
1999	1.019	1.005	1.001	0.999
2000	1.023	1.004	1.004	0.999
2001	1.016	1.010	1.003	1.000
2002	1.023	1.008	1.003	1.000
2003	1.023	1.008	1.002	1.000
2004	1.019	1.006	1.006	
2005	1.022	1.005		
2006	1.001			
Five Year Average	1.018	1.007	1.004	1.000
Three Year Average	1.014	1.006	1.004	1.000
		Five Year	Three Year	
39 to 63 months:		1.004	1.004	
27 to 63 months:		1.011	1.010	
15 to 63 months:		1.029	1.024	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			3,412
1997		7,440	3,432
1998	21,062	7,279	3,389
1999	22,569	7,746	3,581
2000	21,407	7,568	3,498
2001	21,505	7,362	3,354
2002	21,641	7,405	3,304
2003	21,571	7,209	3,247
2004	21,274	6,951	3,015
2005	19,961	6,679	2,793
2006	20,352	6,500	
2007	20,652		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.461
1998	0.346	0.466
1999	0.343	0.462
2000	0.354	0.462
2001	0.342	0.456
2002	0.342	0.446
2003	0.334	0.450
2004	0.327	0.434
2005	0.335	0.418
2006	0.319	
Five Year Average	0.331	0.441
Three Year Average	0.327	0.434
	Five Year	Three Year
27 to 39 months:	0.441	0.434
15 to 39 months:	0.146	0.142

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			223
1997		501	211
1998	3,096	609	204
1999	3,349	549	197
2000	2,999	523	192
2001	2,891	449	161
2002	3,122	444	156
2003	3,042	361	123
2004	2,860	286	120
2005	2,227	288	109
2006	2,301	259	
2007	2,184		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.421
1998	0.197	0.335
1999	0.164	0.359
2000	0.174	0.367
2001	0.155	0.359
2002	0.142	0.351
2003	0.119	0.341
2004	0.100	0.420
2005	0.129	0.378
2006	0.113	
Five Year Average	0.121	0.370
Three Year Average	0.114	0.380
	Five Year	Three Year
27 to 39 months:	0.370	0.380
15 to 39 months:	0.045	0.043

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Medical Payments Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			329
1997		940	370
1998	5,559	953	335
1999	6,042	987	385
2000	5,524	900	305
2001	5,077	761	274
2002	5,292	767	281
2003	4,848	698	250
2004	4,752	695	230
2005	4,378	654	246
2006	5,874	687	
2007	5,710		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.394
1998	0.171	0.352
1999	0.163	0.390
2000	0.163	0.339
2001	0.150	0.360
2002	0.145	0.366
2003	0.144	0.358
2004	0.146	0.331
2005	0.149	0.376
2006	0.117	
Five Year Average		
	0.140	0.358
Three Year Average		
	0.137	0.355
Five Year                      Three Year		
27 to 39 months:	0.358	0.355
15 to 39 months:	0.050	0.049



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					228,576,147
1995				221,303,468	225,944,484
1996			210,294,473	225,789,603	231,472,253
1997		180,512,993	210,222,424	225,675,172	231,891,887
1998	96,647,041	169,671,248	198,554,240	214,824,343	220,828,026
1999	94,946,771	168,301,271	199,627,433	215,803,053	222,178,529
2000	92,925,513	168,994,339	198,304,888	213,864,821	219,544,734
2001	93,543,064	172,612,226	202,279,234	218,595,702	224,203,919
2002	102,289,306	184,853,613	221,045,443	238,066,247	243,370,189
2003	110,749,414	202,280,862	241,625,574	262,347,805	270,900,096
2004	116,558,278	211,006,106	256,026,217	277,143,246	
2005	120,735,528	211,972,571	252,045,174		
2006	123,306,427	220,608,157			
2007	124,117,701				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.021
1996			1.074	1.025
1997		1.165	1.074	1.028
1998	1.756	1.170	1.082	1.028
1999	1.773	1.186	1.081	1.030
2000	1.819	1.173	1.078	1.027
2001	1.845	1.172	1.081	1.026
2002	1.807	1.196	1.077	1.022
2003	1.826	1.195	1.086	1.033
2004	1.810	1.213	1.082	
2005	1.756	1.189		
2006	1.789			
Five Year Average	1.798	1.193	1.081	1.028
Three Year Average	1.785	1.199	1.082	1.027
		Five Year	Three Year	
39 to 63 months:		1.111	1.111	
27 to 63 months:		1.325	1.332	
15 to 63 months:		2.382	2.378	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					128,042,881
1995				141,940,120	142,048,456
1996			164,519,331	164,993,231	165,090,593
1997		165,804,050	166,790,046	167,172,421	167,220,124
1998	156,325,056	163,400,964	164,517,027	164,862,351	165,018,030
1999	161,874,885	172,064,068	173,444,240	174,153,232	173,918,673
2000	166,136,058	173,945,669	175,610,844	175,902,797	175,952,317
2001	169,265,356	177,560,347	178,382,244	178,627,877	178,725,294
2002	179,578,413	187,751,960	188,814,992	189,395,773	189,236,614
2003	192,140,141	201,809,632	202,915,540	202,286,403	202,583,417
2004	195,603,006	205,723,973	213,335,224	213,686,772	
2005	203,182,092	212,387,446	213,509,099		
2006	207,329,844	216,867,996			
2007	198,385,490				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.003	1.001
1997		1.006	1.002	1.000
1998	1.045	1.007	1.002	1.001
1999	1.063	1.008	1.004	0.999
2000	1.047	1.010	1.002	1.000
2001	1.049	1.005	1.001	1.001
2002	1.046	1.006	1.003	0.999
2003	1.050	1.005	0.997	1.001
2004	1.052	1.037	1.002	
2005	1.045	1.005		
2006	1.046			
Five Year Average	1.048	1.012	1.001	1.000
Three Year Average	1.048	1.016	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.013	1.017	
15 to 63 months:		1.062	1.066	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					25,054,150
1995				25,591,758	25,606,118
1996			25,648,994	25,799,901	25,851,391
1997		24,689,609	25,219,515	25,376,287	25,361,913
1998	18,800,056	22,219,399	22,634,772	22,750,024	22,785,514
1999	18,041,034	21,469,238	21,818,692	22,032,472	22,054,943
2000	17,971,442	20,968,603	21,483,008	21,662,681	21,670,310
2001	17,978,561	21,060,858	21,480,419	21,571,134	21,636,503
2002	20,910,182	24,250,846	24,714,251	24,900,104	24,945,909
2003	21,349,818	24,815,033	25,233,766	25,374,628	25,412,232
2004	22,269,929	25,925,842	27,094,917	27,347,258	
2005	22,209,375	25,331,650	25,825,631		
2006	23,184,512	26,403,864			
2007	22,558,943				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.006	1.002
1997		1.021	1.006	0.999
1998	1.182	1.019	1.005	1.002
1999	1.190	1.016	1.010	1.001
2000	1.167	1.025	1.008	1.000
2001	1.171	1.020	1.004	1.003
2002	1.160	1.019	1.008	1.002
2003	1.162	1.017	1.006	1.001
2004	1.164	1.045	1.009	
2005	1.141	1.020		
2006	1.139			
Five Year Average	1.153	1.024	1.007	1.001
Three Year Average	1.148	1.027	1.008	1.002

	Five Year	Three Year
39 to 63 months:	1.008	1.010
27 to 63 months:	1.032	1.037
15 to 63 months:	1.190	1.190

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					231,454,363
1995				229,930,990	228,709,369
1996			235,462,195	236,132,748	235,201,463
1997		233,438,810	235,883,068	235,598,697	235,812,089
1998	206,565,579	219,645,169	222,463,014	224,642,482	224,685,651
1999	205,887,660	218,424,231	222,979,961	225,159,783	225,604,890
2000	196,381,049	215,263,562	220,208,932	222,577,473	222,958,073
2001	201,389,100	218,201,822	224,336,154	227,922,447	227,957,646
2002	215,250,172	236,983,491	247,518,638	248,501,578	246,726,652
2003	232,679,660	261,971,315	271,616,183	274,368,834	275,174,941
2004	248,338,211	273,629,061	284,259,798	286,392,941	
2005	244,328,393	269,837,289	278,747,987		
2006	250,273,017	275,462,469			
2007	236,236,922				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.995
1996			1.003	0.996
1997		1.010	0.999	1.001
1998	1.063	1.013	1.010	1.000
1999	1.061	1.021	1.010	1.002
2000	1.096	1.023	1.011	1.002
2001	1.083	1.028	1.016	1.000
2002	1.101	1.044	1.004	0.993
2003	1.126	1.037	1.010	1.003
2004	1.102	1.039	1.008	
2005	1.104	1.033		
2006	1.101			
Five Year Average	1.107	1.036	1.010	1.000
Three Year Average	1.102	1.036	1.007	0.999
		Five Year	Three Year	
39 to 63 months:		1.010	1.006	
27 to 63 months:		1.046	1.042	
15 to 63 months:		1.158	1.148	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					128,115,751
1995				142,123,346	142,108,158
1996			165,165,969	165,275,086	165,180,483
1997		167,004,182	167,306,180	167,296,545	167,273,880
1998	162,308,777	164,728,613	164,858,336	164,939,091	165,046,763
1999	169,379,308	173,241,702	174,050,519	174,349,873	174,303,618
2000	171,965,422	175,155,929	176,144,591	176,251,934	176,153,083
2001	174,737,622	178,432,361	178,835,194	178,971,419	178,785,419
2002	184,912,446	188,623,941	189,244,017	189,558,236	189,290,814
2003	197,382,473	202,333,093	203,179,529	202,436,763	202,612,335
2004	200,713,883	206,889,729	213,601,416	213,842,188	
2005	207,964,849	212,977,664	213,880,197		
2006	212,646,023	217,643,757			
2007	202,642,311				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	0.999
1997		1.002	1.000	1.000
1998	1.015	1.001	1.000	1.001
1999	1.023	1.005	1.002	1.000
2000	1.019	1.006	1.001	0.999
2001	1.021	1.002	1.001	0.999
2002	1.020	1.003	1.002	0.999
2003	1.025	1.004	0.996	1.001
2004	1.031	1.032	1.001	
2005	1.024	1.004		
2006	1.024			
Five Year Average	1.025	1.009	1.000	1.000
Three Year Average	1.026	1.013	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.000	
27 to 63 months:		1.009	1.013	
15 to 63 months:		1.034	1.039	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					25,074,544
1995				25,661,644	25,652,374
1996			25,781,579	25,862,504	25,867,677
1997		25,134,101	25,370,242	25,411,387	25,374,700
1998	21,923,581	22,740,435	22,742,159	22,790,601	22,809,876
1999	21,229,796	21,958,458	21,973,012	22,066,630	22,062,956
2000	20,729,329	21,331,128	21,665,352	21,700,655	21,684,210
2001	20,650,857	21,561,388	21,642,458	21,638,115	21,655,362
2002	23,863,381	24,721,670	24,918,855	24,949,278	24,983,000
2003	24,446,885	25,192,828	25,312,065	25,405,917	25,424,250
2004	25,197,147	26,330,797	27,237,339	27,392,202	
2005	24,696,848	25,703,310	25,962,964		
2006	26,047,665	26,628,308			
2007	25,083,708				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.003	1.000
1997		1.009	1.002	0.999
1998	1.037	1.000	1.002	1.001
1999	1.034	1.001	1.004	1.000
2000	1.029	1.016	1.002	0.999
2001	1.044	1.004	1.000	1.001
2002	1.036	1.008	1.001	1.001
2003	1.031	1.005	1.004	1.001
2004	1.045	1.034	1.006	
2005	1.041	1.010		
2006	1.022			
Five Year Average	1.035	1.012	1.003	1.000
Three Year Average	1.036	1.016	1.004	1.001
		Five Year	Three Year	
39 to 63 months:		1.003	1.005	
27 to 63 months:		1.015	1.021	
15 to 63 months:		1.051	1.058	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					212,876,748
1995				211,795,604	210,556,254
1996			216,967,622	217,602,631	217,209,237
1997		218,412,337	220,339,650	219,645,245	220,344,356
1998	195,650,902	205,674,358	207,607,917	208,743,809	208,716,833
1999	196,309,996	206,166,123	208,393,001	209,685,094	210,024,688
2000	186,546,494	200,512,528	203,481,534	205,369,330	206,021,117
2001	187,225,613	197,058,436	200,406,820	203,252,699	202,943,496
2002	204,396,971	221,699,155	229,021,583	231,712,664	230,239,155
2003	219,972,271	242,908,169	250,945,100	253,565,651	254,322,787
2004	232,321,218	253,194,667	262,099,282	264,271,575	
2005	226,414,016	247,137,063	254,641,305		
2006	229,408,467	251,211,691			
2007	218,176,811				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.994
1996			1.003	0.998
1997		1.009	0.997	1.003
1998	1.051	1.009	1.005	1.000
1999	1.050	1.011	1.006	1.002
2000	1.075	1.015	1.009	1.003
2001	1.053	1.017	1.014	0.998
2002	1.085	1.033	1.012	0.994
2003	1.104	1.033	1.010	1.003
2004	1.090	1.035	1.008	
2005	1.092	1.030		
2006	1.095			
Five Year Average	1.093	1.030	1.011	1.000
Three Year Average	1.092	1.033	1.010	0.998

	Five Year	Three Year
39 to 63 months:	1.011	1.008
27 to 63 months:	1.041	1.041
15 to 63 months:	1.138	1.137

(a) Losses are on a 30/60 level for 2002-2007.  
 Losses are on a 25/50 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					127,237,320
1995				140,477,803	140,460,539
1996			162,936,394	162,986,806	162,977,673
1997		164,517,977	164,737,946	164,773,858	164,765,181
1998	159,721,829	161,733,446	162,118,359	162,150,485	162,268,157
1999	165,757,986	169,929,612	170,680,939	171,015,760	170,984,689
2000	169,085,669	172,294,748	173,274,071	173,280,365	173,225,507
2001	169,875,643	173,553,538	173,838,983	174,089,757	173,817,993
2002	184,271,506	187,863,111	188,515,113	188,859,187	188,596,145
2003	196,601,286	201,661,507	202,507,621	201,743,011	201,914,414
2004	199,707,863	205,894,813	212,575,880	212,850,264	
2005	206,998,720	212,021,149	212,903,247		
2006	211,613,142	216,666,204			
2007	201,759,341				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.000	1.000
1997		1.001	1.000	1.000
1998	1.013	1.002	1.000	1.001
1999	1.025	1.004	1.002	1.000
2000	1.019	1.006	1.000	1.000
2001	1.022	1.002	1.001	0.998
2002	1.019	1.003	1.002	0.999
2003	1.026	1.004	0.996	1.001
2004	1.031	1.032	1.001	
2005	1.024	1.004		
2006	1.024			

Five Year Average	1.025	1.009	1.000	1.000
Three Year Average	1.026	1.013	1.000	0.999

	Five Year	Three Year
39 to 63 months:	1.000	0.999
27 to 63 months:	1.009	1.012
15 to 63 months:	1.034	1.038

(a) Losses are on a \$25,000 level for 2002-2007.  
Losses are on a \$15,000 level for 1994-2001.

Losses exclude unallocated loss adjustment expense.



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					35,841
1995				37,835	38,143
1996			39,659	40,836	41,218
1997		36,944	39,389	40,576	40,965
1998	25,384	34,420	36,925	38,125	38,525
1999	24,897	34,561	37,200	38,446	38,848
2000	23,775	32,731	35,176	36,296	36,621
2001	22,980	31,619	33,759	34,860	35,183
2002	24,397	33,258	35,831	37,025	36,876
2003	25,045	34,384	37,005	38,013	38,466
2004	26,159	35,552	38,924	40,058	
2005	25,931	34,564	36,911		
2006	25,826	34,174			
2007	23,462				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.008
1996			1.030	1.009
1997		1.066	1.030	1.010
1998	1.356	1.073	1.032	1.010
1999	1.388	1.076	1.033	1.010
2000	1.377	1.075	1.032	1.009
2001	1.376	1.068	1.033	1.009
2002	1.363	1.077	1.033	0.996
2003	1.373	1.076	1.027	1.012
2004	1.359	1.095	1.029	
2005	1.333	1.068		
2006	1.323			
Five Year Average	1.350	1.077	1.031	1.007
Three Year Average	1.338	1.080	1.030	1.006
		Five Year	Three Year	
39 to 63 months:		1.038	1.036	
27 to 63 months:		1.118	1.119	
15 to 63 months:		1.509	1.497	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					70,901
1995				75,169	75,194
1996			81,998	82,151	82,176
1997		81,332	81,631	81,732	81,748
1998	76,509	78,803	79,176	79,262	79,308
1999	76,753	80,051	80,409	80,606	80,624
2000	74,674	77,069	77,628	77,701	77,719
2001	74,519	77,098	77,344	77,419	77,448
2002	77,834	80,381	80,677	80,883	80,743
2003	87,316	90,166	90,512	90,071	90,162
2004	91,524	94,326	97,326	97,410	
2005	92,753	95,104	95,357		
2006	89,866	92,100			
2007	83,990				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.002	1.000
1997		1.004	1.001	1.000
1998	1.030	1.005	1.001	1.001
1999	1.043	1.004	1.002	1.000
2000	1.032	1.007	1.001	1.000
2001	1.035	1.003	1.001	1.000
2002	1.033	1.004	1.003	0.998
2003	1.033	1.004	0.995	1.001
2004	1.031	1.032	1.001	
2005	1.025	1.003		
2006	1.025			
Five Year Average	1.029	1.009	1.000	1.000
Three Year Average	1.027	1.013	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.000	
27 to 63 months:		1.009	1.013	
15 to 63 months:		1.038	1.040	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Medical Payments Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					24,890
1995				25,942	25,959
1996			26,705	26,838	26,882
1997		25,302	25,707	25,828	25,845
1998	19,438	22,663	23,009	23,101	23,125
1999	18,261	21,392	21,759	21,939	21,965
2000	17,302	19,925	20,339	20,448	20,458
2001	16,847	19,301	19,575	19,658	19,687
2002	18,456	21,012	21,329	21,461	21,473
2003	18,066	20,715	21,069	21,154	21,181
2004	18,092	20,664	21,431	21,547	
2005	18,512	20,932	21,227		
2006	18,976	21,416			
2007	17,565				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.001
1996			1.005	1.002
1997		1.016	1.005	1.001
1998	1.166	1.015	1.004	1.001
1999	1.171	1.017	1.008	1.001
2000	1.152	1.021	1.005	1.000
2001	1.146	1.014	1.004	1.001
2002	1.138	1.015	1.006	1.001
2003	1.147	1.017	1.004	1.001
2004	1.142	1.037	1.005	
2005	1.131	1.014		
2006	1.129			
Five Year Average	1.137	1.019	1.005	1.001
Three Year Average	1.134	1.023	1.005	1.001
		Five Year	Three Year	
39 to 63 months:		1.006	1.006	
27 to 63 months:		1.025	1.029	
15 to 63 months:		1.165	1.167	

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					36,045
1995				38,363	38,301
1996			41,368	41,530	41,450
1997		41,138	41,319	41,292	41,250
1998	39,005	38,775	38,797	38,914	38,778
1999	38,986	38,853	39,282	39,205	39,107
2000	36,838	37,200	37,022	36,976	36,882
2001	37,219	35,853	35,621	35,599	35,409
2002	39,356	38,134	37,913	37,765	37,126
2003	40,975	39,387	39,113	38,787	38,732
2004	41,989	40,817	40,850	40,663	
2005	40,751	39,204	38,821		
2006	40,069	38,354			
2007	35,768				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.998
1996			1.004	0.998
1997		1.004	0.999	0.999
1998	0.994	1.001	1.003	0.997
1999	0.997	1.011	0.998	0.998
2000	1.010	0.995	0.999	0.997
2001	0.963	0.994	0.999	0.995
2002	0.969	0.994	0.996	0.983
2003	0.961	0.993	0.992	0.999
2004	0.972	1.001	0.995	
2005	0.962	0.990		
2006	0.957			
Five Year Average	0.964	0.994	0.996	0.994
Three Year Average	0.964	0.995	0.994	0.992
		Five Year	Three Year	
39 to 63 months:		0.990	0.986	
27 to 63 months:		0.984	0.981	
15 to 63 months:		0.949	0.946	

NORTH CAROLINA  
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1994					70,917
1995				75,196	75,203
1996			82,096	82,192	82,188
1997		81,567	81,726	81,761	81,763
1998	78,316	79,137	79,269	79,297	79,318
1999	79,054	80,677	80,528	80,656	80,655
2000	76,483	77,446	77,837	77,841	77,817
2001	76,336	77,480	77,559	77,596	77,459
2002	79,895	80,685	80,821	80,918	80,751
2003	89,550	90,345	90,578	90,101	90,165
2004	93,265	94,590	97,387	97,445	
2005	94,190	95,253	95,431		
2006	91,277	92,238			
2007	85,123				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.001	1.000
1997		1.002	1.000	1.000
1998	1.010	1.002	1.000	1.000
1999	1.021	0.998	1.002	1.000
2000	1.013	1.005	1.000	1.000
2001	1.015	1.001	1.000	0.998
2002	1.010	1.002	1.001	0.998
2003	1.009	1.003	0.995	1.001
2004	1.014	1.030	1.001	
2005	1.011	1.002		
2006	1.011			
Five Year Average	1.011	1.008	0.999	0.999
Three Year Average	1.012	1.012	0.999	0.999

	Five Year	Three Year
39 to 63 months:	0.998	0.998
27 to 63 months:	1.006	1.010
15 to 63 months:	1.017	1.022

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					24,913
1995				25,970	25,970
1996			26,829	26,889	26,896
1997		25,650	25,859	25,859	25,857
1998	22,385	23,167	23,099	23,146	23,140
1999	21,292	21,826	21,903	21,977	21,975
2000	19,804	20,291	20,448	20,497	20,484
2001	19,334	19,651	19,696	19,703	19,698
2002	21,431	21,476	21,482	21,496	21,493
2003	20,948	21,045	21,150	21,183	21,193
2004	20,951	21,006	21,546	21,582	
2005	21,081	21,263	21,351		
2006	21,717	21,645			
2007	19,834				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				1.000
1996			1.002	1.000
1997		1.008	1.000	1.000
1998	1.035	0.997	1.002	1.000
1999	1.025	1.004	1.003	1.000
2000	1.025	1.008	1.002	0.999
2001	1.016	1.002	1.000	1.000
2002	1.002	1.000	1.001	1.000
2003	1.005	1.005	1.002	1.000
2004	1.003	1.026	1.002	
2005	1.009	1.004		
2006	0.997			
Five Year Average	1.003	1.007	1.001	1.000
Three Year Average	1.003	1.012	1.002	1.000

Five Year                      Three Year

39 to 63 months:	1.001	1.002
27 to 63 months:	1.008	1.014
15 to 63 months:	1.011	1.017

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			1,709
1997		4,194	1,930
1998	13,621	4,355	1,872
1999	14,089	4,292	2,082
2000	13,063	4,469	1,846
2001	14,239	4,234	1,862
2002	14,959	4,876	2,082
2003	15,930	5,003	2,108
2004	15,830	5,265	1,926
2005	14,820	4,640	1,910
2006	14,243	4,180	
2007	12,306		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.460
1998	0.320	0.430
1999	0.305	0.485
2000	0.342	0.413
2001	0.297	0.440
2002	0.326	0.427
2003	0.314	0.421
2004	0.333	0.366
2005	0.313	0.412
2006	0.293	
Five Year Average	0.316	0.413
Three Year Average	0.313	0.400

	Five Year	Three Year
27 to 39 months:	0.413	0.400
15 to 39 months:	0.131	0.125

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1994			
1995			
1996			98
1997		235	95
1998	1,807	334	93
1999	2,301	626	119
2000	1,809	377	209
2001	1,817	382	215
2002	2,061	304	144
2003	2,234	179	66
2004	1,741	264	61
2005	1,437	149	74
2006	1,411	138	
2007	1,133		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.404
1998	0.185	0.278
1999	0.272	0.190
2000	0.208	0.554
2001	0.210	0.563
2002	0.148	0.474
2003	0.080	0.369
2004	0.152	0.231
2005	0.104	0.497
2006	0.098	
Five Year Average		
	0.116	0.427
Three Year Average		
	0.118	0.366
Five Year                      Three Year		
27 to 39 months:	0.427	0.366
15 to 39 months:	0.050	0.043



NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Outstanding Claims as of		
	15 Months	27 Months	39 Months
1994			
1995			
1996			124
1997		348	152
1998	2,947	504	90
1999	3,031	434	144
2000	2,502	366	109
2001	2,487	350	121
2002	2,975	464	153
2003	2,882	330	81
2004	2,859	342	115
2005	2,569	331	124
2006	2,741	229	
2007	2,269		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1995		
1996		
1997		0.437
1998	0.171	0.179
1999	0.143	0.332
2000	0.146	0.298
2001	0.141	0.346
2002	0.156	0.330
2003	0.115	0.245
2004	0.120	0.336
2005	0.129	0.375
2006	0.084	
Five Year Average		
	0.121	0.326
Three Year Average		
	0.111	0.319
Five Year		
Three Year		
27 to 39 months:	0.326	0.319
15 to 39 months:	0.039	0.035

Responses provided in connection with items (3)(i) and (7)(c) are enclosed herewith.



**Allstate.**

You're in good hands.

Steven D. Armstrong  
Senior Actuary, F.C.A.S.,  
M.A.A.A.

December 5, 2008

F. Timothy Lucas  
Personal Lines Manager  
North Carolina Rate Bureau

Dear Tim,

Included below are Allstate Insurance Company's responses to issues regarding reserve strengthening and expense cutting initiatives for the Allstate Insurance Company and Allstate Indemnity Company Private Passenger Non-Fleet Auto Programs in North Carolina.

With respect to 11 N.C.A.C. 10.1104 (3) (i), which states,

For each of the fifteen largest writers of private passenger automobile insurance in North Carolina, a statement regarding any reserve strengthening or weakening that has occurred in the last five years shall be included.

Allstate's response to this is that there have been **no** material changes with regard to Allstate's reserving practices of private passenger automobile insurance in the state of North Carolina over the past five years.

With respect to 11 N.C.A.C. 10.1104 (7) (c), which states,

For each of the ten largest writers of private passenger automobile insurance in North Carolina, statements regarding any expense cutting activities undertaken in the last five years shall be provided.

Allstate did not make any material expense-cutting changes in 2008.

Please contact me if you have any questions or require further details.

Sincerely,

Steven D. Armstrong  
F.C.A.S., M.A.A.A  
sarm2@allstate.com  
1-800-366-2958 x23994

H-513



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Kevin L. Russell,  
Supervisor,  
Commercial Pricing II and Reserving  
Erie Insurance Group  
100 Eric Insurance Place  
Erie, Pennsylvania 16530  
Telephone (814)870-3395  
Fax (814)870-4383  
Kevin.russell@ericinsurance.com

Nov 05, 2008

To: Debbie Spence  
Support Assistant III  
North Carolina Rate Bureau  
Raleigh NC 27619-6010  
Telephone: (919) 582-1023  
Fax: (919) 719-7402

**Re: Reserve Strengthening**

The Erie Insurance Group began implementing Colossus and the Soft Tissue Evaluation program in 1998-1999 in order to establish more accurate case reserves. We continued with these claims initiatives in 2008, and so the criteria used in North Carolina for establishing case basis reserves for the accident year ending December 31, 2008 has not changed materially from the criteria used over the latest five years. The relative adequacy level of case reserves is examined during the quarterly reserve analysis. Relative case reserve adequacy levels appear to be quite consistent over the last three to five years.

Sincerely,

  
Kevin L. Russell, FCAS, MAAA

H-514



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

One GEICO Plaza ■ Washington, DC 20076-0001

November 12, 2008

Mr. Tim Lucas  
 North Carolina Rate Bureau  
 Box 176010  
 Raleigh, North Carolina 27619-6010

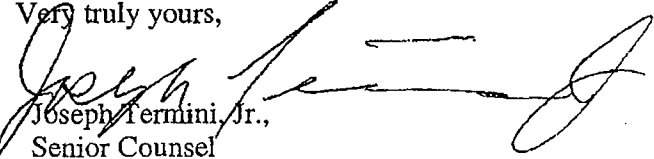
RE: Government Employees Insurance Company- Bureau Letter Asking for  
 Reserve Strengthening and Expense Control Information

Dear Mr. Lucas:

The GEICO Companies did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at the GEICO companies and for that reason, GEICO believes that its historical experience is an appropriate basis for determining the expense provisions in your rate calculations and that no special adjustments are necessary.

The criteria used by Government Employees Insurance Company in North Carolina for establishing case basis reserves for the accident year ended December 31, 2007 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,  
  
 Joseph Termini, Jr.,  
 Senior Counsel  
 478-744-5705

# **GMAC Insurance**

November 19, 2008

Mr. Tim Lucas  
Personal Lines Manager  
North Carolina Rate Bureau  
PO Box 176010  
Raleigh, NC 27619

Re: NCRB request regarding Insurance Department Regulations for Integon National Insurance Company

Dear Tim:

Per your request, we are responding as follows:

## **Statement Concerning Reserve Strengthening Activities Over The Past Five Years:**

All of the Integon companies, including Integon National Insurance Company, use a formula-based reserving system to establish reserves for claims with expected settlements under \$50,000. For claims with expected settlements in excess of \$50,000, the companies establish individual case reserves setup by knowledgeable claims personnel.

The formula reserve amounts have changed slightly over the past 5 years as trends have changed, but the amount of change has not been material. The criteria used for establishing both formula and case reserves have not changed materially over the past 5 years.

## **Statement Concerning Expense Cutting Activities Over The Past Five Years:**

There have been several recent expense-cutting activities for Integon National that are expected to lower future expense ratios relative to 2007 reported expense ratios. These activities include the efficiencies we have gained in policy processing and other functions, streamlining marketing programs to focus on profitable growth opportunities, and efficiencies gained in regard to systems development.

We expect to see approximately a one-percentage point improvement in our expense ratio in 2009.

Sincerely,

Art Lyon, CPCU

North Carolina Rate Bureau  
Reinsurance Facility  
F. Timothy Lucas  
P.O. Box 176010  
Raleigh, North Carolina 27619-6010

RE: Insurance Department Regulations

Dear Mr. Lucas:

I am writing in response to your letter of November 4, 2008.

This is to confirm that Liberty Mutual's personal lines automobile claims case reserving practices for losses in North Carolina have remained materially unchanged for the past five years. Our philosophy on establishing claim case reserves has been essentially and effectively the same for the period in question.

Additionally, we have not taken any expense cutting measures in the past five years that would materially impact the expense load in North Carolina.

If I can be of any further assistance please do not hesitate to contact me.

Sincerely,

Anne McLeod  
Director of State Operations, NC & SC  
Personal Market  
Liberty Mutual  
Phone: 617.654.3764  
Email: [anne.mcleod@libertymutual.com](mailto:anne.mcleod@libertymutual.com)

VIA EMAIL

December 15, 2008

Mr. F. Timothy Lucas  
Personal Lines Manager  
North Carolina Rate Bureau  
5401 Six Forks Road  
Raleigh, NC 27609

Re: Statement of Expense Cutting Activities and Reserve Strengthening or Weakening

Dear Mr. Lucas:

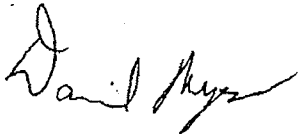
I am providing the following information concerning expense cutting activities and reserve strengthening for Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, Nationwide Property & Casualty Company, and Nationwide Affinity Insurance Company of America.

We have reported in prior years' statements significant changes for reserve strengthening in 2003 and 2004. There are no additional material changes to reserves which have not been previously reported.

We have taken no expense cutting actions in the last 5 years that would materially impact our anticipated expense levels in North Carolina.

Please contact me if you have any questions.

Sincerely,



Daniel Myers, FCAS, MAAA  
Pricing Manager  
Standard Auto Product & Pricing  
myersda@nationwide.com  
(614) 249-5955





# North Carolina Farm Bureau Insurance Group

Telephone 919-782-1705 ♦ Post Office Box 27427 ♦ Raleigh, NC 27611

November 5, 2008

Mr. Tim Lucas  
N.C. Rate Bureau  
PO Box 176010  
Raleigh, NC 27619-6010

RE: North Carolina Farm Bureau Mutual Insurance Company  
Farm Bureau Insurance of N.C., Inc.  
Insurance Department Regulations  
North Carolina Private Passenger Insurance  
Reserve Strengthening  
Expense Cutting Activities

Tim:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

Roger Batdorff  
Actuarial & Research Manager

RB/cww

**RECEIVED**

NOV 07 2008

N.C. RATE BUREAU

H-519

North Carolina Farm Bureau Mutual Insurance Company, Inc.  
Farm Bureau Insurance of N.C., Inc.  
Visit Us On The Web At: [www.ncfbins.com](http://www.ncfbins.com)

December 1, 2008

North Carolina Rate Bureau  
PO Box 176010  
Raleigh, North Carolina 27619-6010

Attention: F. Timothy Lucas

The Progressive Companies have not changed the criteria for establishing case basis reserves for the accident year that will end December 31, 2007 in North Carolina.

The case reserves carried by The Progressive Companies are generally average reserves as determined by the Corporate Actuarial Area. An exception exists when an adjuster estimates that the case reserve for a particular claim needs to be greater than or equal to a predetermined threshold that varies by limit (from \$25,000 to \$250,000 for BI & UMBI claims and \$25,000 for most other coverages. Progressive carries the adjuster's estimate for these larger reserves. The average reserves vary by product, coverage, age of claim, and even cause of loss for the Comprehensive claims. They also vary by limit for Bodily Injury and UMBI claims. All averages may be adjusted each month based on an inflation factor.

The IBNR reserves are maintained between reviews utilizing an algorithm that establishes balances based on a factor applied to the Earned Premium. The factors vary by product, coverage and limit again for Bodily Injury and UMBI.

Progressive's actuarial area develops an indication of the needed reserves for North Carolina Bodily Injury (BI) coverage two times each year. During 2007 the North Carolina BI reviews were completed on the direct, ceded, and net business separately. The last review completed in 2008 was for Bodily Injury and included data evaluated through July 31, 2008. As a result of this review, the carried balance of \$32.0 million of direct loss reserves (\$18.2 million ceded & \$13.9 million net) were increased by approximately \$0.3 million or 0.9% of the carried reserve as we are seeing some unfavorable development of our carried case reserves. The loss reserves for all auto coverages are approximately \$41 million and total reserve adjustments following reviews during the year amounted to increasing the carried amount by approximately \$0.5 million or 1.2%.

During 2007 Defense and Cost Containment (DCC) reserves for the Bodily Injury (BI) coverage was reviewed once in February with data through January 31, 2008. As a result of this review North Carolina direct BI DCC reserves of \$3.3 million were decreased by \$200,000 or 6.0%. The Adjusting and all Other expense (A&O) reserves were also reviewed for the state in total in August with data through July 31. The North Carolina direct A&O reserves of \$4.0 million were not changed significantly. The LAE reserves for all coverages for auto are approximately \$8.6 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$0.2 million or 2.3%.

Generally, there has not been a change to Progressive's objective regarding reserving and the process has been consistent for the past seven years in regard to loss

reserves while the reviews of LAE reserves have been enhanced in the last years incorporating North Carolina only data for the reviews.

For a discussion of Progressive's process in reviewing and changing reserve levels please review the "Report on Loss Reserving Practices" available under the Investor Relations section on Progressive's Web site, "Progressive.com".

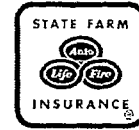
Progressive has undertaken modest expense cutting activities in the last year having the some impact on Adjusting and all Other expenses for our private passenger non-fleet motor vehicle coverages. These changes will only modestly impact our anticipated expense levels in North Carolina.

If you have any more questions please contact Al Neis, Corporate Actuary at (440) 395-2331.

Sincerely,

Allan R Neis, FCAS, MAAA  
Corporate Actuary

# State Farm Mutual Automobile Insurance Company



Steve Harr, F.C.A.S., MAAA  
Actuary and Assistant Secretary-Treasurer

One State Farm Plaza, D4  
Bloomington, Illinois 61710  
Phone: 309.766.3568  
Fax: 309.766.0225  
E-mail: [steve.harr.bb5b@statefarm.com](mailto:steve.harr.bb5b@statefarm.com)

November 26, 2008

Ms. Debbie Spence  
Support Assistant III  
North Carolina Rate Bureau  
5401 Six Forks Road  
Raleigh, NC 27609-4435

Dear Ms. Spence:

RE: Reserve Strengthening and Expense Cutting Activities

Your email dated November 4, 2008 requested two items required from the largest writers of liability and physical damage private passenger automobile insurance in North Carolina.

The first item concerned reserves. In response to your question, State Farm has not made any changes in the past five years that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm has long recognized that expense control is a key to remaining competitive in the insurance marketplace. It is important to note that expense control does not necessarily imply expense reduction. Attracting and retaining quality personnel, providing top-notch services and investing in technology may be just as important to a company's competitive position as a low price for the insurance product. In the end, it is through consumer forces in the marketplace that a balance is stricken between quality of service and price for those services.

It would be virtually impossible to fully describe all "expense cutting activities" (i.e., pre-sorting mail, recycling paper, reorganizing jobs, automating jobs, consolidating jobs, ordering supplies from a different vendor, providing new software to an underwriter, streamlining a claims procedure, redesigning a code sheet, improving the training courses, etc.). Expense control is a continuous and evolving function of managing our business. It is also difficult to describe the many investments we've made in our business that have put upward pressure on our expenses (i.e., establishing an Internet presence, updating our systems as new technology becomes available, etc.).

We are continuing our extensive review of every aspect of our company's operation in an effort to further streamline workflow and processes and to invest in technological advances where appropriate while striving to improve the service provided to our customers.

Because expense review is a continuing effort, we feel that no special adjustments are necessary for your rate calculation.

Sincerely,

Steve Harr  
Actuary and Assistant Secretary-Treasurer

SH:kw

HOME OFFICE: BLOOMINGTON, ILLINOIS 61710-0001

H-522



*We know what it means to serve.™*

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November 10, 2008

Debbie Spence  
North Carolina Rate Bureau  
Fax: (919) 719-7402

RE: United Services Automobile Association  
Insurance Department Regulations  
North Carolina Automobile  
Reserve Strengthening  
Expense Cutting Activities

Ms. Spence:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know. I can be reached at (210) 913-7202.

Lisa Sukow  
Actuary  
P&C Actuary

LS/das

# Kemper

A UNITRIN BUSINESS

November 19, 2008

Honorable James E. Long  
Commissioner of Insurance  
Department of Insurance  
State of North Carolina  
Dobbs Building  
430 N. Salisbury Street  
Raleigh, NC 27611

RE: 2009 Private Passenger Automobile Rate Bureau Filing  
Unitrin Auto and Home Insurance Company (NAIC: 215 - 16063, FEIN: 52-1752227)

Dear Commissioner:

We did a review of our average outstanding case reserves for NC Private Passenger Automobiles as of 12/31/2007, and we conclude that Kemper has experienced significant case reserve strengthening for Auto Bodily Injury, Uninsured Motorists and Underinsured Motorists (BI/UM/UIM) as a result of several claim process improvement initiatives. For example, the annual trend in our average case reserve per open claim is dramatically higher than our average paid loss per closed claim. The most influential claim initiatives include:

- Increased focus on reducing the claim cycle time. Cycle time is defined as the time from the accident to the claim being closed, with each step in the process being evaluated.
- Earlier reporting of BI and UM/UIM claims resulting from improved purification of Property Damage (PD) claims by our claim representatives. The reporting pattern for PD claims is relatively stable, but our claim staff is identifying the BI exposure earlier in the claim cycle.
- Greater case reserve adequacy, defined as reported incurred loss amounts closer to ultimate loss amounts earlier in the life cycle of a claim.

Sincerely,



Kimberly D. Burns  
Kemper, a Unitrin Company  
Senior Product Manager  
(904) 245-5659 Voice  
(904) 245-5601 Fax  
kburns@eKemper.com

12926 Gran Bay Parkway West, Jacksonville, FL 32258  
904-245-5600 Fax: 904-245-5601 www.eKemper.com

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (4) (a) See attached exhibits, Section D of RB-1 and pre-filed testimony of P. Woods and M. Miller.

The attached exhibits contain the trend data upon which the Automobile Committee based its trend recommendations to the Governing Committee of the Rate Bureau.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SUMMARY OF SELECTED TREND FACTORS

<u>Loss Trends</u>	<u>Cost</u>	<u>Frequency</u>	<u>Total</u>
Bodily Injury (B/L)	6.5%	-4.0%	2.2%
Bodily Injury (T/L)	6.5%		
Property Damage	2.5%	-1.5%	1.0%
Medical Payments	0.5%	-0.5%	0.0%
Uninsured Motorists			0.0%
Underinsured Motorists			7.5%
Comprehensive	1.5%	-1.0%	0.5%
Collision	0.5%	0.0%	0.5%
 <u>Expense Trend</u>			 3.0%
 <u>Symbol Trend</u>			
Comprehensive			0.7%
Collision			0.0%



NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend  
for 2005 and 2006

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2007 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2005	1.115	0.944	1.053	1.022	1.024
	2006	1.074	0.971	1.043	1.022	1.027
	2007	1.000	1.000	1.000	1.022	1.022
Property Damage	2005	1.064	0.966	1.028	1.010	1.012
	2006	1.023	0.979	1.002	1.010	1.008
	2007	1.000	1.000	1.000	1.010	1.010
Medical Payments	2005	1.001	0.927	0.928	1.000	0.985
	2006	0.999	0.966	0.965	1.000	0.991
	2007	1.000	1.000	1.000	1.000	1.000
Comprehensive	2005	1.056	0.910	0.961	1.005	0.995
	2006	1.050	0.960	1.008	1.005	1.006
	2007	1.000	1.000	1.000	1.005	1.005
Collision	2005	1.034	0.985	1.018	1.005	1.007
	2006	0.992	1.000	0.992	1.005	1.002
	2007	1.000	1.000	1.000	1.005	1.005

(a) 2005 Claim Cost Change = (2007 Claim Cost) / (2005 Claim Cost).  
2006 Claim Cost Change = (2007 Claim Cost) / (2006 Claim Cost).

(b) 2005 Claim Frequency Change = (2007 Claim Frequency) / (2005 Claim Frequency). 2006 Claim Frequency Change = (2007 Claim Frequency) / (2006 Claim Frequency).

(c) Current Cost Factor = Column (2) \* Column (3)

(d) Annualized Trend for 2005 and 2006

$$= [(COL(5))^m \times (COL(4))^{(1/n)}]$$

where m is the number of years of projection of the 2007 trend factor from 7/1/2007 to 7/13/2010, 3.04, Col (4) represents the Current Cost Factor to 7/1/2007, and n represents the number of years of projection for a given prior year, 4.04 for 2006 and 5.04 for 2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend  
for 2005 and 2006

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2005	\$ 6,124	1.43
	2006	6,359	1.39
	2007	6,830	1.35
Property Damage	2005	\$ 2,580	3.81
	2006	2,685	3.76
	2007	2,746	3.68
Medical Payments	2005	\$ 1,731	1.23
	2006	1,733	1.18
	2007	1,732	1.14
Comprehensive	2005	\$ 539	4.22
	2006	542	4.00
	2007	569	3.84
Collision	2005	\$ 2,921	4.69
	2006	3,043	4.62
	2007	3,019	4.62

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages H-540 and H-543. Paid Claim Cost for Comprehensive is ISO only Full Coverage, \$50, \$100, \$250 and \$500 Deductible combined data, adjusted for catastrophe, as shown on pages H-550 through H-554. Paid Claim Cost for Collision is based on \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductible combined, All Carrier data, as shown on pages H-564 through H-569.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data. Paid Claim Frequency for Comprehensive is ISO only Full Coverage, \$50 Deductible, \$100 Deductible, \$250 Deductible and \$500 Deductible combined data, adjusted for catastrophe, as shown on pages H-555 through H-559. Paid Claim Frequency for Collision is based on \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductible combined All Carrier data, as shown on pages H-570 through H-575.

H-529

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME	
						QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	QTR PRIOR YEAR	ARISING CLAIM FREQ.	QTR PRIOR YEAR	
3/2003	873,906	10,228	15,285	73,805,747	1.17		7,216		84.46		1.75		
6/2003	855,596	10,284	16,917	78,296,920	1.20		7,613		91.51		1.98		
9/2003	887,083	10,395	16,809	78,524,262	1.17		7,554		88.52		1.89		
12/2003	878,810	11,226	17,323	85,301,765	1.28		7,599		97.07		1.97		
3/2004	900,941	10,103	15,560	77,312,219	1.12	-4.3	7,652	6.0	85.81	1.6	1.73	-1.1	
6/2004	886,614	10,154	16,489	80,189,729	1.15	-4.2	7,897	3.7	90.44	-1.2	1.86	-6.1	
9/2004	918,048	10,379	16,811	88,003,150	1.13	-3.4	8,479	12.2	95.86	8.3	1.83	-3.2	
12/2004	904,395	10,908	17,709	85,624,227	1.21	-5.5	7,850	3.3	94.68	-2.5	1.96	-0.5	
3/2005	930,668	10,156	15,627	81,768,092	1.09	-2.7	8,051	5.2	87.86	2.4	1.68	-2.9	
6/2005	913,706	10,840	16,902	84,232,115	1.19	3.5	7,770	-1.6	92.19	1.9	1.85	-0.5	
9/2005	948,029	10,562	15,538	86,078,084	1.11	-1.8	8,150	-3.9	90.80	-5.3	1.64	-10.4	
12/2005	947,490	10,932	16,770	90,392,766	1.15	-5.0	8,269	5.3	95.40	0.8	1.77	-9.7	
3/2006	967,782	10,499	15,995	87,961,369	1.08	-0.9	8,378	4.1	90.89	3.4	1.65	-1.8	
6/2006	967,050	10,267	16,076	85,943,517	1.06	-10.9	8,371	7.7	88.87	-3.6	1.66	-10.3	
9/2006	978,778	9,931	15,558	100,657,442	1.01	-9.0	10,136	24.4	102.84	13.3	1.59	-3.0	
12/2006	976,386	11,251	17,949	97,876,125	1.15	0.0	8,699	5.2	100.24	5.1	1.84	4.0	
3/2007	1,001,860	10,394	16,023	93,103,345	1.04	-3.7	8,957	6.9	92.93	2.2	1.60	-3.0	
6/2007	1,002,827	10,834	16,007	103,762,359	1.08	1.9	9,577	14.4	103.47	16.4	1.60	-3.6	
9/2007	1,012,788	10,507	15,197	100,811,169	1.04	3.0	9,595	-5.3	99.54	-3.2	1.50	-5.7	
12/2007	1,021,457	10,678	16,884	106,567,052	1.05	-8.7	9,980	14.7	104.33	4.1	1.65	-10.3	
3/2008	1,029,950	10,330	15,382	93,718,438	1.00	-3.8	9,072	1.3	90.99	-2.1	1.49	-6.9	
6/2008	1,038,975	10,466	15,472	101,851,519	1.01	-6.5	9,732	1.6	98.03	-5.3	1.49	-6.9	
4 QTRS ENDING													
12/2003	3,495,395	42,133	66,334	315,928,694	1.21		7,498		90.38		1.90		
3/2004	3,522,430	42,008	66,609	319,435,166	1.19		7,604		90.69		1.89		
6/2004	3,553,448	41,878	66,181	321,327,975	1.18		7,673		90.43		1.86		
9/2004	3,584,413	41,862	66,183	330,806,863	1.17		7,902		92.29		1.85		
12/2004	3,609,998	41,544	66,569	331,129,325	1.15	-5.0	7,971	6.3	91.73	1.5	1.84	-3.2	
3/2005	3,639,725	41,597	66,636	335,585,198	1.14	-4.2	8,068	6.1	92.20	1.7	1.83	-3.2	
6/2005	3,666,817	42,283	67,049	339,627,584	1.15	-2.5	8,032	4.7	92.62	2.4	1.83	-1.6	
9/2005	3,696,798	42,466	65,776	337,702,518	1.15	-1.7	7,952	0.6	91.35	-1.0	1.78	-3.8	
12/2005	3,739,893	42,490	64,837	342,471,057	1.14	-0.9	8,060	1.1	91.57	-0.2	1.73	-6.0	
3/2006	3,777,007	42,833	65,205	348,664,334	1.13	-0.9	8,140	0.9	92.31	0.1	1.73	-5.5	
6/2006	3,830,351	42,260	64,379	350,375,736	1.10	-4.3	8,291	3.2	91.47	-1.2	1.68	-8.2	
9/2006	3,861,100	41,629	64,399	364,955,094	1.08	-6.1	8,767	10.2	94.52	3.5	1.67	-6.2	
12/2006	3,889,996	41,948	65,578	372,438,453	1.08	-5.3	8,879	10.2	95.74	4.6	1.69	-2.3	
3/2007	3,924,074	41,843	65,606	377,580,429	1.07	-5.3	9,024	10.9	96.22	4.2	1.67	-3.5	
6/2007	3,959,851	42,410	65,537	395,399,271	1.07	-2.7	9,323	12.4	99.85	9.2	1.66	-1.2	
9/2007	3,993,861	42,986	65,176	395,552,998	1.08	0.0	9,202	5.0	99.04	4.8	1.63	-2.4	
12/2007	4,038,932	42,413	64,111	404,243,925	1.05	-2.8	9,531	7.3	100.09	4.5	1.59	-5.9	
3/2008	4,067,022	42,349	63,470	404,859,018	1.04	-2.8	9,560	5.9	99.55	3.5	1.56	-6.6	
6/2008	4,103,170	41,981	62,935	402,948,178	1.02	-4.7	9,598	2.9	98.20	-1.7	1.53	-7.8	
ANNUAL RATE OF CHANGE(19 PT.)					-3.4		6.0		2.4		-4.5		
ANNUAL RATE OF CHANGE(12 PT.)					-3.8		7.9		3.8		-4.6		
ANNUAL RATE OF CHANGE(9 PT.)					-3.0		6.9		3.8		-4.7		
ANNUAL RATE OF CHANGE(6 PT.)					-4.0		4.9		1.2		-7.1		

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM		
3/2003	873,906	30,199	75,576,755	3.46		2,503		86.48		
6/2003	855,596	30,470	75,069,250	3.56		2,464		87.74		
9/2003	887,083	31,475	79,643,376	3.55		2,530		89.78		
12/2003	878,810	31,620	78,747,460	3.60		2,490		89.61		
3/2004	900,941	32,057	80,152,461	3.56	2.9	2,500	-0.1	88.97	2.9	
6/2004	886,614	31,752	77,846,998	3.58	0.6	2,452	-0.5	87.80	0.1	
9/2004	918,048	31,884	79,635,237	3.47	-2.3	2,498	-1.3	86.74	-3.4	
12/2004	904,395	31,679	82,286,098	3.50	-2.8	2,597	4.3	90.98	1.5	
3/2005	930,668	32,810	82,757,616	3.53	-0.8	2,522	0.9	88.92	-0.1	
6/2005	913,706	32,809	81,347,592	3.59	0.3	2,479	1.1	89.03	1.4	
9/2005	948,029	32,320	80,874,496	3.41	-1.7	2,502	0.2	85.31	-1.6	
12/2005	947,490	30,682	80,033,753	3.24	-7.4	2,608	0.4	84.47	-7.2	
3/2006	967,782	33,240	87,138,025	3.43	-2.8	2,621	3.9	90.04	1.3	
6/2006	967,050	31,012	81,682,371	3.21	-10.6	2,634	6.3	84.47	-5.1	
9/2006	978,778	31,871	84,011,271	3.26	-4.4	2,636	5.4	85.83	0.6	
12/2006	976,386	34,410	90,141,112	3.52	8.6	2,620	0.5	92.32	9.3	
3/2007	1,001,860	34,420	94,035,125	3.44	0.3	2,732	4.2	93.86	4.2	
6/2007	1,002,827	33,826	88,249,049	3.37	5.0	2,609	-0.9	88.00	4.2	
9/2007	1,012,788	33,103	88,850,270	3.27	0.3	2,684	1.8	87.73	2.2	
12/2007	1,021,457	33,718	91,511,509	3.30	-6.3	2,714	3.6	89.59	-3.0	
3/2008	1,029,950	33,864	92,662,354	3.29	-4.4	2,736	0.1	89.97	-4.1	
6/2008	1,038,975	33,226	90,460,506	3.20	-5.0	2,723	4.4	87.07	-1.1	
4 QTRS ENDING										
12/2003	3,495,395	123,764	309,036,841	3.54		2,497		88.41		
3/2004	3,522,430	125,622	313,612,547	3.57		2,496		89.03		
6/2004	3,553,448	126,904	316,390,295	3.57		2,493		89.04		
9/2004	3,584,413	127,313	316,382,156	3.55		2,485		88.27		
12/2004	3,609,998	127,372	319,920,794	3.53	-0.3	2,512	0.6	88.62	0.2	
3/2005	3,639,725	128,125	322,525,949	3.52	-1.4	2,517	0.8	88.61	-0.5	
6/2005	3,666,817	129,182	326,026,543	3.52	-1.4	2,524	1.2	88.91	-0.1	
9/2005	3,696,798	129,618	327,265,802	3.51	-1.1	2,525	1.6	88.53	0.3	
12/2005	3,739,893	128,621	325,013,457	3.44	-2.5	2,527	0.6	86.90	-1.9	
3/2006	3,777,007	129,051	329,393,866	3.42	-2.8	2,552	1.4	87.21	-1.6	
6/2006	3,830,351	127,254	329,728,645	3.32	-5.7	2,591	2.7	86.08	-3.2	
9/2006	3,861,100	126,805	332,865,420	3.28	-6.6	2,625	4.0	86.21	-2.6	
12/2006	3,889,996	130,533	342,972,779	3.36	-2.3	2,627	4.0	88.17	1.5	
3/2007	3,924,074	131,713	349,869,879	3.36	-1.8	2,656	4.1	89.16	2.2	
6/2007	3,959,851	134,527	356,436,557	3.40	2.4	2,650	2.3	90.01	4.6	
9/2007	3,993,861	135,759	361,275,556	3.40	3.7	2,661	1.4	90.46	4.9	
12/2007	4,038,932	135,067	362,645,953	3.34	-0.6	2,685	2.2	89.79	1.8	
3/2008	4,067,022	134,511	361,273,182	3.31	-1.5	2,686	1.1	88.83	-0.4	
6/2008	4,103,170	133,911	363,484,639	3.26	-4.1	2,714	2.4	88.59	-1.6	
ANNUAL RATE OF CHANGE (19 PT.)				-1.9		2.1		0.2		
ANNUAL RATE OF CHANGE (12 PT.)				-1.5		2.7		1.1		
ANNUAL RATE OF CHANGE (9 PT.)				-0.3		2.0		1.7		
ANNUAL RATE OF CHANGE (6 PT.)				-2.8		1.8		-0.9		

H-530

PRIVATE PASSENGER AUTOMOBILE - ALL COMPREHENSIVE COMBINED

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR	PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2003	715,830	56,700	52,104,154	7.92		919		72.79	
6/2003	699,122	62,975	62,339,252	9.01		990		89.17	
9/2003	720,953	56,613	47,825,246	7.85		845		66.34	
12/2003	713,550	51,479	52,835,246	7.21		1,026		74.05	
3/2004	728,152	51,766	40,110,742	7.11	-10.2	775	-15.7	55.09	-24.3
6/2004	715,786	50,690	34,215,204	7.08	-21.4	675	-31.8	47.80	-46.4
9/2004	740,390	51,051	42,297,023	6.90	-12.1	829	-1.9	57.13	-13.9
12/2004	729,443	47,307	43,164,079	6.49	-10.0	912	-11.1	59.17	-20.1
3/2005	747,765	44,591	37,114,977	5.96	-16.2	832	7.4	49.63	-9.9
6/2005	733,425	47,932	34,436,282	6.54	-7.6	718	6.4	46.95	-1.8
9/2005	759,618	48,718	36,559,842	6.41	-7.1	750	-9.5	48.13	-15.8
12/2005	756,835	44,717	44,533,512	5.91	-8.9	996	9.2	58.84	-0.6
3/2006	770,973	44,465	39,136,446	5.77	-3.2	880	5.8	50.76	2.3
6/2006	770,628	50,978	45,168,629	6.62	1.2	886	23.4	58.61	24.8
9/2006	782,597	50,014	43,779,881	6.39	-0.3	875	16.7	55.94	16.2
12/2006	783,213	46,642	48,074,184	5.96	0.8	1,031	3.5	61.38	4.3
3/2007	801,622	43,842	41,362,862	5.47	-5.2	943	7.2	51.60	1.7
6/2007	803,486	49,673	42,773,341	6.18	-6.6	861	-2.8	53.23	-9.2
9/2007	813,752	48,673	41,321,263	5.98	-6.4	849	-3.0	50.78	-9.2
12/2007	819,758	46,637	50,318,765	5.69	-4.5	1,079	4.7	61.38	0.0
3/2008	828,529	46,629	45,634,074	5.63	2.9	979	3.8	55.08	6.7
6/2008	835,554	53,402	52,756,186	6.39	3.4	988	14.8	63.14	18.6
4 QTRS ENDING									
12/2003	2,849,455	227,767	215,103,898	7.99		944		75.49	
3/2004	2,861,777	222,833	203,110,486	7.79		911		70.97	
6/2004	2,878,441	210,548	174,986,438	7.31		831		60.79	
9/2004	2,897,878	204,986	169,458,215	7.07		827		58.48	
12/2004	2,913,771	200,814	159,787,048	6.89	-13.8	796	-15.7	54.84	-27.4
3/2005	2,933,384	193,639	156,791,283	6.60	-15.3	810	-11.1	53.45	-24.7
6/2005	2,951,023	190,881	157,012,361	6.47	-11.5	823	-1.0	53.21	-12.5
9/2005	2,970,251	188,548	151,275,180	6.35	-10.2	802	-3.0	50.93	-12.9
12/2005	2,997,643	185,958	152,644,613	6.20	-10.0	821	3.1	50.92	-7.1
3/2006	3,020,851	185,832	154,666,082	6.15	-6.8	832	2.7	51.20	-4.2
6/2006	3,058,054	188,878	165,398,429	6.18	-4.5	876	6.4	54.09	1.7
9/2006	3,081,033	190,174	172,618,468	6.17	-2.8	908	13.2	56.03	10.0
12/2006	3,107,411	192,099	176,159,140	6.18	-0.3	917	11.7	56.69	11.3
3/2007	3,138,060	191,476	178,385,556	6.10	-0.8	932	12.0	56.85	11.0
6/2007	3,170,918	190,171	175,990,268	6.00	-2.9	925	5.6	55.50	2.6
9/2007	3,202,073	188,830	173,531,650	5.90	-4.4	919	1.2	54.19	-3.3
12/2007	3,238,618	188,825	175,776,231	5.83	-5.7	931	1.5	54.28	-4.3
3/2008	3,265,525	191,612	180,047,443	5.87	-3.8	940	0.9	55.14	-3.0
6/2008	3,297,593	195,341	190,030,288	5.92	-1.3	973	5.2	57.63	3.8
ANNUAL RATE OF CHANGE(19 PT.)				-6.0		2.8		-3.4	
ANNUAL RATE OF CHANGE(12 PT.)				-2.7		6.4		3.5	
ANNUAL RATE OF CHANGE(9 PT.)				-3.1		3.7		0.5	
ANNUAL RATE OF CHANGE(6 PT.)				-2.6		3.2		0.6	

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PRIVATE PASSENGER AUTOMOBILE - ALL COLLISION COMBINED

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME QTR PRIOR YEAR
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	
3/2003	663,002	34,933	104,403,338	5.27		2,989		157.47	
6/2003	647,443	32,740	89,611,977	5.06		2,737		138.41	
9/2003	666,990	34,277	96,496,259	5.14		2,815		144.67	
12/2003	660,222	33,357	92,467,678	5.05		2,772		140.06	
3/2004	673,345	36,622	108,346,341	5.44	3.2	2,959	-1.0	160.91	2.2
6/2004	662,187	32,832	87,549,859	4.96	-2.0	2,667	-2.6	132.21	-4.5
9/2004	684,318	33,823	94,613,570	4.94	-3.9	2,797	-0.6	138.26	-4.4
12/2004	674,119	31,322	91,239,624	4.65	-7.9	2,913	5.1	135.35	-3.4
3/2005	690,406	34,677	100,383,588	5.02	-7.7	2,895	-2.2	145.40	-9.6
6/2005	677,279	33,457	90,211,496	4.94	-0.4	2,696	1.1	133.20	0.7
9/2005	700,792	33,512	93,236,859	4.78	-3.2	2,782	-0.5	133.04	-3.8
12/2005	699,197	31,895	93,952,969	4.56	-1.9	2,946	1.1	134.37	-0.7
3/2006	710,653	34,482	103,405,403	4.85	-3.4	2,999	3.6	145.51	0.1
6/2006	711,197	32,676	92,862,254	4.59	-7.1	2,842	5.4	130.57	-2.0
9/2006	721,717	33,849	97,546,443	4.69	-1.9	2,882	3.6	135.16	1.6
12/2006	722,853	34,573	106,026,895	4.78	4.8	3,067	4.1	146.68	9.2
3/2007	740,010	37,076	110,712,606	5.01	3.3	2,986	-0.4	149.61	2.8
6/2007	744,825	35,914	102,097,295	4.82	5.0	2,843	0.0	137.08	5.0
9/2007	752,276	36,044	100,994,045	4.79	2.1	2,802	-2.8	134.25	-0.7
12/2007	758,384	35,979	106,695,978	4.74	-0.8	2,966	-3.3	140.69	-4.1
3/2008	766,553	37,585	114,860,596	4.90	-2.2	3,056	2.3	149.84	0.2
6/2008	773,375	36,601	104,296,703	4.73	-1.9	2,850	0.2	134.86	-1.6
4 QTRS ENDING									
12/2003	2,637,657	135,307	382,979,252	5.13		2,830		145.20	
3/2004	2,648,000	136,996	386,922,255	5.17		2,824		146.12	
6/2004	2,662,744	137,088	384,860,137	5.15		2,807		144.54	
9/2004	2,680,072	136,634	382,977,448	5.10		2,803		142.90	
12/2004	2,693,969	134,599	381,749,394	5.00	-2.5	2,836	0.2	141.71	-2.4
3/2005	2,711,030	132,654	373,786,641	4.89	-5.4	2,818	-0.2	137.88	-5.6
6/2005	2,726,122	133,279	376,448,278	4.89	-5.0	2,825	0.6	138.09	-4.5
9/2005	2,742,596	132,968	375,071,567	4.85	-4.9	2,821	0.6	136.76	-4.3
12/2005	2,767,674	133,541	377,784,912	4.83	-3.4	2,829	-0.2	136.50	-3.7
3/2006	2,787,921	133,346	380,806,727	4.78	-2.2	2,856	1.3	136.59	-0.9
6/2006	2,821,839	132,565	383,457,485	4.70	-3.9	2,893	2.4	135.89	-1.6
9/2006	2,842,764	132,902	387,767,069	4.68	-3.5	2,918	3.4	136.40	-0.3
12/2006	2,866,420	135,580	399,840,995	4.73	-2.1	2,949	4.2	139.49	2.2
3/2007	2,895,777	138,174	407,148,198	4.77	-0.2	2,947	3.2	140.60	2.9
6/2007	2,929,405	141,412	416,383,239	4.83	2.8	2,944	1.8	142.14	4.6
9/2007	2,959,964	143,607	419,830,841	4.85	3.6	2,923	0.2	141.84	4.0
12/2007	2,995,495	145,013	420,499,924	4.84	2.3	2,900	-1.7	140.38	0.6
3/2008	3,022,038	145,522	424,647,914	4.82	1.0	2,918	-1.0	140.52	-0.1
6/2008	3,050,588	146,209	426,847,322	4.79	-0.8	2,919	-0.8	139.92	-1.6
ANNUAL RATE OF CHANGE(19 PT.)				-1.7		1.1		-0.5	
ANNUAL RATE OF CHANGE(12 PT.)				0.3		1.2		1.5	
ANNUAL RATE OF CHANGE(9 PT.)				1.5		-0.0		1.5	
ANNUAL RATE OF CHANGE(6 PT.)				0.1		-0.9		-0.8	

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NORTH CAROLINA  
FAST TRACK TREND SUMMARY  
DATA ENDED JUNE 2008

NORTH CAROLINA BODILY INJURY

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	5.8%	6.5%		6.6%
12 points	6.8%	7.5%		7.9%
9 points	6.2%	6.7%		6.9%
6 points	4.6%	4.8%		4.9%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
15 points	-3.7%	-3.4%		-3.4%
12 points	-4.1%	-3.9%		-3.8%
9 points	-3.2%	-3.1%		-3.0%
6 points	-4.1%	-4.0%		-4.0%

NORTH CAROLINA PROPERTY DAMAGE

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	2.3%	2.4%		2.4%
12 points	2.5%	2.6%		2.7%
9 points	2.0%	2.0%		2.0%
6 points	1.8%	1.8%		1.8%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
15 points	-2.0%	-2.0%		-1.9%
12 points	-1.6%	-1.5%		-1.5%
9 points	-0.3%	-0.3%		-0.3%
6 points	-2.9%	-2.8%		-2.8%

NORTH CAROLINA COMPREHENSIVE

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	5.3%	5.9%		6.0%
12 points	5.6%	6.1%		6.4%
9 points	3.5%	3.6%		3.7%
6 points	3.1%	3.2%		3.2%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
15 points	-4.2%	-3.9%		-3.8%
12 points	-2.9%	-2.7%		-2.7%
9 points	-3.2%	-3.1%		-3.1%
6 points	-2.7%	-2.6%		-2.6%

NORTH CAROLINA COLLISION

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	1.2%	1.3%		1.3%
12 points	1.1%	1.2%		1.2%
9 points	0.0%	0.0%		0.0%
6 points	-0.9%	-0.9%		-0.9%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
15 points	-0.6%	-0.6%		-0.6%
12 points	0.3%	0.3%		0.3%
9 points	1.5%	1.5%		1.5%
6 points	0.1%	0.1%		0.1%

NORTH CAROLINA  
 FAST TRACK TREND SUMMARY  
 CORRELATION COEFFICIENTS  
 DATA ENDED JUNE 2008

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.96	0.96
12 points	0.98	0.98
9 points	0.95	0.95
6 points	0.91	0.91

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.96	-0.96
12 points	-0.96	-0.96
9 points	-0.91	-0.91
6 points	-0.88	-0.88

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.97	0.97
9 points	0.97	0.97
6 points	0.93	0.93

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.83	-0.82
12 points	-0.66	-0.66
9 points	-0.14	-0.14
6 points	-0.82	-0.82

NORTH CAROLINA COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.95	0.95
12 points	0.93	0.92
9 points	0.88	0.88
6 points	0.73	0.73

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.92	-0.93
12 points	-0.93	-0.92
9 points	-0.91	-0.91
6 points	-0.74	-0.74

NORTH CAROLINA COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.81	0.81
12 points	0.69	0.69
9 points	-0.04	-0.04
6 points	-0.73	-0.73

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.42	-0.42
12 points	0.19	0.20
9 points	0.78	0.78
6 points	0.10	0.11



QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME	
						QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	QTR PRIOR YEAR	ARISING CLAIM FREQ.	QTR PRIOR YEAR	
3/2003	18,306,492	207,913	303,738	1,879,997,864	1.14		9,042		102.70		1.66		
6/2003	18,387,236	209,311	307,112	1,984,332,034	1.14		9,480		107.92		1.67		
9/2003	18,532,800	205,307	309,119	1,952,059,884	1.11		9,508		105.33		1.67		
12/2003	18,500,326	214,965	315,615	2,030,820,058	1.16		9,447		109.77		1.71		
3/2004	18,519,997	212,176	297,302	1,960,150,761	1.15	0.9	9,238	2.2	105.84	3.1	1.61	-3.0	
6/2004	18,666,049	207,789	300,756	2,023,444,528	1.11	-2.6	9,738	2.7	108.40	0.4	1.61	-3.6	
9/2004	18,855,097	203,844	300,738	2,009,667,534	1.08	-2.7	9,859	3.7	106.58	1.2	1.59	-4.8	
12/2004	18,844,659	208,353	308,561	2,071,530,947	1.11	-4.3	9,942	5.2	109.93	0.1	1.64	-4.1	
3/2005	18,929,696	203,633	292,114	1,955,961,764	1.08	-6.1	9,605	4.0	103.33	-2.4	1.54	-4.3	
6/2005	19,107,217	203,371	298,652	2,031,124,120	1.06	-4.5	9,987	2.6	106.30	-1.9	1.56	-3.1	
9/2005	19,340,410	198,439	289,506	2,004,844,939	1.03	-4.6	10,103	2.5	103.66	-2.7	1.50	-5.7	
12/2005	19,367,941	197,604	295,663	2,009,775,035	1.02	-8.1	10,171	2.3	103.77	-5.6	1.53	-6.7	
3/2006	19,390,765	199,217	286,642	2,015,630,687	1.03	-4.6	10,118	5.3	103.95	0.6	1.48	-3.9	
6/2006	19,591,290	198,408	283,211	2,041,214,869	1.01	-4.7	10,288	3.0	104.19	-2.0	1.45	-7.1	
9/2006	19,699,638	193,751	276,467	2,044,457,064	0.98	-4.9	10,552	4.4	103.78	0.1	1.40	-6.7	
12/2006	19,673,922	198,856	293,124	2,156,565,999	1.01	-1.0	10,845	6.6	109.62	5.6	1.49	-2.6	
3/2007	19,693,727	193,580	275,467	2,061,125,190	0.98	-4.9	10,647	5.2	104.66	0.7	1.40	-5.4	
6/2007	19,881,827	192,249	271,155	2,105,690,148	0.97	-4.0	10,953	6.5	105.91	1.7	1.36	-6.2	
9/2007	19,958,731	187,143	268,445	2,103,990,369	0.94	-4.1	11,243	6.5	105.42	1.6	1.35	-3.6	
12/2007	19,928,540	190,802	280,090	2,202,028,433	0.96	-5.0	11,541	6.4	110.50	0.8	1.41	-5.4	
3/2008	19,959,146	186,355	262,277	2,100,797,528	0.93	-5.1	11,273	5.9	105.25	0.6	1.31	-6.4	
6/2008	20,130,500	188,884	253,516	2,163,748,173	0.94	-3.1	11,455	4.6	107.49	1.5	1.26	-7.4	
4 QTRS ENDING													
12/2003	73,726,854	837,496	1235584	7,847,209,840	1.14		9,370		106.44		1.68		
3/2004	73,940,359	841,759	1229148	7,927,362,737	1.14		9,418		107.21		1.66		
6/2004	74,219,172	840,237	1222792	7,966,475,231	1.13		9,481		107.34		1.65		
9/2004	74,541,469	838,774	1214411	8,024,082,881	1.13		9,566		107.65		1.63		
12/2004	74,885,802	832,162	1207357	8,064,793,770	1.11	-2.6	9,691	3.4	107.69	1.2	1.61	-4.2	
3/2005	75,295,501	823,619	1202169	8,060,604,773	1.09	-4.4	9,787	3.9	107.05	-0.1	1.60	-3.6	
6/2005	75,736,669	819,201	1200065	8,068,284,365	1.08	-4.4	9,849	3.9	106.53	-0.8	1.58	-4.2	
9/2005	76,221,982	813,796	1188833	8,063,461,770	1.07	-5.3	9,908	3.6	105.79	-1.7	1.56	-4.3	
12/2005	76,745,264	803,047	1175935	8,001,705,858	1.05	-5.4	9,964	2.8	104.26	-3.2	1.53	-5.0	
3/2006	77,206,333	798,631	1170463	8,061,374,781	1.03	-5.5	10,094	3.1	104.41	-2.5	1.52	-5.0	
6/2006	77,690,406	793,668	1155022	8,071,465,530	1.02	-5.6	10,170	3.3	103.89	-2.5	1.49	-5.7	
9/2006	78,049,634	788,980	1141983	8,111,077,655	1.01	-5.6	10,280	3.8	103.92	-1.8	1.46	-6.4	
12/2006	78,355,615	790,232	1139444	8,257,868,619	1.01	-3.8	10,450	4.9	105.39	1.1	1.45	-5.2	
3/2007	78,658,577	784,595	1128269	8,303,363,122	1.00	-2.9	10,583	4.8	105.56	1.1	1.43	-5.9	
6/2007	78,949,114	778,436	1116213	8,367,838,401	0.99	-2.9	10,750	5.7	105.99	2.0	1.41	-5.4	
9/2007	79,208,207	771,828	1108191	8,427,371,706	0.97	-4.0	10,919	6.2	106.40	2.4	1.40	-4.1	
12/2007	79,462,825	763,774	1095157	8,472,834,140	0.96	-5.0	11,093	6.2	106.63	1.2	1.38	-4.8	
3/2008	79,728,244	756,549	1081967	8,512,506,478	0.95	-5.0	11,252	6.3	106.77	1.1	1.36	-4.9	
6/2008	79,976,917	753,184	1064328	8,570,564,503	0.94	-5.1	11,379	5.9	107.16	1.1	1.33		
ANNUAL RATE OF CHANGE(19 PT.)					-4.5		4.4		-0.2		-5.1		
ANNUAL RATE OF CHANGE(12 PT.)					-4.3		5.4		1.0		-5.3		
ANNUAL RATE OF CHANGE(9 PT.)					-4.2		6.0		1.6		-5.1		
ANNUAL RATE OF CHANGE(6 PT.)					-4.9		6.1		1.1		-5.4		

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QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME YEAR	AVERAGE LOSS	PCT. CHANGE FROM SAME YEAR	PURE PREMIUM	PCT. CHANGE FROM SAME YEAR
3/2003	25,771,091	1048016	2,606,222,955	4.07		2,487		101.13	
6/2003	25,928,450	993,148	2,461,878,099	3.83		2,479		94.95	
9/2003	26,132,197	999,827	2,508,186,524	3.83		2,509		95.98	
12/2003	26,077,148	1000396	2,514,235,106	3.84		2,513		96.42	
3/2004	26,130,255	1064069	2,654,820,932	4.07	0.0	2,495	0.3	101.60	0.5
6/2004	26,392,772	986,826	2,447,660,265	3.74	-2.3	2,480	0.0	92.74	-2.3
9/2004	26,663,961	983,853	2,473,584,341	3.69	-3.7	2,514	0.2	92.77	-3.3
12/2004	26,633,310	985,999	2,515,812,061	3.70	-3.6	2,552	1.6	94.46	-2.0
3/2005	26,744,713	1055284	2,689,038,512	3.95	-2.9	2,548	2.1	100.54	-1.0
6/2005	27,017,022	1011831	2,578,857,928	3.75	0.3	2,549	2.8	95.45	2.9
9/2005	27,330,423	1010330	2,609,621,642	3.70	0.3	2,583	2.7	95.48	2.9
12/2005	27,340,338	972,254	2,571,658,074	3.56	-3.8	2,645	3.6	94.06	-0.4
3/2006	27,384,245	1042609	2,770,968,103	3.81	-3.5	2,658	4.3	101.19	0.6
6/2006	27,723,915	983,411	2,605,495,936	3.55	-5.3	2,649	3.9	93.98	-1.5
9/2006	27,885,265	974,857	2,604,137,697	3.50	-5.4	2,671	3.4	93.39	-2.2
12/2006	27,836,727	997,934	2,708,158,463	3.58	0.6	2,714	2.6	97.29	3.4
3/2007	27,877,633	1051694	2,868,254,433	3.77	-1.0	2,727	2.6	102.89	1.7
6/2007	28,187,103	1017819	2,751,216,611	3.61	1.7	2,703	2.0	97.61	3.9
9/2007	28,302,778	999,060	2,732,262,502	3.53	0.9	2,735	2.4	96.54	3.4
12/2007	28,207,469	1023472	2,813,449,106	3.63	1.4	2,749	1.3	99.74	2.5
3/2008	28,280,350	1058955	2,954,248,618	3.74	-0.8	2,790	2.3	104.46	1.5
6/2008	28,560,464	1004593	2,771,342,389	3.52	-2.5	2,759	2.1	97.03	-0.6
4 QTRS ENDING									
12/2003	103908886	4041387	10,090,522,684	3.89		2,497		97.11	
3/2004	104268050	4057440	10,139,120,661	3.89		2,499		97.24	
6/2004	104732372	4051118	10,124,902,827	3.87		2,499		96.67	
9/2004	105264136	4035144	10,090,300,644	3.83		2,501		95.86	
12/2004	105820298	4020747	10,091,877,599	3.80	-2.3	2,510	0.5	95.37	-1.8
3/2005	106434756	4011962	10,126,095,179	3.77	-3.1	2,524	1.0	95.14	-2.2
6/2005	107059006	4036967	10,257,292,842	3.77	-2.6	2,541	1.7	95.81	-0.9
9/2005	107725468	4063444	10,393,330,143	3.77	-1.6	2,558	2.3	96.48	0.6
12/2005	108432496	4049699	10,449,176,156	3.73	-1.8	2,580	2.8	96.37	1.0
3/2006	109072028	4037024	10,531,105,747	3.70	-1.9	2,609	3.4	96.55	1.5
6/2006	109778921	4008604	10,557,743,755	3.65	-3.2	2,634	3.7	96.17	0.4
9/2006	110333763	3973131	10,552,259,810	3.60	-4.5	2,656	3.8	95.64	-0.9
12/2006	110830152	3998811	10,688,760,199	3.61	-3.2	2,673	3.6	96.44	0.1
3/2007	111323540	4007896	10,786,046,529	3.60	-2.7	2,691	3.1	96.89	0.4
6/2007	111786728	4042304	10,931,767,204	3.62	-0.8	2,704	2.7	97.79	1.7
9/2007	112204241	4066507	11,059,892,009	3.62	0.6	2,720	2.4	98.57	3.1
12/2007	112574983	4092045	11,165,182,652	3.63	0.6	2,729	2.1	99.18	2.8
3/2008	112977700	4099306	11,251,176,837	3.63	0.8	2,745	2.0	99.59	2.8
6/2008	113351061	4086080	11,271,302,615	3.60	-0.6	2,758	2.0	99.44	1.7
ANNUAL RATE OF CHANGE(19 PT.)				-1.9		2.6		0.7	
ANNUAL RATE OF CHANGE(12 PT.)				-1.3		2.7		1.4	
ANNUAL RATE OF CHANGE(9 PT.)				-0.1		2.3		2.2	
ANNUAL RATE OF CHANGE(6 PT.)				0.1		2.0		2.2	

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QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME	
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	QTR PRIOR YEAR	
3/2003	23,068,952	1612879	1,476,164,329	6.99		915		63.99		
6/2003	23,093,685	2059778	2,243,613,698	8.92		1,089		97.15		
9/2003	23,200,576	1958686	1,831,745,492	8.44		935		78.95		
12/2003	23,169,869	1635328	1,733,871,938	7.06		1,060		74.83		
3/2004	23,197,886	1528245	1,338,043,253	6.59	-5.7	876	-4.3	57.68	-9.9	
6/2004	23,291,367	1787118	1,618,528,261	7.67	-14.0	906	-16.8	69.49	-28.5	
9/2004	23,454,655	1842638	1,808,179,171	7.86	-6.9	981	4.9	77.09	-2.4	
12/2004	23,436,729	1589043	1,715,526,293	6.78	-4.0	1,080	1.9	73.20	-2.2	
3/2005	23,529,046	1506159	1,353,684,616	6.40	-2.9	899	2.6	57.53	-0.3	
6/2005	23,660,011	1718274	1,541,286,559	7.26	-5.3	897	-1.0	65.14	-6.3	
9/2005	23,882,002	1733333	1,811,634,372	7.26	-7.6	1,045	6.5	75.86	-1.6	
12/2005	23,953,057	1688964	2,623,194,137	7.05	4.0	1,553	43.8	109.51	49.6	
3/2006	23,974,691	1456744	1,520,058,753	6.08	-5.0	1,043	16.0	63.40	10.2	
6/2006	24,187,354	1700606	1,817,227,361	7.03	-3.2	1,069	19.2	75.13	15.3	
9/2006	24,334,683	1555051	1,628,945,894	6.39	-12.0	1,048	0.3	66.94	-11.8	
12/2006	24,360,299	1418455	1,705,375,377	5.82	-17.4	1,202	-22.6	70.01	-36.1	
3/2007	24,440,213	1335032	1,397,068,401	5.46	-10.2	1,046	0.3	57.16	-9.8	
6/2007	24,662,919	1549562	1,544,345,184	6.28	-10.7	997	-6.7	62.62	-16.7	
9/2007	24,791,518	1555726	1,667,109,735	6.28	-1.7	1,072	2.3	67.25	0.5	
12/2007	24,820,599	1398504	1,662,736,846	5.63	-3.3	1,189	-1.1	66.99	-4.3	
3/2008	24,871,145	1352041	1,495,348,985	5.44	-0.4	1,106	5.7	60.12	5.2	
6/2008	25,025,234	1694917	2,032,557,709	6.77	7.8	1,199	20.3	81.22	29.7	
4 QTRS ENDING										
12/2003	92,533,082	7266671	7,285,395,457	7.85		1,003		78.73		
3/2004	92,662,016	7182037	7,147,274,381	7.75		995		77.13		
6/2004	92,859,698	6909377	6,522,188,944	7.44		944		70.24		
9/2004	93,113,777	6793329	6,498,622,623	7.30		957		69.79		
12/2004	93,380,637	6747044	6,480,276,978	7.23	-7.9	960	-4.3	69.40	-11.9	
3/2005	93,711,797	6724958	6,495,918,341	7.18	-7.4	966	-2.9	69.32	-10.1	
6/2005	94,080,441	6656114	6,418,676,639	7.07	-5.0	964	2.1	68.23	-2.9	
9/2005	94,507,788	6546809	6,422,131,840	6.93	-5.1	981	2.5	67.95	-2.6	
12/2005	95,024,116	6646730	7,329,799,684	6.99	-3.3	1,103	14.9	77.14	11.2	
3/2006	95,469,761	6597315	7,496,173,821	6.91	-3.8	1,136	17.6	78.52	13.3	
6/2006	95,997,104	6579647	7,772,114,623	6.85	-3.1	1,181	22.5	80.96	18.7	
9/2006	96,449,785	6401365	7,589,426,145	6.64	-4.2	1,186	20.9	78.69	15.8	
12/2006	96,857,027	6130856	6,671,607,385	6.33	-9.4	1,088	-1.4	68.88	-10.7	
3/2007	97,322,549	6009144	6,548,617,033	6.17	-10.7	1,090	-4.0	67.29	-14.3	
6/2007	97,798,114	5858100	6,275,734,856	5.99	-12.6	1,071	-9.3	64.17	-20.7	
9/2007	98,254,949	5858775	6,313,898,697	5.96	-10.2	1,078	-9.1	64.26	-18.3	
12/2007	98,715,249	5838824	6,271,260,166	5.91	-6.6	1,074	-1.3	63.53	-7.8	
3/2008	99,146,181	5855833	6,369,540,750	5.91	-4.2	1,088	-0.2	64.24	-4.5	
6/2008	99,508,496	6001188	6,857,753,275	6.03	0.7	1,143	6.7	68.92	7.4	
ANNUAL RATE OF CHANGE (19 PT.)				-6.4		3.8		-2.8		
ANNUAL RATE OF CHANGE (12 PT.)				-7.0		0.6		-6.4		
ANNUAL RATE OF CHANGE (9 PT.)				-6.6		-2.8		-9.3		
ANNUAL RATE OF CHANGE (6 PT.)				-1.9		3.3		1.3		

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QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME	
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	QTR PRIOR YEAR	
3/2003	21,780,982	1486301	4,256,296,811	6.82		2,864		195.41		
6/2003	21,872,273	1330508	3,511,374,346	6.08		2,639		160.54		
9/2003	21,987,689	1338726	3,626,923,434	6.09		2,709		164.95		
12/2003	21,907,711	1325426	3,730,627,802	6.05		2,815		170.29		
3/2004	21,897,126	1452176	4,200,271,354	6.63	-2.8	2,892	1.0	191.82	-1.8	
6/2004	22,059,569	1277810	3,365,934,593	5.79	-4.8	2,634	-0.2	152.58	-5.0	
9/2004	22,241,941	1280460	3,546,071,221	5.76	-5.4	2,769	2.2	159.43	-3.3	
12/2004	22,180,112	1278894	3,705,530,090	5.77	-4.6	2,897	2.9	167.07	-1.9	
3/2005	22,235,384	1418741	4,278,955,244	6.38	-3.8	3,016	4.3	192.44	0.3	
6/2005	22,436,673	1293880	3,580,460,922	5.77	-0.3	2,767	5.0	159.58	4.6	
9/2005	22,680,212	1300019	3,662,998,327	5.73	-0.5	2,818	1.8	161.51	1.3	
12/2005	22,671,271	1285537	3,865,477,757	5.67	-1.7	3,007	3.8	170.50	2.1	
3/2006	22,696,851	1380850	4,296,840,061	6.08	-4.7	3,112	3.2	189.31	-1.6	
6/2006	22,971,576	1266330	3,639,152,506	5.51	-4.5	2,874	3.9	158.42	-0.7	
9/2006	23,137,852	1278984	3,721,788,832	5.53	-3.5	2,910	3.3	160.85	-0.4	
12/2006	23,113,231	1298309	3,970,745,533	5.62	-0.9	3,058	1.7	171.80	0.8	
3/2007	23,174,910	1444775	4,502,068,217	6.23	2.5	3,116	0.1	194.26	2.6	
6/2007	23,456,401	1333405	3,821,799,911	5.68	3.1	2,866	-0.3	162.93	2.8	
9/2007	23,604,086	1322366	3,863,273,979	5.60	1.3	2,921	0.4	163.67	1.8	
12/2007	23,566,089	1356438	4,146,203,158	5.76	2.5	3,057	-0.0	175.94	2.4	
3/2008	23,587,606	1475066	4,724,090,230	6.25	0.3	3,203	2.8	200.28	3.1	
6/2008	23,790,603	1328406	3,768,676,490	5.58	-1.8	2,837	-1.0	158.41	-2.8	
4 QTRS ENDING										
12/2003	87,548,655	5480961	15,125,222,393	6.26		2,760		172.76		
3/2004	87,664,799	5446836	15,069,196,936	6.21		2,767		171.90		
6/2004	87,852,095	5394138	14,923,757,183	6.14		2,767		169.87		
9/2004	88,106,347	5335872	14,842,904,970	6.06		2,782		168.47		
12/2004	88,378,748	5289340	14,817,807,258	5.98	-4.5	2,801	1.5	167.66	-3.0	
3/2005	88,717,006	5255905	14,896,491,148	5.92	-4.7	2,834	2.4	167.91	-2.3	
6/2005	89,094,110	5271975	15,111,017,477	5.92	-3.6	2,866	3.6	169.61	-0.2	
9/2005	89,532,381	5291534	15,227,944,583	5.91	-2.5	2,878	3.5	170.08	1.0	
12/2005	90,023,540	5298177	15,387,892,250	5.89	-1.5	2,904	3.7	170.93	2.0	
3/2006	90,485,007	5260286	15,405,777,067	5.81	-1.9	2,929	3.4	170.26	1.4	
6/2006	91,019,910	5232736	15,464,468,651	5.75	-2.9	2,955	3.1	169.90	0.2	
9/2006	91,477,550	5211701	15,523,259,156	5.70	-3.6	2,979	3.5	169.69	-0.2	
12/2006	91,919,510	5224473	15,628,526,932	5.68	-3.6	2,991	3.0	170.02	-0.5	
3/2007	92,397,569	5288398	15,833,755,088	5.72	-1.5	2,994	2.2	171.37	0.7	
6/2007	92,882,394	5355473	16,016,402,493	5.77	0.3	2,991	1.2	172.44	1.5	
9/2007	93,348,628	5398855	16,157,887,640	5.78	1.4	2,993	0.5	173.09	2.0	
12/2007	93,801,486	5456984	16,333,345,265	5.82	2.5	2,993	0.1	174.13	2.4	
3/2008	94,214,182	5487275	16,555,367,278	5.82	1.7	3,017	0.8	175.72	2.5	
6/2008	94,548,384	5482276	16,502,243,857	5.80	0.5	3,010	0.6	174.54	1.2	
ANNUAL RATE OF CHANGE(19 PT.)				-1.7		2.3		0.6		
ANNUAL RATE OF CHANGE(12 PT.)				-0.3		1.5		1.2		
ANNUAL RATE OF CHANGE(9 PT.)				1.0		0.8		1.8		
ANNUAL RATE OF CHANGE(6 PT.)				1.2		0.6		1.8		

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MULTISTATE BODILY INJURY

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	4.4%	4.8%	4.8%
12 points	4.9%	5.3%	5.4%
9 points	5.5%	5.8%	6.0%
6 points	5.7%	5.9%	6.1%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-5.0%	-4.6%	-4.5%
12 points	-4.7%	-4.4%	-4.3%
9 points	-4.5%	-4.2%	-4.2%
6 points	-5.2%	-5.1%	-4.9%

MULTISTATE PROPERTY DAMAGE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.7%	2.8%	2.9%
12 points	2.6%	2.7%	2.7%
9 points	2.2%	2.2%	2.3%
6 points	1.9%	2.0%	2.0%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-1.6%	-1.6%	-1.6%
12 points	-1.3%	-1.3%	-1.3%
9 points	-0.1%	-0.1%	-0.1%
6 points	0.1%	0.1%	0.1%

MULTISTATE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	3.3%	3.6%	3.8%
12 points	0.4%	0.5%	0.6%
9 points	-3.0%	-2.9%	-2.8%
6 points	3.2%	3.3%	3.3%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-7.6%	-6.7%	-6.5%
12 points	-8.1%	-7.3%	-7.0%
9 points	-7.5%	-7.0%	-6.6%
6 points	-1.9%	-1.9%	-1.9%

MULTISTATE COLLISION

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	1.9%	2.0%	2.0%
12 points	1.5%	1.5%	1.5%
9 points	0.7%	0.8%	0.8%
6 points	0.6%	0.6%	0.6%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-0.9%	-0.9%	-0.8%
12 points	-0.3%	-0.3%	-0.3%
9 points	1.0%	1.0%	1.0%
6 points	1.2%	1.2%	1.2%

NORTH CAROLINA  
 FAST TRACK TREND SUMMARY  
 CORRELATION COEFFICIENTS  
 DATA ENDED JUNE 2008

MULTISTATE BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.99
12 points	0.99	1.00
9 points	1.00	1.00
6 points	1.00	1.00

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.99	-0.99
12 points	-0.99	-0.99
9 points	-0.99	-0.99
6 points	-0.99	-0.99

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.99
12 points	0.99	0.99
9 points	1.00	1.00
6 points	1.00	1.00

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.88	-0.88
12 points	-0.75	-0.75
9 points	-0.13	-0.13
6 points	0.16	0.16

MULTISTATE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.57	0.58
12 points	0.08	0.10
9 points	-0.48	-0.47
6 points	0.62	0.62

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.96	-0.96
12 points	-0.94	-0.94
9 points	-0.87	-0.87
6 points	-0.54	-0.54

MULTISTATE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.94	0.94
12 points	0.90	0.90
9 points	0.87	0.87
6 points	0.77	0.77

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.62	-0.62
12 points	-0.25	-0.24
9 points	0.80	0.80
6 points	0.83	0.83

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN CLAIM COST

ALL CARRIERS

(1) YEAR ENDED	AVERAGE PAID CLAIM COST (A)				AVERAGE PAID CLAIM COST (A)			
	(2) PAID LOSSES (A)	(3) PAID CLAIMS	(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)	(6) PAID LOSSES (A)	(7) PAID CLAIMS	(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
	<u>BODILY INJURY (25/50 LIMIT)</u>				<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>			
Sep-02	563,771,334	96,821	5,823	5,514.13	583,289,220	222,517	2,621	2,461.44
Dec-02	560,921,177	96,980	5,784	5,590.79	583,191,788	221,358	2,635	2,479.86
Mar-03	569,840,013	98,031	5,813	5,668.51	585,934,477	222,069	2,639	2,498.41
Jun-03	575,159,482	98,659	5,830	5,747.32	590,846,724	224,904	2,627	2,517.11
Sep-03	570,499,849	98,755	5,777	5,827.22	601,174,773	230,230	2,611	2,535.94
Dec-03	578,126,767	99,719	5,798	5,908.23	607,731,962	235,466	2,581	2,554.91
Mar-04	578,378,892	99,684	5,802	5,990.37	614,258,216	239,170	2,568	2,574.03
Jun-04	587,773,754	100,979	5,821	6,073.65	620,234,160	243,165	2,551	2,593.28
Sep-04	600,962,824	101,974	5,893	6,158.09	615,743,810	242,681	2,537	2,612.69
Dec-04	604,104,653	102,281	5,906	6,243.70	621,932,792	244,291	2,546	2,632.23
Mar-05	614,245,123	102,772	5,977	6,330.50	627,485,422	246,310	2,548	2,651.93
Jun-05	618,225,435	102,873	6,010	6,418.51	631,671,224	246,705	2,560	2,671.77
Sep-05	619,111,321	102,892	6,017	6,507.74	635,302,673	247,768	2,564	2,691.76
Dec-05	622,459,483	101,642	6,124	6,598.21	628,235,467	243,492	2,580	2,711.90
Mar-06	629,437,209	102,016	6,170	6,689.94	637,159,084	244,730	2,604	2,732.19
Jun-06	630,633,611	101,246	6,229	6,782.95	638,433,955	242,768	2,630	2,752.63
Sep-06	634,357,480	100,053	6,340	6,877.24	644,595,815	242,089	2,663	2,773.22
Dec-06	642,197,893	100,998	6,359	6,972.85	663,272,417	247,014	2,685	2,793.97
Mar-07	647,570,982	100,610	6,436	7,069.79	671,741,530	247,151	2,718	2,814.88
Jun-07	662,754,365	101,122	6,554	7,168.08	681,592,955	249,904	2,727	2,835.94
Sep-07	673,932,025	101,513	6,639	7,267.73	684,780,464	249,592	2,744	2,857.15
Dec-07	679,283,021	99,461	6,830	7,368.77	679,644,016	247,496	2,746	2,878.53
Mar-08	680,024,445	98,200	6,925	7,471.21	675,020,269	245,009	2,755	2,900.07
Jun-08	683,348,262	97,297	7,023	7,575.08	675,703,888	243,367	2,776	2,921.77

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	BODILY <u>INJURY</u>	PROPERTY <u>DAMAGE</u>
6-points	7.5%	1.6%
9-points	6.3%	2.5%
12-points	5.7%	3.0%
15-points	5.0%	2.9%

(A) FACTORS OF 1.129 WERE APPLIED TO BODILY INJURY AND 1.116 TO PROPERTY DAMAGE PAID LOSSES TO INCLUDE ALL LOSS ADJUSTMENT.

(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN CLAIM COST

ALL CARRIERS

(1) YEAR ENDED	AVERAGE PAID CLAIM COST (A)				AVERAGE PAID CLAIM COST (A)			
	(2) PAID LOSSES (A)	(3) PAID CLAIMS	(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)	(6) PAID LOSSES (A)	(7) PAID CLAIMS	(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
	<u>BODILY INJURY (25/50 EXCESS)</u>				<u>BODILY INJURY (TOTAL LIMITS)</u>			
Sep-02	112,295,901	96,821	1,160	1,212.84	676,067,235	96,821	6,983	6,722.46
Dec-02	113,943,398	96,980	1,175	1,244.41	674,864,575	96,980	6,959	6,831.96
Mar-03	114,305,404	98,031	1,166	1,276.80	684,145,417	98,031	6,979	6,943.24
Jun-03	120,193,848	98,659	1,218	1,310.04	695,353,330	98,659	7,048	7,056.33
Sep-03	123,263,735	98,755	1,248	1,344.14	693,763,584	98,755	7,025	7,171.27
Dec-03	132,035,735	99,719	1,324	1,379.13	710,162,502	99,719	7,122	7,288.08
Mar-04	135,241,257	99,684	1,357	1,415.03	713,620,149	99,684	7,159	7,406.79
Jun-04	140,159,506	100,979	1,388	1,451.86	727,933,260	100,979	7,209	7,527.44
Sep-04	150,010,451	101,974	1,471	1,489.65	750,973,275	101,974	7,364	7,650.05
Dec-04	154,932,128	102,281	1,515	1,528.43	759,036,781	102,281	7,421	7,774.65
Mar-05	156,771,721	102,772	1,525	1,568.22	771,016,844	102,772	7,502	7,901.29
Jun-05	152,170,027	102,873	1,479	1,609.04	770,395,462	102,873	7,489	8,029.99
Sep-05	145,337,018	102,892	1,413	1,650.92	764,448,339	102,892	7,430	8,160.79
Dec-05	141,176,463	101,642	1,389	1,693.90	763,635,946	101,642	7,513	8,293.71
Mar-06	146,764,331	102,016	1,439	1,737.99	776,201,540	102,016	7,609	8,428.80
Jun-06	149,980,616	101,246	1,481	1,783.23	780,614,227	101,246	7,710	8,566.10
Sep-06	164,092,103	100,053	1,640	1,829.65	798,449,583	100,053	7,980	8,705.62
Dec-06	170,571,506	100,998	1,689	1,877.28	812,769,399	100,998	8,047	8,847.43
Mar-07	173,015,888	100,610	1,720	1,926.14	820,586,870	100,610	8,156	8,991.54
Jun-07	182,324,846	101,122	1,803	1,976.28	845,079,211	101,122	8,357	9,137.99
Sep-07	175,953,634	101,513	1,733	2,027.72	849,885,659	101,513	8,372	9,286.84
Dec-07	177,327,460	99,461	1,783	2,080.51	856,610,481	99,461	8,613	9,438.11
Mar-08	174,664,647	98,200	1,779	2,134.66	854,689,092	98,200	8,704	9,591.84
Jun-08	173,123,485	97,297	1,779	2,190.23	856,471,747	97,297	8,803	9,748.07

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	25/50 <u>EXCESS</u>	TOTAL <u>LIMITS</u>
6-points	1.8%	6.3%
9-points	7.6%	6.6%
12-points	10.8%	6.7%
15-points	7.5%	5.5%

- (A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.  
(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN MEDICAL PAYMENTS CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
Sep-02	97,155,046	61,741	1,574	1,732.21
Dec-02	98,807,323	62,557	1,579	1,732.24
Mar-03	100,623,869	62,930	1,599	1,732.27
Jun-03	101,897,874	63,601	1,602	1,732.30
Sep-03	101,824,929	63,520	1,603	1,732.33
Dec-03	101,449,178	62,555	1,622	1,732.37
Mar-04	101,713,082	61,816	1,645	1,732.40
Jun-04	101,794,562	61,354	1,659	1,732.43
Sep-04	102,792,212	60,674	1,694	1,732.46
Dec-04	103,205,467	59,958	1,721	1,732.49
Mar-05	102,781,502	59,478	1,728	1,732.52
Jun-05	102,943,294	59,246	1,738	1,732.55
Sep-05	102,897,784	59,584	1,727	1,732.59
Dec-05	102,777,869	59,379	1,731	1,732.62
Mar-06	104,035,116	60,025	1,733	1,732.65
Jun-06	103,736,147	59,736	1,737	1,732.68
Sep-06	103,513,028	59,239	1,747	1,732.71
Dec-06	104,952,403	60,575	1,733	1,732.74
Mar-07	104,424,370	60,642	1,722	1,732.78
Jun-07	106,505,075	61,387	1,735	1,732.81
Sep-07	106,628,919	61,930	1,722	1,732.84
Dec-07	105,570,724	60,969	1,732	1,732.87
Mar-08	106,860,699	61,432	1,739	1,732.90
Jun-08	106,754,193	61,602	1,733	1,732.93

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT: MEDICAL PAYMENTS

6-points	0.5%
9-points	-0.2%
12-points	0.0%
15-points	0.1%

- (A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.  
(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN CLAIM FREQUENCIES (A)

ALL CARRIERS

(1)	(2)	(3)	(4)	(5)	(6)
<u>YEAR ENDED</u>	<u>EARNED EXPOSURES</u>	<u>PAID CLAIMS</u>	<u>PAID CLAIM</u>	<u>PAID CLAIMS</u>	<u>PAID CLAIM</u>
			<u>FREQ</u>		<u>FREQ</u>
			<u>(2)/(3)</u>		<u>(5)/(3)</u>
		<u>BODILY INJURY</u>		<u>PROPERTY DAMAGE</u>	
Sep-02	5,881,478	96,821	1.6462	222,517	3.7834
Dec-02	5,924,992	96,980	1.6368	221,358	3.7360
Mar-03	5,964,403	98,031	1.6436	222,069	3.7232
Jun-03	5,984,173	98,659	1.6487	224,904	3.7583
Sep-03	6,012,566	98,755	1.6425	230,230	3.8291
Dec-03	6,041,184	99,719	1.6507	235,466	3.8977
Mar-04	6,062,512	99,684	1.6443	239,170	3.9451
Jun-04	6,105,291	100,979	1.6540	243,165	3.9829
Sep-04	6,144,902	101,974	1.6595	242,681	3.9493
Dec-04	6,192,752	102,281	1.6516	244,291	3.9448
Mar-05	6,268,761	102,772	1.6394	246,310	3.9292
Jun-05	6,329,732	102,873	1.6252	246,705	3.8976
Sep-05	6,386,223	102,892	1.6112	247,768	3.8797
Dec-05	6,430,216	101,642	1.5807	243,492	3.7867
Mar-06	6,459,527	102,016	1.5793	244,730	3.7887
Jun-06	6,514,265	101,246	1.5542	242,768	3.7267
Sep-06	6,563,911	100,053	1.5243	242,089	3.6882
Dec-06	6,617,915	100,998	1.5261	247,014	3.7325
Mar-07	6,665,866	100,610	1.5093	247,151	3.7077
Jun-07	6,700,103	101,122	1.5093	249,904	3.7299
Sep-07	6,733,194	101,513	1.5077	249,592	3.7069
Dec-07	6,762,946	99,461	1.4707	247,496	3.6596
Mar-08	6,793,563	98,200	1.4455	245,009	3.6065
Jun-08	6,829,721	97,297	1.4246	243,367	3.5634

(5) RATE OF CHANGE IN PAID  
CLAIM FREQS FOR ANY 12 MONTH  
INTERVAL ON THE EXPONENTIAL  
CURVE OF BEST FIT:

	<u>B.I.</u>	<u>P.D.</u>
6-points	-4.9%	-3.5%
9-points	-3.8%	-1.9%
12-points	-3.9%	-2.2%
15-points	-3.9%	-2.6%
24-points	-2.5%	-1.0%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN CLAIM FREQUENCIES (A)

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR	EARNED	PAID	PAID
<u>ENDED</u>	<u>EXPOSURES</u>	<u>CLAIMS</u>	<u>CLAIM</u>
			<u>FREQ</u>
			<u>(2)/(3)</u>

MEDICAL PAYMENTS

Sep-02	4,407,881	61,741	1.4007
Dec-02	4,438,733	62,557	1.4093
Mar-03	4,468,077	62,930	1.4084
Jun-03	4,485,923	63,601	1.4178
Sep-03	4,506,331	63,520	1.4096
Dec-03	4,521,445	62,555	1.3835
Mar-04	4,529,860	61,816	1.3646
Jun-04	4,551,923	61,354	1.3479
Sep-04	4,576,988	60,674	1.3256
Dec-04	4,615,995	59,958	1.2989
Mar-05	4,670,206	59,478	1.2736
Jun-05	4,717,196	59,246	1.2560
Sep-05	4,755,565	59,584	1.2529
Dec-05	4,782,499	59,379	1.2416
Mar-06	4,803,998	60,025	1.2495
Jun-06	4,838,249	59,736	1.2347
Sep-06	4,873,424	59,239	1.2156
Dec-06	4,912,612	60,575	1.2331
Mar-07	4,949,155	60,642	1.2253
Jun-07	4,975,256	61,387	1.2338
Sep-07	4,998,637	61,930	1.2389
Dec-07	5,017,698	60,969	1.2151
Mar-08	5,036,058	61,432	1.2198
Jun-08	5,057,392	61,602	1.2181

(5) RATE OF CHANGE IN PAID  
CLAIM FREQS FOR ANY 12 MONTH  
INTERVAL ON THE EXPONENTIAL  
CURVE OF BEST FIT:

	<u>MEDICAL</u>
	<u>PAYMENTS</u>
6-points	-0.9%
9-points	-0.4%
12-points	-0.8%
15-points	-1.4%
24-points	-3.0%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
TREND SUMMARY  
DATA ENDED JUNE 2008

ALL CARRIERS

BODILY INJURY 25/50 BASIC

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	4.6%	5.0%	5.0%
12 points	5.2%	5.5%	5.7%
9 points	5.8%	6.2%	6.3%
6 points	6.9%	7.2%	7.5%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-2.6%	-2.5%	-2.5%
15 points	-4.3%	-4.0%	-3.9%
12 points	-4.2%	-4.0%	-3.9%
9 points	-4.0%	-3.8%	-3.8%
6 points	-5.2%	-5.0%	-4.9%

PROPERTY DAMAGE TOTAL LIMITS

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.7%	2.8%	2.9%
12 points	2.9%	3.0%	3.0%
9 points	2.4%	2.5%	2.5%
6 points	1.6%	1.6%	1.6%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-1.0%	-1.0%	-1.0%
15 points	-2.7%	-2.6%	-2.6%
12 points	-2.3%	-2.3%	-2.2%
9 points	-1.9%	-1.9%	-1.9%
6 points	-3.6%	-3.6%	-3.5%

MEDICAL PAYMENTS TOTAL LIMITS

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	0.1%	0.1%	0.1%
12 points	0.0%	0.0%	0.0%
9 points	-0.2%	-0.2%	-0.2%
6 points	0.5%	0.5%	0.5%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-3.4%	-3.1%	-3.0%
15 points	-1.4%	-1.4%	-1.4%
12 points	-0.9%	-0.9%	-0.8%
9 points	-0.4%	-0.4%	-0.4%
6 points	-1.0%	-0.9%	-0.9%

NORTH CAROLINA  
TREND SUMMARY  
DATA ENDED JUNE 2008

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	6.4%	7.3%	7.5%
12 points	8.8%	10.0%	10.8%
9 points	6.6%	7.1%	7.6%
6 points	1.7%	1.8%	1.8%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	4.9%	5.4%	5.5%
12 points	5.9%	6.5%	6.7%
9 points	6.0%	6.4%	6.6%
6 points	5.9%	6.1%	6.3%

NORTH CAROLINA  
CORRELATION COEFFICIENTS  
DATA ENDED JUNE 2008

ALL CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.99
12 points	0.99	0.99
9 points	0.99	0.99
6 points	0.99	0.99

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.92	-0.92
15 points	-0.99	-0.99
12 points	-0.98	-0.98
9 points	-0.95	-0.95
6 points	-0.94	-0.94

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.99
12 points	0.98	0.98
9 points	0.97	0.97
6 points	0.98	0.98

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.57	-0.58
15 points	-0.95	-0.95
12 points	-0.90	-0.90
9 points	-0.80	-0.80
6 points	-0.93	-0.93

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.19	0.19
12 points	0.02	0.02
9 points	-0.24	-0.24
6 points	0.59	0.59

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.94	-0.94
15 points	-0.84	-0.84
12 points	-0.73	-0.73
9 points	-0.38	-0.38
6 points	-0.58	-0.58

NORTH CAROLINA  
CORRELATION COEFFICIENTS  
DATA ENDED JUNE 2008

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.86	0.85
12 points	0.92	0.92
9 points	0.82	0.81
6 points	0.45	0.46

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.97	0.98
12 points	1.00	1.00
9 points	0.99	0.99
6 points	0.98	0.98

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	AVERAGE PAID CLAIM COST (A)	
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2)/(3)	EXPONENTIAL CURVE OF BEST FIT (B)

FULL COVERAGE COMPREHENSIVE

Sep-02	\$18,419,857	38,301	\$481	\$444.93
Dec-02	17,793,356	37,089	480	445.88
Mar-03	18,020,908	37,653	479	446.84
Jun-03	17,987,106	37,612	478	447.80
Sep-03	17,775,836	37,477	474	448.76
Dec-03	17,638,945	37,501	470	449.73
Mar-04	17,426,452	37,568	464	450.69
Jun-04	17,256,719	38,026	454	451.66
Sep-04	17,016,297	37,792	450	452.63
Dec-04	16,836,914	37,662	447	453.60
Mar-05	16,149,392	35,795	451	454.57
Jun-05	15,518,705	34,290	453	455.55
Sep-05	15,222,125	33,514	454	456.53
Dec-05	14,847,636	32,409	458	457.51
Mar-06	14,399,366	31,856	452	458.49
Jun-06	13,866,053	30,363	457	459.47
Sep-06	13,113,541	28,983	452	460.46
Dec-06	12,616,430	28,209	447	461.45
Mar-07	12,277,677	26,995	455	462.44
Jun-07	12,010,320	26,743	449	463.43
Sep-07	11,813,166	26,066	453	464.43
Dec-07	11,692,289	25,351	461	465.42
Mar-08	11,539,571	24,887	464	466.42
Jun-08	11,314,033	24,009	471	467.42

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	3.4%
9-points	1.7%
12-points	0.9%
15-points	0.8%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.  
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$50 DEDUCTIBLE COMPREHENSIVE				
Sep-02	\$2,211,212	4,203	\$526	\$440.63
Dec-02	2,143,331	4,094	524	441.92
Mar-03	2,042,140	4,092	499	443.20
Jun-03	2,033,765	4,079	499	444.49
Sep-03	1,916,776	3,972	483	445.79
Dec-03	1,941,794	4,003	485	447.09
Mar-04	1,914,834	3,976	482	448.39
Jun-04	1,857,795	4,107	452	449.69
Sep-04	1,890,815	4,161	454	451.00
Dec-04	1,801,441	4,104	439	452.32
Mar-05	1,822,020	3,987	457	453.63
Jun-05	1,789,075	3,794	472	454.95
Sep-05	1,692,373	3,802	445	456.28
Dec-05	1,694,112	3,719	456	457.61
Mar-06	1,572,678	3,641	432	458.94
Jun-06	1,554,060	3,509	443	460.28
Sep-06	1,552,423	3,333	466	461.62
Dec-06	1,500,376	3,241	463	462.96
Mar-07	1,474,946	3,124	472	464.31
Jun-07	1,452,676	3,111	467	465.66
Sep-07	1,420,689	3,097	459	467.02
Dec-07	1,385,257	3,045	455	468.38
Mar-08	1,366,155	3,027	451	469.74
Jun-08	1,376,323	2,990	460	471.11

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-2.7%
9-points	-0.1%
12-points	1.2%
15-points	0.7%

- (A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.  
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	AVERAGE PAID CLAIM COST (A)	
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2)/(3)	EXPONENTIAL CURVE OF BEST FIT (B)

\$100 DEDUCTIBLE COMPREHENSIVE

Sep-02	\$15,885,392	28,034	\$567	\$491.71
Dec-02	15,697,992	27,734	566	492.95
Mar-03	15,601,353	28,047	556	494.20
Jun-03	15,592,216	28,030	556	495.45
Sep-03	15,398,298	28,160	547	496.71
Dec-03	15,224,565	28,215	540	497.96
Mar-04	14,962,466	28,403	527	499.22
Jun-04	14,986,259	29,043	516	500.49
Sep-04	15,021,293	29,202	514	501.76
Dec-04	14,842,705	29,362	506	503.03
Mar-05	14,423,370	28,356	509	504.30
Jun-05	13,951,314	27,372	510	505.58
Sep-05	13,362,016	26,498	504	506.86
Dec-05	12,856,297	25,492	504	508.14
Mar-06	12,443,932	24,968	498	509.43
Jun-06	12,129,195	24,034	505	510.72
Sep-06	11,657,714	23,404	498	512.01
Dec-06	11,495,146	23,012	500	513.31
Mar-07	11,348,425	22,465	505	514.61
Jun-07	11,283,291	22,210	508	515.91
Sep-07	11,164,598	21,816	512	517.22
Dec-07	10,981,819	21,383	514	518.53
Mar-08	10,892,058	21,123	516	519.84
Jun-08	10,618,795	20,777	511	521.16

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.3%
9-points	1.5%
12-points	1.0%
15-points	0.4%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.  
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$250 DEDUCTIBLE COMPREHENSIVE				
Sep-02	\$5,700,788	7,430	\$767	\$674.62
Dec-02	5,499,205	7,519	731	677.50
Mar-03	5,615,354	7,684	731	680.40
Jun-03	5,595,768	7,754	722	683.31
Sep-03	5,754,803	7,831	735	686.23
Dec-03	6,075,223	7,794	779	689.16
Mar-04	5,859,459	7,767	754	692.10
Jun-04	5,871,217	7,840	749	695.06
Sep-04	5,766,123	7,787	740	698.03
Dec-04	5,356,625	7,801	687	701.02
Mar-05	5,279,582	7,570	697	704.01
Jun-05	5,060,521	7,342	689	707.02
Sep-05	4,945,490	7,188	688	710.04
Dec-05	4,868,505	6,939	702	713.08
Mar-06	4,749,545	6,921	686	716.12
Jun-06	4,728,582	6,807	695	719.18
Sep-06	4,764,387	6,658	716	722.26
Dec-06	4,744,940	6,685	710	725.34
Mar-07	4,645,400	6,612	703	728.44
Jun-07	4,898,995	6,730	728	731.55
Sep-07	4,727,448	6,719	704	734.68
Dec-07	4,913,517	6,723	731	737.82
Mar-08	5,053,459	6,768	747	740.97
Jun-08	4,708,125	6,777	695	744.14

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	0.7%
9-points	1.3%
12-points	1.7%
15-points	1.5%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$500 DEDUCTIBLE COMPREHENSIVE				
Sep-02	\$5,139,844	3,936	\$1,306	\$1,109.31
Dec-02	4,913,813	3,886	1,264	1,114.47
Mar-03	4,919,526	3,879	1,268	1,119.66
Jun-03	5,204,270	3,897	1,335	1,124.88
Sep-03	5,113,377	4,059	1,260	1,130.12
Dec-03	5,257,396	4,194	1,254	1,135.38
Mar-04	5,376,244	4,271	1,259	1,140.67
Jun-04	5,403,881	4,382	1,233	1,145.98
Sep-04	5,661,071	4,491	1,261	1,151.32
Dec-04	5,625,158	4,556	1,235	1,156.69
Mar-05	5,326,553	4,567	1,166	1,162.07
Jun-05	5,312,278	4,602	1,154	1,167.49
Sep-05	4,897,749	4,493	1,090	1,172.92
Dec-05	5,126,226	4,467	1,148	1,178.39
Mar-06	5,253,541	4,514	1,164	1,183.88
Jun-06	5,216,463	4,509	1,157	1,189.39
Sep-06	5,439,864	4,518	1,204	1,194.93
Dec-06	5,259,854	4,526	1,162	1,200.50
Mar-07	5,387,652	4,498	1,198	1,206.09
Jun-07	5,333,908	4,554	1,171	1,211.71
Sep-07	5,677,254	4,708	1,206	1,217.35
Dec-07	5,992,471	4,915	1,219	1,223.02
Mar-08	6,071,755	5,201	1,167	1,228.72
Jun-08	6,443,246	5,545	1,162	1,234.44

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-1.7%
9-points	0.2%
12-points	1.9%
15-points	0.5%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
FULL COVERAGE COMPREHENSIVE			
Sep-02	700,453	38,301	5.4680
Dec-02	693,674	37,089	5.3467
Mar-03	686,768	37,653	5.4826
Jun-03	680,079	37,612	5.5305
Sep-03	673,789	37,477	5.5621
Dec-03	668,342	37,501	5.6110
Mar-04	663,962	37,568	5.6582
Jun-04	662,297	38,026	5.7415
Sep-04	665,305	37,792	5.6804
Dec-04	670,866	37,662	5.6139
Mar-05	675,564	35,795	5.2985
Jun-05	676,325	34,290	5.0700
Sep-05	670,277	33,514	5.0000
Dec-05	658,894	32,409	4.9187
Mar-06	645,515	31,856	4.9350
Jun-06	630,903	30,363	4.8126
Sep-06	616,264	28,983	4.7030
Dec-06	602,414	28,209	4.6827
Mar-07	589,483	26,995	4.5794
Jun-07	577,438	26,743	4.6313
Sep-07	565,947	26,066	4.6057
Dec-07	555,369	25,351	4.5647
Mar-08	545,755	24,887	4.5601
Jun-08	537,046	24,009	4.4706

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-2.0%
9-points	-2.8%
12-points	-3.8%
15-points	-5.2%
24-points	-4.4%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>

\$50 DEDUCTIBLE COMPREHENSIVE

Sep-02	87,895	4,203	4.7818
Dec-02	86,343	4,094	4.7416
Mar-03	84,881	4,092	4.8209
Jun-03	83,526	4,079	4.8835
Sep-03	82,309	3,972	4.8257
Dec-03	81,239	4,003	4.9274
Mar-04	80,323	3,976	4.9500
Jun-04	80,205	4,107	5.1206
Sep-04	81,407	4,161	5.1114
Dec-04	83,350	4,104	4.9238
Mar-05	85,446	3,987	4.6661
Jun-05	86,850	3,794	4.3685
Sep-05	86,854	3,802	4.3775
Dec-05	85,959	3,719	4.3265
Mar-06	84,763	3,641	4.2955
Jun-06	83,447	3,509	4.2051
Sep-06	82,193	3,333	4.0551
Dec-06	81,009	3,241	4.0008
Mar-07	79,909	3,124	3.9094
Jun-07	78,917	3,111	3.9421
Sep-07	77,978	3,097	3.9716
Dec-07	77,108	3,045	3.9490
Mar-08	76,259	3,027	3.9694
Jun-08	75,427	2,990	3.9641

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.0%
9-points	-2.0%
12-points	-3.9%
15-points	-5.4%
24-points	-4.8%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
\$100 DEDUCTIBLE COMPREHENSIVE			
Sep-02	491,351	28,034	5.7055
Dec-02	489,613	27,734	5.6645
Mar-03	488,129	28,047	5.7458
Jun-03	487,253	28,030	5.7527
Sep-03	486,981	28,160	5.7826
Dec-03	487,647	28,215	5.7859
Mar-04	489,095	28,403	5.8073
Jun-04	492,983	29,043	5.8913
Sep-04	501,119	29,202	5.8274
Dec-04	511,470	29,362	5.7407
Mar-05	520,805	28,356	5.4446
Jun-05	525,932	27,372	5.2045
Sep-05	524,531	26,498	5.0518
Dec-05	517,972	25,492	4.9215
Mar-06	509,702	24,968	4.8985
Jun-06	500,817	24,034	4.7990
Sep-06	492,348	23,404	4.7535
Dec-06	485,284	23,012	4.7420
Mar-07	479,696	22,465	4.6832
Jun-07	474,923	22,210	4.6765
Sep-07	470,251	21,816	4.6392
Dec-07	465,387	21,383	4.5947
Mar-08	460,097	21,123	4.5910
Jun-08	454,688	20,777	4.5695

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE  
EXPONENTIAL CURVE OF BEST FIT:

6-points	-2.1%
9-points	-2.5%
12-points	-3.3%
15-points	-5.3%
24-points	-5.1%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>

\$250 DEDUCTIBLE COMPREHENSIVE

Sep-02	183,531	7,430	4.0484
Dec-02	185,592	7,519	4.0514
Mar-03	187,584	7,684	4.0963
Jun-03	189,531	7,754	4.0912
Sep-03	191,755	7,831	4.0839
Dec-03	194,214	7,794	4.0131
Mar-04	197,014	7,767	3.9424
Jun-04	200,560	7,840	3.9091
Sep-04	205,161	7,787	3.7956
Dec-04	210,374	7,801	3.7082
Mar-05	215,096	7,570	3.5194
Jun-05	218,320	7,342	3.3630
Sep-05	219,446	7,188	3.2755
Dec-05	218,878	6,939	3.1703
Mar-06	217,790	6,921	3.1778
Jun-06	216,646	6,807	3.1420
Sep-06	215,814	6,658	3.0851
Dec-06	215,767	6,685	3.0982
Mar-07	216,511	6,612	3.0539
Jun-07	217,469	6,730	3.0947
Sep-07	218,201	6,719	3.0793
Dec-07	218,434	6,723	3.0778
Mar-08	218,053	6,768	3.1038
Jun-08	217,508	6,777	3.1157

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.2%
9-points	-0.1%
12-points	-1.5%
15-points	-4.0%
24-points	-6.2%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR	EARNED	PAID	PAID CLAIM
<u>ENDED</u>	<u>EXPOSURES</u>	<u>CLAIMS</u>	FREQUENCY (A)
			<u>(2) / (3)</u>

\$500 DEDUCTIBLE COMPREHENSIVE

Sep-02	179,159	3,936	2.1969
Dec-02	184,080	3,886	2.1110
Mar-03	189,155	3,879	2.0507
Jun-03	194,282	3,897	2.0058
Sep-03	199,764	4,059	2.0319
Dec-03	205,300	4,194	2.0429
Mar-04	211,094	4,271	2.0233
Jun-04	217,422	4,382	2.0154
Sep-04	223,985	4,491	2.0050
Dec-04	230,573	4,556	1.9759
Mar-05	236,492	4,567	1.9311
Jun-05	241,358	4,602	1.9067
Sep-05	244,899	4,493	1.8346
Dec-05	247,487	4,467	1.8049
Mar-06	249,957	4,514	1.8059
Jun-06	252,408	4,509	1.7864
Sep-06	255,301	4,518	1.7697
Dec-06	259,271	4,526	1.7457
Mar-07	264,548	4,498	1.7003
Jun-07	270,616	4,554	1.6828
Sep-07	276,827	4,708	1.7007
Dec-07	282,464	4,915	1.7400
Mar-08	287,262	5,201	1.8105
Jun-08	291,647	5,545	1.9013

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	9.6%
9-points	2.1%
12-points	-0.4%
15-points	-2.5%
24-points	-3.8%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
TREND SUMMARY  
DATA ENDED JUNE 2008

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

FULL COVERAGE COMPREHENSIVE

COST	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
15 points	0.8%		0.8%	0.8%
12 points	0.9%		0.9%	0.9%
9 points	1.7%		1.7%	1.7%
6 points	3.2%		3.3%	3.4%

FREQ	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
24 points	-5.1%		-4.5%	-4.4%
15 points	-6.0%		-5.4%	-5.2%
12 points	-4.1%		-3.9%	-3.8%
9 points	-3.0%		-2.9%	-2.8%
6 points	-2.0%		-2.0%	-2.0%

\$50 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
15 points	0.7%		0.7%	0.7%
12 points	1.1%		1.1%	1.2%
9 points	-0.1%		-0.1%	-0.1%
6 points	-2.8%		-2.8%	-2.7%

FREQ	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
24 points	-5.6%		-4.8%	-4.8%
15 points	-6.3%		-5.7%	-5.4%
12 points	-4.3%		-4.0%	-3.9%
9 points	-2.2%		-2.1%	-2.0%
6 points	1.0%		1.0%	1.0%

\$100 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
15 points	0.4%		0.4%	0.4%
12 points	1.0%		1.0%	1.0%
9 points	1.5%		1.5%	1.5%
6 points	1.2%		1.3%	1.3%

FREQ	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
24 points	-6.1%		-5.2%	-5.1%
15 points	-6.2%		-5.6%	-5.3%
12 points	-3.6%		-3.4%	-3.3%
9 points	-2.6%		-2.5%	-2.5%
6 points	-2.2%		-2.1%	-2.1%

NORTH CAROLINA  
TREND SUMMARY  
DATA ENDED JUNE 2008

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

\$250 DEDUCTIBLE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	1.5%	1.5%	1.5%
12 points	1.7%	1.7%	1.7%
9 points	1.3%	1.3%	1.3%
6 points	0.7%	0.7%	0.7%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-7.9%	-6.5%	-6.2%
15 points	-4.5%	-4.2%	-4.0%
12 points	-1.5%	-1.5%	-1.5%
9 points	-0.1%	-0.1%	-0.1%
6 points	1.2%	1.2%	1.2%

\$500 DEDUCTIBLE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	0.5%	0.5%	0.5%
12 points	1.8%	1.8%	1.9%
9 points	0.2%	0.2%	0.2%
6 points	-1.7%	-1.7%	-1.7%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-4.3%	-3.8%	-3.8%
15 points	-2.7%	-2.5%	-2.5%
12 points	-0.3%	-0.3%	-0.4%
9 points	2.1%	2.2%	2.1%
6 points	8.8%	9.3%	9.6%

NORTH CAROLINA  
CORRELATION COEFFICIENTS  
DATA ENDED JUNE 2008

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

FULL COVERAGE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.62	0.61
12 points	0.53	0.53
9 points	0.70	0.70
6 points	0.88	0.88

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.90	-0.91
15 points	-0.92	-0.93
12 points	-0.95	-0.96
9 points	-0.92	-0.92
6 points	-0.78	-0.78

\$50 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.29	0.29
12 points	0.41	0.41
9 points	-0.03	-0.02
6 points	-0.78	-0.77

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.89	-0.89
15 points	-0.89	-0.90
12 points	-0.87	-0.87
9 points	-0.65	-0.65
6 points	0.76	0.76

\$100 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.44	0.43
12 points	0.77	0.76
9 points	0.83	0.83
6 points	0.75	0.75

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.93	-0.93
15 points	-0.90	-0.91
12 points	-0.96	-0.97
9 points	-0.99	-0.99
6 points	-0.97	-0.97

NORTH CAROLINA  
CORRELATION COEFFICIENTS  
DATA ENDED JUNE 2008

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

\$250 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.67	0.67
12 points	0.59	0.59
9 points	0.35	0.34
6 points	0.12	0.11

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.94	-0.94
15 points	-0.79	-0.80
12 points	-0.70	-0.70
9 points	-0.12	-0.11
6 points	0.82	0.82

\$500 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.19	0.20
12 points	0.56	0.57
9 points	0.06	0.06
6 points	-0.41	-0.41

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.89	-0.88
15 points	-0.58	-0.58
12 points	-0.08	-0.09
9 points	0.38	0.37
6 points	0.90	0.90

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	AVERAGE PAID CLAIM COST (A)			
	(2) PAID LOSSES (A)	(3) PAID CLAIMS	(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$50 DEDUCTIBLE COLLISION				
Sep-02	\$2,288,713	1,148	1,994	\$2,294.10
Dec-02	2,231,514	1,116	2,000	2,293.44
Mar-03	2,131,091	1,084	1,966	2,292.77
Jun-03	2,469,288	1,104	2,237	2,292.10
Sep-03	2,656,530	1,132	2,347	2,291.43
Dec-03	2,863,854	1,183	2,421	2,290.76
Mar-04	3,028,596	1,227	2,468	2,290.10
Jun-04	3,071,623	1,256	2,446	2,289.43
Sep-04	3,098,216	1,264	2,451	2,288.76
Dec-04	3,166,610	1,267	2,499	2,288.09
Mar-05	3,092,434	1,271	2,433	2,287.43
Jun-05	3,034,466	1,279	2,373	2,286.76
Sep-05	2,961,852	1,283	2,309	2,286.09
Dec-05	2,928,030	1,291	2,268	2,285.43
Mar-06	2,910,402	1,262	2,306	2,284.76
Jun-06	2,699,750	1,183	2,282	2,284.10
Sep-06	2,621,338	1,145	2,289	2,283.43
Dec-06	2,603,402	1,130	2,304	2,282.76
Mar-07	2,580,712	1,148	2,248	2,282.10
Jun-07	2,753,436	1,208	2,279	2,281.43
Sep-07	2,893,943	1,262	2,293	2,280.77
Dec-07	3,018,203	1,351	2,234	2,280.10
Mar-08	3,436,160	1,451	2,368	2,279.44
Jun-08	3,469,317	1,535	2,260	2,278.78

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.3%
9-points	0.1%
12-points	-0.1%
15-points	-1.7%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1)	(2)	(3)	AVERAGE PAID CLAIM COST (A)	
			(4)	(5)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2) / (3)	EXPONENTIAL CURVE OF BEST FIT (B)

\$100 DEDUCTIBLE COLLISION

Sep-02	\$49,363,520	22,091	2,235	\$2,328.61
Dec-02	47,745,107	21,301	2,241	2,331.54
Mar-03	47,691,691	20,601	2,315	2,334.48
Jun-03	47,194,803	20,134	2,344	2,337.42
Sep-03	46,389,376	19,846	2,337	2,340.36
Dec-03	45,790,619	19,734	2,320	2,343.31
Mar-04	45,145,533	19,556	2,309	2,346.26
Jun-04	44,170,615	19,173	2,304	2,349.21
Sep-04	43,706,347	18,787	2,326	2,352.17
Dec-04	43,010,933	18,211	2,362	2,355.13
Mar-05	41,801,275	17,756	2,354	2,358.09
Jun-05	41,062,354	17,536	2,342	2,361.06
Sep-05	39,861,833	17,107	2,330	2,364.03
Dec-05	39,175,816	16,847	2,325	2,367.01
Mar-06	38,932,366	16,728	2,327	2,369.99
Jun-06	38,516,916	16,328	2,359	2,372.97
Sep-06	38,578,012	16,167	2,386	2,375.96
Dec-06	39,273,410	16,299	2,410	2,378.95
Mar-07	39,101,029	16,255	2,405	2,381.95
Jun-07	39,482,313	16,511	2,391	2,384.95
Sep-07	38,644,770	16,391	2,358	2,387.95
Dec-07	37,287,932	16,055	2,323	2,390.95
Mar-08	37,196,996	15,814	2,352	2,393.96
Jun-08	37,112,621	15,546	2,387	2,396.98

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-1.2%
9-points	-0.6%
12-points	0.5%
15-points	0.4%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1)	(2)	(3)	(4)	(5)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2)/(3)	EXPONENTIAL CURVE OF BEST FIT (B)

\$200 DEDUCTIBLE COLLISION

Sep-02	\$8,211,580	3,274	2,508	\$2,618.32
Dec-02	8,018,407	3,173	2,527	2,629.63
Mar-03	7,938,855	3,039	2,612	2,640.99
Jun-03	7,625,253	2,921	2,610	2,652.41
Sep-03	7,694,173	2,870	2,681	2,663.87
Dec-03	7,768,089	2,816	2,759	2,675.38
Mar-04	7,609,548	2,776	2,741	2,686.94
Jun-04	7,442,858	2,743	2,713	2,698.55
Sep-04	7,159,456	2,667	2,684	2,710.21
Dec-04	6,999,601	2,553	2,742	2,721.92
Mar-05	6,648,105	2,441	2,724	2,733.68
Jun-05	6,795,688	2,459	2,764	2,745.49
Sep-05	6,426,171	2,463	2,609	2,757.35
Dec-05	6,416,636	2,448	2,621	2,769.27
Mar-06	6,771,920	2,551	2,655	2,781.24
Jun-06	6,878,747	2,473	2,782	2,793.25
Sep-06	6,815,533	2,475	2,754	2,805.32
Dec-06	6,970,039	2,489	2,800	2,817.44
Mar-07	7,068,138	2,419	2,922	2,829.62
Jun-07	6,757,494	2,418	2,795	2,841.84
Sep-07	6,861,074	2,342	2,930	2,854.12
Dec-07	6,448,990	2,292	2,814	2,866.46
Mar-08	6,058,284	2,252	2,690	2,878.84
Jun-08	6,048,469	2,267	2,668	2,891.28

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-6.7%
9-points	-1.5%
12-points	1.7%
15-points	1.0%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)

\$250 DEDUCTIBLE COLLISION

Sep-02	\$268,764,105	105,579	2,546	\$2,626.16
Dec-02	269,304,041	104,850	2,568	2,631.11
Mar-03	272,415,050	104,288	2,612	2,636.08
Jun-03	274,477,037	104,075	2,637	2,641.05
Sep-03	275,613,860	103,949	2,651	2,646.03
Dec-03	272,751,569	103,084	2,646	2,651.03
Mar-04	270,703,463	102,600	2,638	2,656.03
Jun-04	264,561,787	101,423	2,608	2,661.04
Sep-04	259,009,698	99,499	2,603	2,666.06
Dec-04	255,603,813	97,644	2,618	2,671.09
Mar-05	249,129,895	95,741	2,602	2,676.13
Jun-05	249,207,633	95,034	2,622	2,681.18
Sep-05	247,143,879	93,999	2,629	2,686.24
Dec-05	245,482,182	93,138	2,636	2,691.30
Mar-06	244,103,523	91,358	2,672	2,696.38
Jun-06	242,255,582	90,225	2,685	2,701.47
Sep-06	242,099,774	89,548	2,704	2,706.57
Dec-06	244,726,279	90,193	2,713	2,711.67
Mar-07	243,896,437	90,339	2,700	2,716.79
Jun-07	246,076,705	91,064	2,702	2,721.91
Sep-07	243,986,955	91,058	2,679	2,727.05
Dec-07	241,444,823	90,128	2,679	2,732.19
Mar-08	241,701,779	89,600	2,698	2,737.35
Jun-08	240,609,895	88,828	2,709	2,742.51

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	0.1%
9-points	0.0%
12-points	0.8%
15-points	1.1%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1)	(2)	(3)	AVERAGE PAID CLAIM COST (A)	
			(4)	(5)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2) / (3)	EXPONENTIAL CURVE OF BEST FIT (B)

\$500 DEDUCTIBLE COLLISION

Sep-02	\$223,742,958	69,637	3,213	\$3,283.52
Dec-02	229,153,862	70,604	3,246	3,293.41
Mar-03	235,983,069	71,400	3,305	3,303.33
Jun-03	240,955,878	72,648	3,317	3,313.28
Sep-03	248,057,653	74,145	3,346	3,323.26
Dec-03	249,199,132	74,849	3,329	3,333.27
Mar-04	253,664,660	76,284	3,325	3,343.31
Jun-04	254,225,617	76,879	3,307	3,353.38
Sep-04	254,057,711	76,836	3,306	3,363.49
Dec-04	256,120,714	77,039	3,325	3,373.62
Mar-05	254,872,594	76,894	3,315	3,383.78
Jun-05	258,727,025	77,692	3,330	3,393.97
Sep-05	259,876,589	78,608	3,306	3,404.20
Dec-05	263,044,633	79,159	3,323	3,414.45
Mar-06	266,503,925	79,462	3,354	3,424.74
Jun-06	271,376,760	80,404	3,375	3,435.05
Sep-06	278,124,509	81,668	3,406	3,445.40
Dec-06	291,014,660	84,461	3,446	3,455.78
Mar-07	298,468,742	86,658	3,444	3,466.19
Jun-07	307,179,953	88,765	3,461	3,476.63
Sep-07	308,444,226	89,790	3,435	3,487.10
Dec-07	306,542,795	89,893	3,410	3,497.61
Mar-08	310,351,324	90,721	3,421	3,508.14
Jun-08	312,641,242	91,631	3,412	3,518.71

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-1.0%
9-points	0.2%
12-points	1.2%
15-points	1.2%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$1,000 DEDUCTIBLE COLLISION				
Sep-02	\$10,397,698	2,430	4,279	\$4,496.85
Dec-02	10,922,738	2,505	4,360	4,516.41
Mar-03	11,865,756	2,572	4,613	4,536.05
Jun-03	12,289,558	2,658	4,624	4,555.79
Sep-03	13,090,327	2,819	4,644	4,575.60
Dec-03	13,470,147	2,937	4,586	4,595.51
Mar-04	13,692,314	3,063	4,470	4,615.50
Jun-04	14,290,570	3,212	4,449	4,635.58
Sep-04	14,653,950	3,285	4,461	4,655.74
Dec-04	15,741,994	3,437	4,580	4,676.00
Mar-05	16,573,515	3,550	4,669	4,696.34
Jun-05	17,146,084	3,725	4,603	4,716.77
Sep-05	17,472,734	3,823	4,570	4,737.28
Dec-05	17,763,480	3,895	4,561	4,757.89
Mar-06	18,068,985	3,952	4,572	4,778.59
Jun-06	19,033,039	3,944	4,826	4,799.38
Sep-06	19,586,153	4,095	4,783	4,820.25
Dec-06	20,586,509	4,284	4,805	4,841.22
Mar-07	21,543,428	4,487	4,801	4,862.28
Jun-07	21,407,928	4,610	4,644	4,883.43
Sep-07	22,210,194	4,673	4,753	4,904.68
Dec-07	22,422,302	4,694	4,777	4,926.01
Mar-08	23,041,842	4,788	4,812	4,947.44
Jun-08	24,020,471	4,969	4,834	4,968.96

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.7%
9-points	0.0%
12-points	1.8%
15-points	1.5%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>

\$50 DEDUCTIBLE COLLISION

Sep-02	14,931	1,148	7.6887
Dec-02	14,935	1,116	7.4724
Mar-03	15,104	1,084	7.1769
Jun-03	15,363	1,104	7.1861
Sep-03	15,716	1,132	7.2029
Dec-03	16,104	1,183	7.3460
Mar-04	16,409	1,227	7.4776
Jun-04	16,352	1,256	7.6810
Sep-04	16,214	1,264	7.7957
Dec-04	16,163	1,267	7.8389
Mar-05	16,110	1,271	7.8895
Jun-05	16,192	1,279	7.8990
Sep-05	16,173	1,283	7.9330
Dec-05	16,134	1,291	8.0017
Mar-06	16,161	1,262	7.8089
Jun-06	16,220	1,183	7.2935
Sep-06	16,345	1,145	7.0052
Dec-06	16,492	1,130	6.8518
Mar-07	16,681	1,148	6.8821
Jun-07	17,035	1,208	7.0913
Sep-07	17,528	1,262	7.1999
Dec-07	18,124	1,351	7.4542
Mar-08	18,799	1,451	7.7185
Jun-08	19,490	1,535	7.8758

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE  
EXPONENTIAL CURVE OF BEST FIT:

6-points	11.6%
9-points	5.6%
12-points	-1.0%
15-points	-2.1%
24-points	-0.2%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
<u>YEAR</u> <u>ENDED</u>	<u>EARNED</u> <u>EXPOSURES</u>	<u>PAID</u> <u>CLAIMS</u>	<u>PAID CLAIM</u> <u>FREQUENCY (A)</u> <u>(2)/(3)</u>

\$100 DEDUCTIBLE COLLISION

Sep-02	444,382	22,091	4.9712
Dec-02	438,618	21,301	4.8564
Mar-03	433,093	20,601	4.7567
Jun-03	426,246	20,134	4.7236
Sep-03	418,932	19,846	4.7373
Dec-03	411,164	19,734	4.7995
Mar-04	403,000	19,556	4.8526
Jun-04	395,276	19,173	4.8505
Sep-04	388,824	18,787	4.8317
Dec-04	384,540	18,211	4.7358
Mar-05	381,185	17,756	4.6581
Jun-05	378,115	17,536	4.6377
Sep-05	374,016	17,107	4.5739
Dec-05	368,822	16,847	4.5678
Mar-06	363,565	16,728	4.6011
Jun-06	358,640	16,328	4.5528
Sep-06	353,852	16,167	4.5689
Dec-06	349,661	16,299	4.6614
Mar-07	346,248	16,255	4.6946
Jun-07	343,408	16,511	4.8080
Sep-07	341,095	16,391	4.8054
Dec-07	338,856	16,055	4.7380
Mar-08	336,471	15,814	4.7000
Jun-08	334,287	15,546	4.6505

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-1.5%
9-points	1.5%
12-points	1.5%
15-points	0.6%
24-points	-0.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
<u>YEAR</u> <u>ENDED</u>	<u>EARNED</u> <u>EXPOSURES</u>	<u>PAID</u> <u>CLAIMS</u>	<u>PAID CLAIM</u> <u>FREQUENCY (A)</u> <u>(2) / (3)</u>

\$200 DEDUCTIBLE COLLISION

Sep-02	67,193	3,274	4.8725
Dec-02	66,837	3,173	4.7474
Mar-03	66,782	3,039	4.5506
Jun-03	66,191	2,921	4.4130
Sep-03	65,128	2,870	4.4067
Dec-03	64,071	2,816	4.3951
Mar-04	63,090	2,776	4.4001
Jun-04	62,227	2,743	4.4081
Sep-04	61,476	2,667	4.3383
Dec-04	60,887	2,553	4.1930
Mar-05	60,411	2,441	4.0407
Jun-05	59,901	2,459	4.1051
Sep-05	59,368	2,463	4.1487
Dec-05	58,803	2,448	4.1631
Mar-06	58,220	2,551	4.3817
Jun-06	57,662	2,473	4.2888
Sep-06	57,124	2,475	4.3327
Dec-06	56,606	2,489	4.3971
Mar-07	56,087	2,419	4.3129
Jun-07	55,649	2,418	4.3451
Sep-07	55,291	2,342	4.2358
Dec-07	54,951	2,292	4.1710
Mar-08	54,634	2,252	4.1220
Jun-08	54,285	2,267	4.1761

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-3.8%
9-points	-2.5%
12-points	-0.6%
15-points	0.5%
24-points	-1.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR <u>ENDED</u>	EARNED <u>EXPOSURES</u>	PAID <u>CLAIMS</u>	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$250 DEDUCTIBLE COLLISION			
Sep-02	1,923,229	105,579	5.4897
Dec-02	1,923,162	104,850	5.4520
Mar-03	1,923,584	104,288	5.4215
Jun-03	1,915,245	104,075	5.4340
Sep-03	1,904,236	103,949	5.4588
Dec-03	1,892,940	103,084	5.4457
Mar-04	1,879,932	102,600	5.4576
Jun-04	1,868,280	101,423	5.4287
Sep-04	1,857,418	99,499	5.3568
Dec-04	1,855,161	97,644	5.2634
Mar-05	1,858,035	95,741	5.1528
Jun-05	1,861,622	95,034	5.1049
Sep-05	1,861,937	93,999	5.0485
Dec-05	1,854,840	93,138	5.0213
Mar-06	1,844,260	91,358	4.9536
Jun-06	1,845,111	90,225	4.8899
Sep-06	1,835,833	89,548	4.8778
Dec-06	1,829,329	90,193	4.9304
Mar-07	1,825,382	90,339	4.9490
Jun-07	1,813,111	91,064	5.0225
Sep-07	1,812,187	91,058	5.0248
Dec-07	1,810,591	90,128	4.9778
Mar-08	1,808,013	89,600	4.9557
Jun-08	1,806,748	88,828	4.9165

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-0.9%
9-points	0.7%
12-points	-0.2%
15-points	-1.2%
24-points	-2.3%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$500 DEDUCTIBLE COLLISION			
Sep-02	1,410,501	69,637	4.9370
Dec-02	1,440,366	70,604	4.9018
Mar-03	1,476,409	71,400	4.8361
Jun-03	1,502,968	72,648	4.8336
Sep-03	1,525,523	74,145	4.8603
Dec-03	1,549,875	74,849	4.8294
Mar-04	1,568,465	76,284	4.8636
Jun-04	1,587,975	76,879	4.8413
Sep-04	1,607,622	76,836	4.7795
Dec-04	1,635,208	77,039	4.7113
Mar-05	1,669,731	76,894	4.6052
Jun-05	1,704,067	77,692	4.5592
Sep-05	1,737,927	78,608	4.5231
Dec-05	1,765,802	79,159	4.4829
Mar-06	1,792,611	79,462	4.4328
Jun-06	1,827,567	80,404	4.3995
Sep-06	1,860,990	81,668	4.3884
Dec-06	1,896,015	84,461	4.4547
Mar-07	1,930,510	86,658	4.4889
Jun-07	1,961,345	88,765	4.5257
Sep-07	1,993,042	89,790	4.5052
Dec-07	2,024,330	89,893	4.4406
Mar-08	2,055,065	90,721	4.4145
Jun-08	2,086,943	91,631	4.3907

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-2.3%
9-points	0.0%
12-points	-0.3%
15-points	-1.2%
24-points	-2.2%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF AVERAGE ANNUAL CHANGE  
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
<u>YEAR</u> <u>ENDED</u>	<u>EARNED</u> <u>EXPOSURES</u>	<u>PAID</u> <u>CLAIMS</u>	<u>PAID CLAIM</u> <u>FREQUENCY (A)</u> <u>(2) / (3)</u>
\$1,000 DEDUCTIBLE COLLISION			
Sep-02	74,700	2,430	3.2530
Dec-02	77,970	2,505	3.2128
Mar-03	82,254	2,572	3.1269
Jun-03	86,773	2,658	3.0632
Sep-03	91,470	2,819	3.0819
Dec-03	96,348	2,937	3.0483
Mar-04	100,681	3,063	3.0423
Jun-04	104,748	3,212	3.0664
Sep-04	108,839	3,285	3.0182
Dec-04	113,467	3,437	3.0291
Mar-05	118,476	3,550	2.9964
Jun-05	123,558	3,725	3.0148
Sep-05	128,544	3,823	2.9741
Dec-05	133,379	3,895	2.9202
Mar-06	138,310	3,952	2.8573
Jun-06	143,946	3,944	2.7399
Sep-06	149,651	4,095	2.7364
Dec-06	155,430	4,284	2.7562
Mar-07	161,055	4,487	2.7860
Jun-07	165,993	4,610	2.7772
Sep-07	170,703	4,673	2.7375
Dec-07	175,160	4,694	2.6798
Mar-08	179,494	4,788	2.6675
Jun-08	183,935	4,969	2.7015

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-3.3%
9-points	-1.4%
12-points	-3.1%
15-points	-3.7%
24-points	-3.2%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA  
TREND SUMMARY  
DATA ENDED JUNE 2008

ALL CARRIERS

\$50 DEDUCTIBLE COLLISION

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	-1.8%	-1.8%	-1.7%
12 points	-0.1%	-0.1%	-0.1%
9 points	0.2%	0.2%	0.1%
6 points	1.3%	1.3%	1.3%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-0.2%	-0.2%	-0.2%
15 points	-2.2%	-2.1%	-2.1%
12 points	-1.1%	-1.1%	-1.0%
9 points	5.2%	5.5%	5.6%
6 points	10.3%	11.0%	11.6%

\$100 DEDUCTIBLE COLLISION

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	0.4%	0.4%	0.4%
12 points	0.5%	0.5%	0.5%
9 points	-0.6%	-0.6%	-0.6%
6 points	-1.2%	-1.2%	-1.2%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-0.7%	-0.6%	-0.6%
15 points	0.6%	0.6%	0.6%
12 points	1.5%	1.5%	1.5%
9 points	1.5%	1.5%	1.5%
6 points	-1.5%	-1.5%	-1.5%

\$200 DEDUCTIBLE COLLISION

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	1.0%	1.0%	1.0%
12 points	1.7%	1.7%	1.7%
9 points	-1.5%	-1.5%	-1.5%
6 points	-7.2%	-6.9%	-6.7%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-1.7%	-1.6%	-1.6%
15 points	0.5%	0.5%	0.5%
12 points	-0.6%	-0.6%	-0.6%
9 points	-2.6%	-2.5%	-2.5%
6 points	-3.9%	-3.8%	-3.8%

NORTH CAROLINA  
TREND SUMMARY  
DATA ENDED JUNE 2008

ALL CARRIERS

\$250 DEDUCTIBLE COLLISION

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	1.0%	1.1%		1.1%
12 points	0.7%	0.7%		0.8%
9 points	0.0%	0.0%		0.0%
6 points	0.1%	0.1%		0.1%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
24 points	-2.5%	-2.3%		-2.3%
15 points	-1.3%	-1.2%		-1.2%
12 points	-0.2%	-0.2%		-0.2%
9 points	0.7%	0.7%		0.7%
6 points	-0.9%	-0.9%		-0.9%

\$500 DEDUCTIBLE COLLISION

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	1.2%	1.2%		1.2%
12 points	1.2%	1.2%		1.2%
9 points	0.2%	0.2%		0.2%
6 points	-1.0%	-1.0%		-1.0%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
24 points	-2.3%	-2.2%		-2.2%
15 points	-1.2%	-1.2%		-1.2%
12 points	-0.3%	-0.3%		-0.3%
9 points	0.0%	0.0%		0.0%
6 points	-2.3%	-2.3%		-2.3%

\$1,000 DEDUCTIBLE COLLISION

STRAIGHT LINE				EXPONENTIAL
COST	END POINT	MID POINT		
15 points	1.5%	1.5%		1.5%
12 points	1.7%	1.7%		1.8%
9 points	0.0%	0.0%		0.0%
6 points	1.6%	1.7%		1.7%

STRAIGHT LINE				EXPONENTIAL
FREQ	END POINT	MID POINT		
24 points	-3.6%	-3.3%		-3.2%
15 points	-4.0%	-3.7%		-3.7%
12 points	-3.4%	-3.2%		-3.1%
9 points	-1.4%	-1.4%		-1.4%
6 points	-3.5%	-3.4%		-3.3%

NORTH CAROLINA  
CORRELATION COEFFICIENTS  
DATA ENDED JUNE 2008

ALL CARRIERS

\$50 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.63	-0.63
12 points	-0.06	-0.07
9 points	0.06	0.06
6 points	0.30	0.30

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.08	-0.08
15 points	-0.41	-0.41
12 points	-0.17	-0.16
9 points	0.76	0.76
6 points	0.99	1.00

\$100 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.32	0.32
12 points	0.33	0.33
9 points	-0.34	-0.34
6 points	-0.43	-0.42

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.49	-0.48
15 points	0.40	0.40
12 points	0.69	0.70
9 points	0.53	0.53
6 points	-0.51	-0.51

\$200 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.31	0.31
12 points	0.39	0.40
9 points	-0.31	-0.32
6 points	-0.82	-0.82

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.65	-0.65
15 points	0.23	0.23
12 points	-0.24	-0.24
9 points	-0.79	-0.79
6 points	-0.87	-0.87

NORTH CAROLINA  
CORRELATION COEFFICIENTS  
DATA ENDED JUNE 2008

ALL CARRIERS

\$250 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.83	0.84
12 points	0.67	0.67
9 points	-0.04	-0.04
6 points	0.14	0.14

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.91	-0.91
15 points	-0.66	-0.66
12 points	-0.17	-0.17
9 points	0.44	0.45
6 points	-0.51	-0.51

\$500 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.83	0.83
12 points	0.74	0.74
9 points	0.20	0.20
6 points	-0.82	-0.82

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.92	-0.92
15 points	-0.67	-0.67
12 points	-0.26	-0.26
9 points	0.03	0.03
6 points	-0.88	-0.89

\$1,000 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.73	0.73
12 points	0.68	0.68
9 points	0.01	0.01
6 points	0.55	0.54

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.97	-0.97
15 points	-0.92	-0.93
12 points	-0.85	-0.85
9 points	-0.62	-0.63
6 points	-0.87	-0.86

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE  
UNINSURED MOTORISTS  
PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Basic Limit <u>Losses (A) (B)</u>	(3) <u>Exposures</u>	(4) UM Pure Premium <u>(2) / (3)</u>
12/31/1996	47,456,787	4,798,419	9.89
12/31/1997	50,661,246	4,851,832	10.44
12/31/1998	49,738,954	5,036,177	9.88
12/31/1999	49,502,865	5,253,680	9.42
12/31/2000	50,162,804	5,381,629	9.32
12/31/2001	51,708,399	5,495,729	9.41
12/31/2002	55,404,822	5,646,981	9.81
12/31/2003	57,682,233	5,753,498	10.03
12/31/2004	54,456,228	5,919,084	9.20
12/31/2005	56,923,642	6,074,771	9.37
12/31/2006	59,316,411	6,207,939	9.55
12/31/2007	60,342,440	6,346,033	9.51

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	1.2%
6 points	-0.8%
9 points	0.1%
12 points	-0.5%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

(B) 25/50/15 limits from 12/31/1996 - 12/31/2007.

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE  
 UNDERINSURED MOTORISTS  
 PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Total Limit <u>Losses (A)</u>	(3) <u>Exposures</u>	(4) UIM Pure Premium <u>(2) / (3)</u>
12/31/2000	55,377,602	3,346,995	16.55
12/31/2001	56,931,338	3,417,955	16.66
12/31/2002	60,752,864	3,512,024	17.30
12/31/2003	61,202,116	3,605,614	16.97
12/31/2004	73,996,769	3,844,061	19.25
12/31/2005	69,609,023	4,009,773	17.36
12/31/2006	84,860,264	4,097,673	20.71
12/31/2007	104,893,997	4,188,825	25.04

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	10.1%
6 points	6.9%
8 points	5.0%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	
Oct-07	208.9	
Nov-07	210.2	200.8
Dec-07	210.0	
Jan-08	211.1	
Feb-08	211.7	204.1
Mar-08	213.5	
Apr-08	214.8	
May-08	216.6	205.0
Jun-08	218.8	
Jul-08	220.0	
Aug-08	219.1	205.8
Sep-08	218.8	



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.46%	3.00%	3.23%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.55%	3.07%	3.31%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	4.69%	3.16%	3.92%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	6.33%	3.18%	4.75%
(5) Average Annual Index (D)			
Year Ended 3/31/2006	197.04	189.88	
Year Ended 9/30/2006	200.63	192.13	
Year Ended 3/31/2007	202.80	194.60	
Year Ended 9/30/2007	205.34	198.13	
Year Ended 3/31/2008	209.43	201.45	
Year Ended 9/30/2008	214.46	203.93	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 3/31/2006	1.11	1.08	1.10
Year Ended 9/30/2006	1.09	1.07	1.08
Year Ended 3/31/2007	1.08	1.06	1.07
Year Ended 9/30/2007	1.07	1.04	1.06
Year Ended 3/31/2008	1.04	1.02	1.03
Year Ended 9/30/2008	1.02	1.01	1.02

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.  
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY

AVERAGE ANNUAL RATES OF CHANGE  
DATA ENDED SEPTEMBER 2008

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	3.19%	3.41%	3.46%
36 points	3.34%	3.51%	3.55%
24 points	4.40%	4.59%	4.69%
12 points	5.97%	6.14%	6.33%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	2.80%	2.96%	3.00%
12 points	2.91%	3.03%	3.07%
8 points	3.02%	3.10%	3.16%
4 points	3.08%	3.12%	3.18%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY  
CORRELATION COEFFICIENTS  
DATA ENDED SEPTEMBER 2008

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.98	0.98
36 points	0.96	0.96
24 points	0.98	0.98
12 points	0.97	0.97

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.99	0.99
8 points	0.98	0.98
4 points	0.93	0.93

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	ALL ITEMS - LESS ENERGY <u>CPI INDEX</u>	COMPENSATION <u>COST INDEX</u>
Oct-04	196.0	
Nov-04	196.0	183.6
Dec-04	195.8	
Jan-05	196.4	
Feb-05	197.3	186.3
Mar-05	198.3	
Apr-05	198.6	
May-05	198.6	188.8
Jun-05	198.5	
Jul-05	198.7	
Aug-05	198.9	189.0
Sep-05	199.2	
Oct-05	200.1	
Nov-05	200.2	190.0
Dec-05	200.1	
Jan-06	200.8	
Feb-06	201.6	191.7
Mar-06	202.6	
Apr-06	203.0	
May-06	203.3	193.0
Jun-06	203.6	
Jul-06	203.9	
Aug-06	204.4	193.8
Sep-06	204.9	
Oct-06	205.6	
Nov-06	205.3	194.9
Dec-06	205.1	
Jan-07	206.0	
Feb-07	207.1	196.7
Mar-07	207.9	
Apr-07	208.2	
May-07	208.4	199.5
Jun-07	208.6	
Jul-07	209.0	
Aug-07	209.4	201.4
Sep-07	210.0	
Oct-07	210.7	
Nov-07	210.9	200.8
Dec-07	210.9	
Jan-08	211.8	
Feb-08	212.5	204.1
Mar-08	213.4	
Apr-08	213.9	
May-08	214.1	205.0
Jun-08	214.6	
Jul-08	215.3	
Aug-08	215.9	205.8
Sep-08	216.4	

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items - Less Energy (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	2.58%	3.00%	2.79%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.70%	3.07%	2.89%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.83%	3.16%	2.99%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.14%	3.18%	3.16%
(5) Average Annual Index (D)			
Year Ended 3/31/2006	199.83	189.88	
Year Ended 9/30/2006	202.38	192.13	
Year Ended 3/31/2007	205.00	194.60	
Year Ended 9/30/2007	207.55	198.13	
Year Ended 3/31/2008	210.33	201.45	
Year Ended 9/30/2008	213.37	203.93	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 3/31/2006	1.08	1.08	1.08
Year Ended 9/30/2006	1.07	1.07	1.07
Year Ended 3/31/2007	1.06	1.06	1.06
Year Ended 9/30/2007	1.04	1.04	1.04
Year Ended 3/31/2008	1.03	1.02	1.03
Year Ended 9/30/2008	1.01	1.01	1.01

Notes: (A) All items less energy CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.  
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY

AVERAGE ANNUAL RATES OF CHANGE  
DATA ENDED SEPTEMBER 2008

ALL ITEMS - LESS ENERGY CPI INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.43%	2.55%	2.58%
36 points	2.57%	2.67%	2.70%
24 points	2.72%	2.79%	2.83%
12 points	3.05%	3.10%	3.14%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	2.80%	2.96%	3.00%
12 points	2.91%	3.03%	3.07%
8 points	3.02%	3.10%	3.16%
4 points	3.08%	3.12%	3.18%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY  
CORRELATION COEFFICIENTS  
DATA ENDED SEPTEMBER 2008

ALL ITEMS - LESS ENERGY CPI INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	1.00	1.00
36 points	1.00	1.00
24 points	0.99	0.99
12 points	0.99	0.99

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.99	0.99
8 points	0.98	0.98
4 points	0.93	0.93

Countrywide External Expense Trend

	Consumer Price Index (a)	Compensation Cost Index (b)		Consumer Price Index (a)	Compensation Cost Index (b)
10/03	185.0		6/06	202.9	
11/03	184.5	176.2	7/06	203.5	
12/03	184.3		8/06	203.9	193.8
1/04	185.2		9/06	202.9	
2/04	186.2	177.8	10/06	201.8	
3/04	187.4		11/06	201.5	194.9
4/04	188.0		12/06	201.8	
5/04	189.1	180.5	1/07	202.4	
6/04	189.7		2/07	203.5	196.7
7/04	189.4		3/07	205.4	
8/04	189.5	182.1	4/07	206.7	
9/04	189.9		5/07	207.9	199.5
10/04	190.9		6/07	208.4	
11/04	191.0	183.6	7/07	208.3	
12/04	190.3		8/07	207.9	201.4
1/05	190.7		9/07	208.5	
2/05	191.8	186.3	10/07	208.9	
3/05	193.3		11/07	210.2	200.8
4/05	194.6		12/07	210.0	
5/05	194.4	188.8	1/08	211.1	
6/05	194.5		2/08	211.7	204.1
7/05	195.4		3/08	213.5	
8/05	196.4	189.0	4/08	214.8	
9/05	198.8		5/08	216.6	205.0
10/05	199.2		6/08	218.8	
11/05	197.6	190.0	7/08	220.0	
12/05	196.8		8/08	219.1	205.8
1/06	198.3		9/08	218.8	
2/06	198.7	191.7			
3/06	199.8				
4/06	201.5				
5/06	202.5	193.0			

(a) Consumer Price Index for all items, all urban consumers.

Source: Bureau of Labor Statistics.

(b) Total Compensation Cost Index - Insurance Carriers, Agents Brokers, and Service.

Source: Bureau of Labor Statistics.



The data collected under the North Carolina Rate Bureau Special Call for Expense Experience for the latest five years is shown on pages H-608-611.

See the attached Exhibit (4)(d), Section D of RB-1 and the pre-filed testimony of P. Woods and M. Miller.

CPI GASOLINE INDEX  
ANNUAL PERCENT CHANGE

<u>Quarter</u>	(1) <u>Index</u>	(2) <u>Annual Percentage Change</u>
1998:4	0.884	-15.0%
1999:1	0.845	-9.8%
1998:2	0.999	7.2%
1999:3	1.063	16.4%
1999:4	1.099	24.3%
2000:1	1.200	42.1%
2000:2	1.313	31.4%
2000:3	1.325	24.7%
2000:4	1.305	18.8%
2001:1	1.253	4.4%
2001:2	1.400	6.7%
2001:3	1.256	-5.2%
2001:4	1.049	-19.6%
2002:1	1.006	-19.7%
2002:2	1.204	-14.0%
2002:3	1.208	-3.8%
2002:4	1.223	16.5%
2003:1	1.376	36.7%
2003:2	1.333	10.8%
2003:3	1.383	14.5%
2003:4	1.313	7.4%
2004:1	1.428	3.8%
2004:2	1.659	24.5%
2004:3	1.621	17.2%
2004:4	1.679	27.9%
2005:1	1.647	15.3%
2005:2	1.883	13.5%
2005:3	2.189	35.1%
2005:4	2.069	23.3%
2006:1	2.000	21.4%
2006:2	2.438	29.5%
2006:3	2.423	10.7%
2006:4	1.937	-6.4%
2007:1	2.022	1.1%
2007:2	2.555	4.8%
2007:3	2.423	0.0%
2007:4	2.519	30.0%
2008:1	2.646	30.8%
2008:2	3.189	24.8%
2008:3	3.275	35.1%

NORTH CAROLINA  
PERSONAL AUTO INSURANCE

RETAIL PRICES OF MOTOR FUEL

<u>Date</u>	<u>Regular Gasoline</u>	<u>Midgrade Gasoline</u>	<u>Premium Gasoline</u>
Jan-04	1.520	1.615	1.704
Feb-04	1.577	1.675	1.760
Mar-04	1.640	1.745	1.826
Apr-04	1.698	1.798	1.878
May-04	1.868	1.962	2.047
Jun-04	1.871	1.978	2.058
Jul-04	1.821	1.923	2.012
Aug-04	1.799	1.899	1.996
Sep-04	1.790	1.889	1.983
Oct-04	1.905	2.006	2.095
Nov-04	1.898	1.998	2.087
Dec-04	1.771	1.875	1.957
Jan-05	1.776	1.875	1.959
Feb-05	1.846	1.944	2.027
Mar-05	2.000	2.097	2.169
Apr-05	2.187	2.288	2.373
May-05	2.086	2.195	2.274
Jun-05	2.084	2.181	2.273
Jul-05	2.208	2.312	2.400
Aug-05	2.446	2.544	2.618
Sep-05	2.921	3.024	3.134
Oct-05	2.810	2.924	3.004
Nov-05	2.260	2.359	2.454
Dec-05	2.120	2.220	2.311
Jan-06	2.314	2.412	2.511
Feb-06	2.224	2.348	2.438
Mar-06	2.399	2.500	2.586
Apr-06	2.774	2.876	2.946
May-06	2.791	2.899	2.981
Jun-06	2.770	2.874	2.963
Jul-06	2.894	2.997	3.086
Aug-06	2.889	2.992	3.077
Sep-06	2.431	2.551	2.640
Oct-06	2.156	2.260	2.358
Nov-06	2.190	2.297	2.392
Dec-06	2.264	2.375	2.471
Jan-07	2.163	2.273	2.366
Feb-07	2.186	2.293	2.393
Mar-07	2.481	2.586	2.686
Apr-07	2.764	2.876	2.983
May-07	2.991	3.100	3.241
Jun-07	2.924	3.038	3.177
Jul-07	2.854	2.966	3.108
Aug-07	2.679	2.794	2.938
Sep-07	2.717	2.830	2.975
Oct-07	2.739	2.851	3.000
Nov-07	3.003	3.117	3.252
Dec-07	2.937	3.053	3.188
Jan-08	2.989	3.113	3.242
Feb-08	3.006	3.118	3.246
Mar-08	3.213	3.323	3.453
Apr-08	3.386	3.502	3.639
May-08	3.736	3.846	3.994

Source: U.S. Dept. of Transportation, Federal Highway Administration

Monthly Gasoline Sales (in thousands of gallons)

Note: These data are taken from state taxation reports at the wholesale level and thus retail sales may reflect time lags of as long as 6 weeks.

In addition, the data include highway use, non-highway use, and losses.

	Monthly Gasoline Sales for <u>North Carolina</u>	% change from month one year prior	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one year prior
Jan 2001	337,065	36.7%	4,205,372	1.3%
Feb 2001	313,281	-2.8%	4,196,441	0.4%
Mar 2001	352,485	-0.2%	4,195,809	0.2%
Apr 2001	349,404	3.2%	4,206,748	0.4%
May 2001	362,668	-0.8%	4,203,974	0.0%
Jun 2001	359,808	-0.8%	4,200,933	-0.3%
Jul 2001	365,105	3.3%	4,212,564	0.1%
Aug 2001	386,702	2.8%	4,223,191	0.6%
Sep 2001	345,463	1.6%	4,228,469	1.1%
Oct 2001	356,981	-0.9%	4,225,050	0.7%
Nov 2001	364,974	6.0%	4,245,572	1.5%
Dec 2001	349,756	-0.5%	4,243,692	3.1%
Jan 2002	324,599	-3.7%	4,231,226	0.6%
Feb 2002	314,049	0.2%	4,231,994	0.8%
Mar 2002	373,224	5.9%	4,252,733	1.4%
Apr 2002	362,307	3.7%	4,265,636	1.4%
May 2002	385,935	6.4%	4,288,903	2.0%
Jun 2002	353,515	-1.7%	4,282,610	1.9%
Jul 2002	381,819	4.6%	4,299,324	2.1%
Aug 2002	388,322	0.4%	4,300,944	1.8%
Sep 2002	348,880	1.0%	4,304,361	1.8%
Oct 2002	369,854	3.6%	4,317,234	2.2%
Nov 2002	360,420	-1.2%	4,312,680	1.6%
Dec 2002	358,955	2.6%	4,321,879	1.8%
Jan 2003	350,647	8.0%	4,347,927	2.8%
Feb 2003	309,803	-1.4%	4,343,681	2.6%
Mar 2003	352,649	-5.5%	4,323,106	1.7%
Apr 2003	352,764	-2.6%	4,313,563	1.1%
May 2003	382,431	-0.9%	4,310,059	0.5%
Jun 2003	368,673	4.3%	4,325,217	1.0%
Jul 2003	392,732	2.9%	4,336,130	0.9%
Aug 2003	396,930	2.2%	4,344,738	1.0%
Sep 2003	364,449	4.5%	4,360,307	1.3%
Oct 2003	383,700	3.7%	4,374,153	1.3%
Nov 2003	356,887	-1.0%	4,370,620	1.3%
Dec 2003	373,497	4.1%	4,385,162	1.5%
Jan 2004	335,346	-4.4%	4,369,861	0.5%
Feb 2004	340,455	9.9%	4,400,513	1.3%
Mar 2004	383,324	8.7%	4,431,188	2.5%
Apr 2004	366,911	4.0%	4,445,335	3.1%
May 2004	425,388	11.2%	4,488,292	4.1%
Jun 2004	353,521	-4.1%	4,473,140	3.4%
Jul 2004	390,399	-0.6%	4,470,807	3.1%
Aug 2004	387,946	-2.3%	4,461,823	2.7%
Sep 2004	365,851	0.4%	4,463,225	2.4%

Monthly Gasoline Sales (in thousands of gallons)

Note: These data are taken from state taxation reports at the wholesale level and thus retail sales may reflect time lags of as long as 6 weeks. In addition, the data include highway use, non-highway use, and losses.

		Monthly Gasoline Sales for <u>North Carolina</u>	% change from month <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
Oct	2004	377,443	-1.6%	4,456,968	1.9%
Nov	2004	374,005	4.8%	4,474,086	2.4%
Dec	2004	366,853	-1.8%	4,467,442	1.9%
Jan	2005	346,365	3.3%	4,478,461	2.5%
Feb	2005	367,155	7.8%	4,505,161	2.4%
Mar	2005	370,937	-3.2%	4,492,774	1.4%
Apr	2005	366,054	-0.2%	4,491,917	1.0%
May	2005	401,405	-5.6%	4,467,934	-0.5%
Jun	2005	365,062	3.3%	4,479,475	0.1%
Jul	2005	387,456	-0.8%	4,476,532	0.1%
Aug	2005	407,188	5.0%	4,495,774	0.8%
Sep	2005	410,122	12.1%	4,540,045	1.7%
Oct	2005	296,331	-21.5%	4,458,933	0.0%
Nov	2005	331,742	-11.3%	4,416,670	-1.3%
Dec	2005	425,530	16.0%	4,475,347	0.2%
Jan	2006	342,777	-1.0%	4,471,759	-0.1%
Feb	2006	334,966	-8.8%	4,439,570	-1.5%
Mar	2006	374,562	1.0%	4,443,195	-1.1%
Apr	2006	364,564	-0.4%	4,441,705	-1.1%
May	2006	392,926	-2.1%	4,433,226	-0.8%
Jun	2006	373,486	2.3%	4,441,650	-0.8%
Jul	2006	379,966	-1.9%	4,434,160	-0.9%
Aug	2006	399,075	-2.0%	4,426,047	-1.6%
Sep	2006	362,003	-11.7%	4,377,928	-3.6%
Oct	2006	381,321	28.7%	4,462,918	0.1%
Nov	2006	365,615	10.2%	4,496,791	1.8%
Dec	2006	375,139	-11.8%	4,446,400	-0.6%
Jan	2007	359,663	4.9%	4,463,286	-0.2%
Feb	2007	341,920	2.1%	4,470,240	0.7%
Mar	2007	380,157	1.5%	4,475,835	0.7%
Apr	2007	379,268	4.0%	4,490,539	1.1%
May	2007	393,029	0.0%	4,490,642	1.3%
Jun	2007	354,724	-5.0%	4,471,880	0.7%
Jul	2007	421,394	10.9%	4,513,308	1.8%
Aug	2007	398,760	-0.1%	4,512,993	2.0%
Sep	2007	363,327	0.4%	4,514,317	3.1%
Oct	2007	379,255	-0.5%	4,512,251	1.1%
Nov	2007	363,599	-0.6%	4,510,235	0.3%
Dec	2007	360,279	-4.0%	4,495,375	1.1%
Jan	2008	357,134	-0.7%	4,492,846	0.7%
Feb	2008	346,600	1.4%	4,497,526	0.6%
Mar	2008	366,274	-3.7%	4,483,643	0.2%
Apr	2008	379,033	-0.1%	4,483,408	-0.2%
May	2008	377,342	-4.0%	4,467,721	-0.5%

## MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
1/02	213.7	2,786.1	3.1%	10,751.1	134,549.6	1.1%
2/02	206.4	2,792.6	3.2%	10,230.3	134,572.5	1.2%
3/02	234.0	2,795.1	3.1%	11,265.8	134,921.5	1.3%
4/02	234.7	2,798.4	3.0%	11,469.3	135,256.6	1.5%
5/02	249.7	2,803.8	2.9%	12,062.9	135,783.3	2.0%
6/02	246.3	2,807.5	2.9%	11,669.3	135,747.0	1.6%
7/02	253.9	2,812.6	2.7%	12,083.0	136,138.9	1.8%
8/02	256.0	2,816.9	2.6%	12,189.1	136,433.8	1.9%
9/02	230.9	2,823.2	2.7%	11,501.3	136,956.7	2.3%
10/02	243.3	2,826.5	2.5%	11,653.4	137,328.6	2.5%
11/02	228.5	2,825.5	2.1%	11,407.2	137,642.8	2.6%
12/02	231.4	2,828.8	1.7%	11,454.3	137,737.0	2.6%
1/03	218.3	2,833.4	1.7%	11,126.9	138,112.8	2.6%
2/03	203.1	2,830.1	1.3%	10,064.7	137,947.2	2.5%
3/03	237.1	2,833.2	1.4%	11,273.6	137,955.0	2.2%
4/03	238.9	2,837.4	1.4%	11,396.9	137,882.6	1.9%
5/03	253.6	2,841.3	1.3%	12,040.2	137,859.9	1.5%
6/03	252.1	2,847.1	1.4%	11,929.4	138,120.0	1.7%
7/03	261.3	2,854.5	1.5%	12,257.1	138,294.1	1.6%
8/03	260.3	2,858.8	1.5%	12,340.3	138,445.3	1.5%
9/03	236.4	2,864.3	1.5%	11,599.3	138,543.3	1.2%
10/03	253.8	2,874.8	1.7%	11,889.0	138,778.9	1.1%
11/03	235.4	2,881.7	2.0%	11,388.1	138,759.8	0.8%
12/03	240.6	2,890.9	2.2%	11,834.6	139,140.1	1.0%
1/04	222.0	2,894.6	2.2%	11,351.8	139,365.0	0.9%
2/04	213.5	2,905.0	2.6%	11,108.9	140,409.2	1.8%
3/04	252.1	2,920.0	3.1%	11,792.9	140,928.5	2.2%
4/04	251.7	2,932.8	3.4%	11,992.3	141,523.9	2.6%
5/04	257.1	2,936.3	3.3%	12,297.2	141,780.9	2.8%
6/04	257.8	2,942.0	3.3%	11,960.3	141,811.8	2.7%
7/04	266.2	2,946.9	3.2%	12,307.4	141,862.1	2.6%
8/04	262.9	2,949.5	3.2%	12,316.8	141,838.6	2.5%
9/04	242.9	2,956.0	3.2%	12,044.6	142,283.9	2.7%
10/04	253.7	2,955.9	2.8%	11,816.6	142,211.5	2.5%
11/04	238.6	2,959.1	2.7%	11,590.8	142,414.2	2.6%
12/04	243.9	2,962.4	2.5%	12,277.3	142,856.9	2.7%
1/05	224.2	2,964.6	2.4%	11,116.1	142,621.2	2.3%
2/05	220.1	2,971.2	2.3%	10,891.3	142,403.6	1.4%
3/05	253.6	2,972.7	1.8%	11,886.2	142,496.9	1.1%
4/05	250.9	2,971.9	1.3%	11,704.6	142,209.2	0.5%

Source: U. S. Department of Transportation, Federal Highway Administration

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
5/05	262.1	2,976.9	1.4%	12,282.4	142,194.4	0.3%
6/05	264.0	2,983.1	1.4%	12,228.1	142,462.2	0.5%
7/05	267.4	2,984.3	1.3%	12,467.5	142,622.3	0.5%
8/05	265.3	2,986.7	1.3%	12,654.3	142,959.8	0.8%
9/05	241.6	2,985.4	1.0%	11,553.0	142,468.2	0.1%
10/05	252.1	2,983.8	0.9%	11,677.2	142,328.8	0.1%
11/05	243.5	2,988.7	1.0%	11,444.9	142,182.9	-0.2%
12/05	244.9	2,989.7	0.9%	12,024.5	141,930.1	-0.6%
1/06	232.9	2,998.4	1.1%	11,142.1	141,956.1	-0.5%
2/06	220.8	2,999.1	0.9%	10,885.9	141,950.7	-0.3%
3/06	256.6	3,002.1	1.0%	11,825.2	141,889.7	-0.4%
4/06	250.4	3,001.6	1.0%	11,700.0	141,885.1	-0.2%
5/06	264.2	3,003.7	0.9%	12,058.6	141,661.3	-0.4%
6/06	263.2	3,002.9	0.7%	11,823.5	141,256.7	-0.8%
7/06	262.8	2,998.3	0.5%	12,201.8	140,991.0	-1.1%
8/06	266.5	2,999.5	0.4%	12,296.2	140,632.9	-1.6%
9/06	246.4	3,004.3	0.6%	11,891.2	140,971.1	-1.1%
10/06	258.1	3,010.3	0.9%	11,986.4	141,280.3	-0.7%
11/06	245.8	3,012.6	0.8%	11,580.9	141,416.3	-0.5%
12/06	246.3	3,014.0	0.8%	12,159.8	141,551.6	-0.3%
1/07	230.9	3,012.0	0.5%	11,407.6	141,817.1	-0.1%
2/07	216.2	3,007.4	0.3%	10,767.3	141,698.5	-0.2%
3/07	256.5	3,007.3	0.2%	11,730.8	141,604.1	-0.2%
4/07	249.6	3,006.5	0.2%	11,789.5	141,693.6	-0.1%
5/07	264.2	3,006.5	0.1%	12,171.1	141,806.1	0.1%
6/07	262.4	3,005.7	0.1%	12,027.8	142,010.4	0.5%
7/07	264.1	3,007.0	0.3%			
8/07	268.7	3,009.2	0.3%	No further update available		
9/07	243.6	3,006.4	0.1%			
10/07	258.7	3,007.0	-0.1%			
11/07	243.3	3,004.5	-0.3%			
12/07	238.2	2,996.4	-0.6%			
1/08	227.3	2,992.8	-0.6%			
2/08	215.1	2,991.7	-0.5%			
3/08	245.1	2,980.3	-0.9%			
4/08	245.6	2,976.3	-1.0%			
5/08	254.2	2,966.3	-1.3%			
6/08	248.8	2,952.7	-1.8%			
7/08	254.4	2,943.0	-2.1%			
8/08	253.7	2,928.0	-2.7%			
9/08	232.8	2,917.2	-3.0%			

Source: U. S. Department of Transportation, Federal Highway Administration



COMPONENTS OF THE CPI INDEX  
MONTHLY PERCENT CHANGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CPI-U:	CPI-U:	CPI-U:	CPI-U:	Weekly	CPI-U:	PPI:	PPI:
Month	All Items	Med. Care	Phys. Serv.	Hospital & Other Related Services	Income	Auto Bodywork	All Items	Metal/MPR
7/2004	-0.2%	0.3%	0.1%	0.5%	0.6%	0.1%	0.1%	2.7%
8/2004	0.1%	0.2%	0.5%	-0.1%	0.3%	0.2%	0.4%	1.8%
9/2004	0.2%	0.2%	0.1%	0.4%	0.6%	0.6%	-0.2%	0.5%
10/2004	0.5%	0.3%	0.2%	0.5%	-0.1%	0.3%	1.6%	1.6%
11/2004	0.1%	0.3%	0.1%	0.6%	-0.1%	0.0%	0.9%	1.0%
12/2004	-0.4%	0.3%	0.0%	0.7%	0.7%	-0.1%	-0.8%	0.3%
1/2005	0.2%	0.6%	0.4%	0.7%	0.0%	-0.1%	0.5%	0.7%
2/2005	0.6%	0.8%	1.1%	0.9%	0.4%	0.1%	0.5%	0.2%
3/2005	0.8%	0.4%	0.2%	0.6%	0.0%	0.3%	1.4%	-0.1%
4/2005	0.7%	0.2%	0.3%	0.0%	0.5%	0.7%	0.8%	0.4%
5/2005	-0.1%	0.2%	0.3%	0.0%	-0.1%	0.5%	-0.5%	-1.1%
6/2005	0.1%	0.2%	0.0%	0.1%	0.2%	0.3%	0.0%	-1.1%
7/2005	0.5%	0.4%	0.2%	0.7%	0.4%	0.4%	1.3%	-0.1%
8/2005	0.5%	-0.1%	0.1%	-0.3%	0.2%	0.3%	0.8%	0.6%
9/2005	1.2%	0.2%	0.1%	0.0%	0.4%	1.1%	2.9%	1.7%
10/2005	0.2%	0.5%	0.1%	0.9%	0.6%	0.2%	2.5%	0.5%
11/2005	-0.8%	0.6%	0.0%	1.4%	0.1%	0.3%	-1.5%	1.9%
12/2005	-0.4%	0.1%	0.1%	0.0%	0.4%	0.5%	-0.4%	1.0%
1/2006	0.8%	0.3%	-0.3%	0.9%	0.7%	0.2%	0.8%	1.1%
2/2006	0.2%	0.8%	0.5%	1.5%	0.1%	0.9%	-1.5%	1.4%
3/2006	0.6%	0.5%	0.6%	0.6%	0.4%	0.2%	0.2%	0.6%
4/2006	0.9%	0.3%	0.0%	0.3%	1.0%	-0.4%	1.3%	2.8%
5/2006	0.5%	0.3%	0.1%	0.3%	-0.3%	0.4%	0.9%	4.1%
6/2006	0.2%	0.1%	0.0%	0.3%	0.7%	0.4%	0.2%	0.4%
7/2006	0.3%	0.3%	0.1%	0.4%	0.4%	0.4%	0.4%	1.4%
8/2006	0.2%	0.2%	0.1%	0.4%	0.2%	0.3%	0.7%	-0.3%
9/2006	-0.5%	0.2%	0.0%	0.2%	0.0%	0.4%	-1.5%	0.4%
10/2006	-0.5%	0.3%	0.2%	0.5%	0.7%	0.0%	-1.9%	-0.2%
11/2006	-0.1%	0.2%	0.2%	0.7%	-0.1%	0.4%	1.5%	-0.7%
12/2006	0.1%	0.0%	0.2%	-0.1%	0.8%	0.3%	0.6%	0.3%
1/2007	0.3%	1.0%	1.2%	1.1%	0.0%	0.7%	-1.0%	-0.4%
2/2007	0.5%	0.9%	1.3%	1.2%	0.0%	0.4%	1.7%	0.8%
3/2007	0.9%	0.2%	0.1%	0.5%	1.0%	0.1%	1.5%	2.1%
4/2007	0.6%	0.3%	0.0%	0.4%	0.0%	0.1%	1.2%	2.3%
5/2007	0.6%	0.2%	0.1%	0.4%	0.3%	-0.1%	1.1%	0.5%
6/2007	0.2%	0.1%	0.1%	0.2%	0.7%	0.0%	0.3%	-0.2%
7/2007	0.0%	0.6%	0.4%	0.9%	0.0%	0.1%	0.7%	0.4%
8/2007	-0.2%	0.4%	0.2%	0.3%	0.2%	0.2%	-1.5%	-0.6%
9/2007	0.3%	0.2%	0.0%	0.6%	0.3%	0.3%	0.6%	-0.5%
10/2007	0.2%	0.5%	0.4%	1.2%	0.1%	0.9%	0.7%	0.3%
11/2007	0.6%	0.4%	0.0%	1.0%	0.3%	0.3%	2.5%	-0.4%
12/2007	-0.1%	0.2%	0.2%	0.1%	0.3%	0.3%	-0.2%	-0.1%
1/2008	0.5%	0.8%	0.6%	1.5%	0.0%	0.2%	1.3%	1.8%
2/2008	0.3%	0.5%	-0.1%	0.9%	0.3%	-0.2%	0.9%	2.2%
3/2008	0.9%	0.2%	0.2%	0.2%	0.6%	0.1%	2.8%	3.1%
4/2008	0.6%	0.1%	0.0%	0.2%	0.1%	0.0%	1.6%	4.6%
5/2008	0.8%	0.1%	0.7%	0.2%	0.0%	0.3%	3.0%	2.7%
6/2008	1.0%	0.1%	0.1%	0.1%	0.3%	0.4%	2.0%	1.6%
7/2008	0.5%	0.1%	0.1%	0.4%	0.3%	0.2%	2.5%	2.3%
8/2008	-0.4%	0.1%	0.5%	0.4%	0.4%	0.9%	-2.8%	0.0%
9/2008	-0.1%	0.2%	0.3%	0.4%	-0.1%	0.8%	-1.4%	-3.6%

COMPONENTS OF THE CPI INDEX  
ANNUAL PERCENT CHANGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CPI-U:	CPI-U:	CPI-U:	CPI-U:	Weekly	CPI-U:	PPI:	PPI:
Month	All Items	Med. Care	Phys. Serv.	Hospital & Other Related Services	Income	Auto Bodywork	All Items	Metal/MPR
7/2004	3.0%	4.5%	3.9%	6.2%	2.3%	2.4%	7.0%	17.8%
8/2004	2.7%	4.4%	4.4%	5.2%	2.1%	2.6%	7.2%	19.4%
9/2004	2.5%	4.4%	4.4%	5.2%	3.0%	3.3%	6.6%	19.5%
10/2004	3.2%	4.5%	4.3%	5.4%	2.5%	3.5%	7.7%	20.7%
11/2004	3.5%	4.4%	4.3%	4.8%	2.2%	3.4%	9.0%	20.7%
12/2004	3.3%	4.2%	4.0%	5.2%	3.1%	2.7%	7.7%	19.5%
1/2005	3.0%	4.3%	3.9%	5.2%	2.3%	2.5%	6.7%	17.8%
2/2005	3.0%	4.3%	3.7%	5.4%	2.5%	2.4%	6.7%	14.5%
3/2005	3.1%	4.3%	3.1%	5.7%	2.6%	2.3%	7.4%	11.5%
4/2005	3.5%	4.3%	3.3%	5.7%	3.0%	2.6%	7.0%	10.0%
5/2005	2.8%	4.3%	3.5%	5.5%	2.3%	2.6%	5.1%	8.4%
6/2005	2.5%	4.2%	3.4%	5.0%	2.9%	3.1%	4.8%	7.0%
7/2005	3.2%	4.2%	3.6%	5.2%	2.8%	3.4%	6.0%	4.0%
8/2005	3.6%	3.9%	3.1%	5.0%	2.7%	3.4%	6.5%	2.9%
9/2005	4.7%	3.9%	3.1%	4.6%	2.6%	4.0%	9.8%	4.1%
10/2005	4.3%	4.1%	3.0%	5.0%	3.3%	3.8%	10.8%	3.1%
11/2005	3.5%	4.5%	3.0%	5.8%	3.5%	4.0%	8.1%	4.0%
12/2005	3.4%	4.3%	3.1%	5.1%	3.2%	4.8%	8.5%	4.8%
1/2006	4.0%	4.0%	2.3%	5.2%	3.9%	5.1%	8.9%	5.3%
2/2006	3.6%	4.0%	1.6%	5.9%	3.5%	6.0%	6.7%	6.5%
3/2006	3.4%	4.1%	1.9%	5.9%	3.9%	5.8%	5.5%	7.2%
4/2006	3.5%	4.1%	1.6%	6.3%	4.3%	4.7%	6.0%	9.8%
5/2006	4.2%	4.2%	1.4%	6.6%	4.1%	4.5%	7.5%	15.6%
6/2006	4.3%	4.1%	1.4%	6.8%	4.6%	4.6%	7.6%	17.3%
7/2006	4.1%	4.0%	1.3%	6.4%	4.6%	4.6%	6.7%	19.1%
8/2006	3.8%	4.3%	1.4%	7.2%	4.6%	4.5%	6.5%	18.1%
9/2006	2.1%	4.2%	1.2%	7.3%	4.2%	3.8%	2.0%	16.5%
10/2006	1.3%	4.0%	1.4%	6.9%	4.3%	3.6%	-2.4%	15.7%
11/2006	2.0%	3.7%	1.5%	6.3%	4.2%	3.7%	0.5%	12.7%
12/2006	2.5%	3.6%	1.7%	6.1%	4.6%	3.4%	1.6%	11.9%
1/2007	2.1%	4.3%	3.2%	6.3%	3.9%	3.9%	-0.2%	10.1%
2/2007	2.4%	4.3%	4.1%	6.0%	3.8%	3.5%	3.1%	9.5%
3/2007	2.8%	4.0%	3.6%	5.8%	4.5%	3.4%	4.4%	11.1%
4/2007	2.6%	4.0%	3.7%	5.9%	3.5%	3.9%	4.3%	10.5%
5/2007	2.7%	4.0%	3.6%	6.0%	4.1%	3.4%	4.5%	6.6%
6/2007	2.7%	4.0%	3.8%	5.8%	4.1%	3.1%	4.6%	5.9%
7/2007	2.4%	4.3%	4.0%	6.4%	3.7%	2.8%	5.0%	4.9%
8/2007	2.0%	4.5%	4.1%	6.4%	3.7%	2.8%	2.7%	4.5%
9/2007	2.8%	4.6%	4.1%	6.8%	4.1%	2.6%	4.9%	3.6%
10/2007	3.5%	4.8%	4.3%	7.6%	3.5%	3.5%	7.7%	4.1%
11/2007	4.3%	5.0%	4.1%	7.9%	3.8%	3.5%	8.7%	4.5%
12/2007	4.1%	5.2%	4.1%	8.1%	3.4%	3.5%	7.9%	4.1%
1/2008	4.3%	4.9%	3.5%	8.5%	3.4%	3.0%	10.4%	6.4%
2/2008	4.0%	4.5%	2.1%	8.2%	3.7%	2.4%	9.5%	7.8%
3/2008	4.0%	4.6%	2.1%	7.9%	3.3%	2.3%	11.0%	8.8%
4/2008	3.9%	4.3%	2.1%	7.7%	3.5%	2.2%	11.4%	11.4%
5/2008	4.2%	4.1%	2.8%	7.5%	3.2%	2.6%	13.4%	13.8%
6/2008	5.0%	4.0%	2.8%	7.4%	2.8%	2.9%	15.4%	15.8%
7/2008	5.6%	3.5%	2.4%	6.8%	3.1%	3.1%	17.4%	18.1%
8/2008	5.4%	3.3%	2.7%	6.9%	3.3%	3.7%	16.0%	18.8%
9/2008	4.9%	3.2%	3.0%	6.6%	2.8%	4.2%	13.7%	15.1%

CPI ALL ITEMS (URBAN) - LESS ENERGY  
ANNUAL PERCENT CHANGE

(1)			(2)			(1)			(2)		
<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1/2003	1.890	1.8%	1/2006	2.008	2.2%	1/2007	2.060	2.6%	1/2008	2.118	2.8%
2/2003	1.897	1.7%	2/2006	2.016	2.2%	2/2007	2.071	2.7%	2/2008	2.125	2.6%
3/2003	1.902	1.7%	3/2006	2.026	2.2%	3/2007	2.079	2.6%	3/2008	2.134	2.7%
4/2003	1.902	1.4%	4/2006	2.030	2.2%	4/2007	2.082	2.6%	4/2008	2.139	2.7%
5/2003	1.903	1.5%	5/2006	2.033	2.4%	5/2007	2.084	2.5%	5/2008	2.141	2.7%
6/2003	1.903	1.6%	6/2006	2.036	2.6%	6/2007	2.086	2.5%	6/2008	2.146	2.9%
7/2003	1.905	1.6%	7/2006	2.039	2.6%	7/2007	2.090	2.5%	7/2008	2.153	3.0%
8/2003	1.908	1.4%	8/2006	2.044	2.8%	8/2007	2.094	2.4%	8/2008	2.159	3.1%
9/2003	1.910	1.4%	9/2006	2.049	2.9%	9/2007	2.100	2.5%	9/2008	2.164	3.0%
10/2003	1.917	1.5%	10/2006	2.056	2.7%	10/2007	2.107	2.5%			
11/2003	1.916	1.4%	11/2006	2.053	2.5%	11/2007	2.109	2.7%			
12/2003	1.915	1.5%	12/2006	2.051	2.5%	12/2007	2.109	2.8%			
1/2004	1.919	1.5%									
2/2004	1.927	1.6%									
3/2004	1.937	1.8%									
4/2004	1.941	2.1%									
5/2004	1.943	2.1%									
6/2004	1.944	2.2%									
7/2004	1.945	2.1%									
8/2004	1.947	2.0%									
9/2004	1.952	2.2%									
10/2004	1.960	2.2%									
11/2004	1.960	2.3%									
12/2004	1.958	2.2%									
1/2005	1.964	2.3%									
2/2005	1.973	2.4%									
3/2005	1.983	2.4%									
4/2005	1.986	2.3%									
5/2005	1.986	2.2%									
6/2005	1.985	2.1%									
7/2005	1.987	2.2%									
8/2005	1.989	2.2%									
9/2005	1.992	2.0%									
10/2005	2.001	2.1%									
11/2005	2.002	2.1%									
12/2005	2.001	2.2%									

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

(a) Exposure distributions by policy term:

<u>Year Ended</u>	<u>6 Month</u>	<u>12 Month</u>
12/2002	90%	10%
12/2003	87	13
12/2004	87	13
12/2005	87	13
12/2006	87	13
12/2007	86	14

These exposure distributions are the best estimates of the corresponding premium distributions.

The distribution for the most recent year is the best estimate of the distribution during the time the proposed rates will be in effect.

- (b) Calculation of model year trend factors is shown on page H-603. This calculation is based on a comparison of the average model year relativity for the period for which the proposed rates will be in effect and the average model year relativity underlying the calculation of the premium at present rates. The model year trend factors are 1.055 for Comprehensive and 1.064 for Collision.

Calculation of symbol trend factors is shown on page H-604-605. Symbol trend factors are selected based on historical data for written exposures for each deductible. The trend period is the midpoint of the experience period to the average date of earning under the proposed rates (3.04 years). The symbol trend factors are 1.021 for Comprehensive and 1.000 for Collision.

The application of the model year and symbol trend factors is shown and described on page C-7 and C-8.

No premium trend is applicable to the liability coverages.

See also pre-filed testimony of P. Woods and M. Miller.

NORTH CAROLINA  
 PRIVATE PASSENGER AUTOMOBILE INSURANCE  
 FOR 2009 BASE  
 CALCULATION OF MODEL YEAR RELATIVITY  
 BEFORE OCTOBER 1, 2009

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2009	0.060	1.000	0.061	1.000
2008	0.080	0.950	0.083	0.950
2007	0.086	0.900	0.091	0.900
2006	0.089	0.850	0.095	0.850
2005	0.087	0.800	0.093	0.790
2004	0.085	0.750	0.090	0.720
2003	0.080	0.690	0.084	0.660
2002	0.081	0.640	0.084	0.600
2001	0.070	0.590	0.072	0.540
2000 & PRIOR	0.282	0.540	0.247	0.490
(1) Average		0.723		0.707

AFTER OCTOBER 1, 2009 (INTRODUCTION OF 2010 MODEL)

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2010	0.060	1.050	0.061	1.050
2009	0.080	1.000	0.083	1.000
2008	0.086	0.950	0.091	0.950
2007	0.089	0.900	0.095	0.900
2006	0.087	0.850	0.093	0.850
2005	0.085	0.800	0.090	0.790
2004	0.080	0.750	0.084	0.720
2003	0.081	0.690	0.084	0.660
2002	0.070	0.640	0.072	0.600
2001	0.057	0.590	0.057	0.540
2000 & PRIOR	0.225	0.540	0.190	0.490
(2) Average		0.763		0.752

AFTER OCTOBER 1, 2010 (INTRODUCTION OF 2011 MODEL)

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2011	0.060	1.103	0.061	1.103
2010	0.080	1.050	0.083	1.050
2009	0.086	1.000	0.091	1.000
2008	0.089	0.950	0.095	0.950
2007	0.087	0.900	0.093	0.900
2006	0.085	0.850	0.090	0.850
2005	0.080	0.800	0.084	0.790
2004	0.081	0.750	0.084	0.720
2003	0.070	0.690	0.072	0.660
2002	0.057	0.640	0.057	0.600
2001	0.050	0.590	0.048	0.540
2000 & PRIOR	0.175	0.540	0.142	0.490
(3) Average		0.805		0.800

(4) Number of months from effective date to 10/1/2010: 12

(5) Average relativity based on an effective date of 10/1/2009:

Comp:  $(0.763 \times (4) + 0.805 \times (12 - (4))) / 12 = 0.763$

Comp:  $(0.752 \times (4) + 0.8 \times (12 - (4))) / 12 = 0.752$

(6) Model year trend factor:

Comp:  $(5) / 0.723 = 1.055$

Coll:  $(5) / 0.707 = 1.064$

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SYMBOL TREND

COMPREHENSIVE(a)

Year Ended	Full Coverage		\$50 Deductible		\$100 Deductible		\$250 Deductible		\$500 Deductible		\$1000 Deductible	
	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR
6/30/04	666,236	1.740	99,837	1.862	501,977	1.977	227,663	2.090	240,176	2.243	24,638	2.565
12/31/04	675,329	1.763	101,402	1.885	518,844	1.995	237,805	2.112	256,933	2.271	27,943	2.605
6/30/05	683,857	1.787	102,149	1.900	533,083	2.011	247,533	2.132	278,251	2.291	31,831	2.624
12/31/05	682,739	1.805	100,136	1.916	538,703	2.021	255,865	2.142	303,677	2.298	36,162	2.616
6/30/06	680,790	1.819	98,248	1.926	548,418	2.026	266,754	2.145	336,367	2.302	41,127	2.607
12/31/06	678,315	1.831	96,156	1.935	557,051	2.030	277,791	2.149	371,127	2.308	46,363	2.602
6/30/07	678,758	1.843	94,846	1.943	565,972	2.035	287,946	2.145	407,124	2.316	51,497	2.605
12/31/07	611,225	1.841	90,436	1.950	510,541	2.039	267,928	2.167	390,755	2.326	52,320	2.609

Average Annual Rate of Change:

8 points *	1.7%	1.3%	0.8%	0.9%	0.9%	0.2%
6 points *	1.3%	1.0%	0.5%	0.5%	0.6%	-0.2%
2 year	1.0%	0.9%	0.4%	0.6%	0.6%	-0.1%
1 year	0.5%	0.8%	0.4%	0.8%	0.8%	0.3%

Correlation Coefficients:

8 points *	0.97	0.98	0.95	0.92	0.95	0.39
6 points *	0.97	0.99	0.98	0.87	0.99	-0.74

\* Based on exponential curve of best fit.

(a) Standard Physical Damage business only.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SYMBOL TREND

COLLISION (a)

Year Ended	\$50 Deductible		\$100 Deductible		\$200 Deductible		\$250 Deductible		\$500 Deductible		\$1000 Deductible	
	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR
6/30/04	7,269	1.151	167,389	1.143	34,770	1.282	740,240	1.285	639,881	1.403	50,650	1.519
12/31/04	7,509	1.168	166,358	1.151	34,414	1.291	752,998	1.290	675,797	1.411	56,200	1.530
6/30/05	7,723	1.184	164,210	1.160	33,984	1.294	763,029	1.294	713,767	1.417	62,044	1.534
12/31/05	7,862	1.201	159,991	1.166	33,327	1.299	761,486	1.296	747,941	1.419	68,062	1.531
6/30/06	8,148	1.214	156,194	1.169	32,640	1.300	763,836	1.294	791,352	1.418	75,001	1.526
12/31/06	8,585	1.222	152,856	1.171	32,168	1.299	766,466	1.291	836,218	1.418	81,816	1.521
6/30/07	9,228	1.236	151,418	1.174	31,796	1.299	771,981	1.290	881,935	1.415	88,373	1.517
12/31/07	9,411	1.253	140,110	1.174	30,936	1.298	692,549	1.286	825,214	1.413	87,605	1.513

Average Annual Rate of Change:

8 points *	2.4%	0.8%	0.3%	0.0%	0.2%	-0.2%
6 points *	2.2%	0.5%	0.1%	-0.3%	-0.1%	-0.6%
2 year	2.1%	0.3%	0.0%	-0.4%	-0.2%	-0.6%
1 year	2.5%	0.3%	-0.1%	-0.4%	-0.4%	-0.5%

Correlation Coefficients:

8 points *	1.00	0.95	0.79	-0.03	0.51	-0.59
6 points *	1.00	0.96	0.48	-0.91	-0.76	-1.00

\* Based on exponential curve of best fit.

(a) Standard Physical Damage business only.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

No limitations were applied.



STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE,  
OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES
- (a)(b) The derivation of expense factors is shown on the following  
pages H-608-611. See also pre-filed testimony of P. Woods and  
M. Miller.
- (c) Pages H-513-524 contain information on expenses for the top 10  
writers.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Premium Written (Manual Level)	\$2,319,914,842	\$2,344,630,005	\$2,430,314,065	\$2,564,464,994	\$2,752,187,885
Premiums Earned (Manual Level)	2,272,048,154	2,317,791,914	2,547,452,137	2,474,652,930	2,705,689,234
Premium Written (Collected Level)	2,131,701,669	2,186,772,183	2,241,463,188	2,341,625,605	2,487,073,360
Premiums Earned (Collected Level)	2,080,058,726	2,165,237,699	2,241,095,799	2,287,577,675	2,462,113,550
Commission & Brokerage	208,066,954	216,474,247	230,906,890	233,017,253	243,168,267
Other Acquisition	175,892,165	189,773,679	207,284,540	204,265,427	223,782,430
General Expenses	121,860,417	133,622,984	125,500,282	173,722,761	177,062,463
Taxes, Licenses, and Fees	50,675,808	49,949,234	52,183,922	49,163,847	53,978,759
Bodily Injury Losses Incurred	901,261,493	983,642,182	964,678,890	1,055,097,656	1,116,786,715
BI Allocated Loss Adjustment	33,670,584	36,670,488	33,457,299	25,699,804	35,861,097
BI Unallocated Loss Adjustment	111,448,514	115,524,475	127,744,750	137,538,285	154,372,429
Property Damage Losses Incurred	588,252,361	602,068,126	598,208,979	633,965,836	636,168,672
PD Allocated Loss Adjustment	8,993,978	6,792,019	8,055,918	5,525,868	3,490,330
PD Unallocated Loss Adjustment	76,384,689	76,480,634	74,018,157	70,909,209	74,850,761

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)(b)	.097	.099	.104	.100	.097
Other Acquisition to Earned Premium (b)	.085	.088	.092	.089	.091
General Expenses to Earned Premium (b)	.059	.062	.056	.076	.072
Taxes, Licenses, etc. to Written Premium (b)	.024	.023	.023	.021	.022
	<u>BI</u>	<u>PD</u>	<u>BI</u>	<u>PD</u>	<u>BI</u>
Unallocated Loss Adjustment Expenses to Losses + Allocated	.119	.128	.113	.126	.128
	<u>BI</u>	<u>PD</u>	<u>BI</u>	<u>PD</u>	<u>BI</u>
	.127	.111	.134	.117	.117

Notes:

- (a) Since ceded business has a commission and brokerage provision set at 10%, the provision for voluntary business is found by solving the following expression for X:  
 $.10 \text{ (percent ceded written premium)} + X \text{ (percent voluntary written premium)} = \text{overall Commission and Brokerage provision.}$
- (b) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SUMMARY OF PHYSICAL DAMAGE EXPENSE EXPERIENCE - STANDARD BUSINESS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Premium Written (Collected Level)	\$1,235,884,923	\$1,192,451,971	\$1,326,674,931	\$1,279,641,756	\$1,211,316,106
Premium Earned (Collected Level)	1,266,847,640	1,171,171,370	1,306,918,917	1,309,711,356	1,201,151,279
Commission & Brokerage	122,718,054	112,598,476	129,375,083	124,403,406	117,293,453
Other Acquisition	96,403,899	100,467,773	105,824,433	113,504,076	108,948,303
General Expenses	63,144,498	59,023,024	65,097,641	79,527,715	70,501,331
Taxes, Licenses, and Fees	28,344,860	26,124,040	30,080,288	26,102,123	25,935,282
Losses Incurred	763,939,580	663,158,742	670,388,976	727,654,440	742,458,697
All Loss Adjustment Expenses	98,423,926	100,686,005	105,832,266	103,718,676	100,689,446

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)	.099	.094	.093	.097	.097
Other Acquisition to Earned Premium (a)	.076	.086	.081	.087	.091
General Expenses to Earned Premium (a)	.050	.050	.050	.061	.059
Taxes, Licenses, etc. to Written Premium (a)	.023	.022	.023	.020	.021
All Loss Adjustment Expenses to Incurred Losses	.129	.152	.153	.143	.136

Notes:

(a) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
SUMMARY OF PHYSICAL DAMAGE EXPENSE EXPERIENCE - NON-STANDARD BUSINESS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Premium Written (Collected Level)	\$441,953,161	\$474,845,377	\$452,138,391	\$459,697,525	\$444,794,491
Premium Earned (Collected Level)	434,717,887	464,964,821	450,620,599	465,201,798	447,970,567
Commission & Brokerage	45,161,385	45,834,258	45,844,098	44,429,692	42,143,360
Other Acquisition	19,929,485	21,872,299	22,871,658	28,529,999	30,216,905
General Expenses	19,715,362	22,592,857	21,249,301	34,318,363	30,782,348
Taxes, Licenses, and Fees	11,218,326	11,067,447	9,934,552	9,521,442	9,842,127
Losses Incurred	242,973,552	236,534,958	213,888,690	240,459,963	241,489,789
All Loss Adjustment Expenses	35,162,821	36,158,614	34,528,978	29,062,692	32,899,680

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)	.102	.097	.101	.097	.095
Other Acquisition to Earned Premium (a)	.046	.047	.051	.061	.067
General Expenses to Earned Premium (a)	.045	.049	.047	.074	.069
Taxes, Licenses, etc. to Written Premium (a)	.025	.023	.022	.021	.022
All Loss Adjustment Expenses to Incurred Losses	.145	.153	.161	.121	.136

Notes:

(a) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA  
MOTORCYCLE INSURANCE  
SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

<u>Item</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Premiums Written	\$21,404,466	\$24,368,906	\$28,908,379	\$26,419,484	\$30,523,384
Premiums Earned	20,360,578	23,453,046	26,245,060	25,351,086	28,444,755
Commission & Brokerage	2,434,725	2,512,584	2,639,000	2,681,305	2,841,682
Other Acquisition	1,405,443	1,714,115	2,142,314	1,950,960	2,459,624
General Expenses	760,519	905,530	1,346,681	2,194,401	2,527,695
Taxes, Licenses, and Fees	461,972	512,953	590,453	590,354	685,114
Losses Incurred	10,614,863	11,368,841	11,770,230	13,461,078	18,194,368
All Loss Adjustment Expenses	2,258,406	2,017,972	1,797,976	2,435,478	2,315,323
<u>COMBINED RATIOS</u>					
Commission & Brokerage to Written Premium	.114	.103	.091	.101	.093
Other Acquisition to Earned Premium	.069	.073	.082	.077	.086
General Expenses to Earned Premium	.037	.039	.051	.087	.089
Taxes, Licenses, etc. to Written Premium	.022	.021	.020	.022	.022
All Loss Adjustment Expenses to Losses	.213	.178	.153	.181	.127

Source: North Carolina Rate Bureau Expense Call

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

8. PERCENT RATE CHANGE

The overall statewide rate change by coverage is shown on page A-1.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses and fixed expenses, and the physical damage premiums, used in the calculation of the rate level indication.

If the effective date were to be changed, advance notice of approximately one hundred five (105) days after the issuing of the Commissioner's Order is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date, and distribute the necessary information to member companies.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

9. FINAL PROPOSED RATES

The proposed rates are shown in Section B.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10)(a), (b) and (c) and the pre-filed testimony of P. Woods and D. Appel. The experience provides the best estimate of the future.



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2003		\$2,028,558,375
2. Mean Unearned Premium Reserve	0.278 x (1)	563,939,228
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.70%
Taxes, Licenses and Fees		2.00%
50% of Other Acquisition Expense		4.30%
50% of Company Operating Expense		3.10%
Total		19.10%
4. (2) x (3)		107,712,393
5. Net Subject to Investment (2) - (4)		456,226,835

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,028,558,375
2. Average Agents' Balances		0.146
3. Delayed Remission (1) x (2)		296,169,523

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,028,558,375
2. Expected Incurred Losses and Loss Adjustment		1,330,734,294
0.656 x (1)		
3. Expected Mean Loss Reserves	0.885 x (2)	1,177,699,850

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,337,757,162

E. Average Rate of Return 4.49%

F. Investment Earnings on Net Subject to Investment (D) x (E) 60,065,297

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) 2.96%

H. Average Rate of Return as a Percent of Direct Earned Premium After Federal Income Taxes (G) 0.787 2.33%

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2003 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2003	\$2,101,843,329
2. Unearned Premium Reserve as of 12/31/2002	557,203,755
3. Unearned Premium Reserve as of 12/31/2003	609,899,658
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	583,551,707
5. Ratio (4) $\div$ (1)	0.278

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2003 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.1% of net written premiums. The 14.1% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.033 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.033 is based on 2002 and 2003 industrywide data provided by the A.M. Best Company. The two factors combined amount to .146 ( $.141 \times 1.033 = .146$ ).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2002 and 2003 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	\$1,388,594,207
2. Incurred Losses for Calendar Year 2003	1,501,859,410
3. Loss Reserves as of 12/31/2001	1,269,542,424
4. Loss Reserves as of 12/31/2002	1,276,839,223
5. Loss Reserves as of 12/31/2003	1,335,811,002
6. Mean Loss Reserve 2002: $1/2 [(3) + (4)]$	1,273,190,824
7. Mean Loss Reserve 2003: $1/2 [(4) + (5)]$	1,306,325,113
8. Ratio (6) $\div$ (1)	0.917
9. Ratio (7) $\div$ (2)	0.870
10. Loss Reserve: $1/2 [(8) + (9)]$	0.894
11. Ratio of LAE Reserves to Loss Reserves (a)	0.198
12. Ratio of Incurred LAE to Incurred Losses (a)	0.210
13. Loss and LAE Reserve $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	0.885

(a) Based on 2003 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2003	\$17,270,667	\$384,279,257	4.49%

(a) Page 4, Line 9 of 2003 Annual Statement

(b) Average of Page 2, Line 9 from the 2002 and 2003 Annual Statements

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2003		\$1,500,622,867
2. Mean Unearned Premium Reserve	0.281 x (1)	421,675,026
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.90%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		3.80%
50% of Company Operating Expense		2.50%
Total		18.12%
4. (2) x (3)		76,407,515
5. Net Subject to Investment (2) - (4)		345,267,511

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,500,622,867
2. Average Agents' Balances		0.156
3. Delayed Remission (1) x (2)		234,097,167

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,500,622,867
2. Expected Incurred Losses and Loss Adjustment		978,406,109
0.652 x (1)		
3. Expected Mean Loss Reserves	0.116 x (2)	113,495,109

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 224,665,453

E. Average Rate of Return 4.49%

F. Investment Earnings on Net Subject to Investment (D) x (E) 10,087,479

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 0.67%

H. Average Rate of Return as a Percent of Direct  
Earned Premium After Federal Income Taxes 0.53%  
(G) x 0.787

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2003 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2003	\$1,787,576,046
2. Unearned Premium Reserve as of 12/31/2002	515,108,492
3. Unearned Premium Reserve as of 12/31/2003	488,842,619
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	501,975,556
5. Ratio (4) $\div$ (1)	0.281

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2003 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.1% of net written premiums. The 15.1% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.033 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.033 is based on 2002 and 2003 industrywide data provided by the A.M. Best Company. The two factors combined amount to .156 (.151 x 1.033 = .156).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2002 and 2003 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	\$945,858,497
2. Incurred Losses for Calendar Year 2003	1,043,631,340
3. Loss Reserves as of 12/31/2001	79,630,518
4. Loss Reserves as of 12/31/2002	100,909,233
5. Loss Reserves as of 12/31/2003	96,884,213
6. Mean Loss Reserve 2002: 1/2 [(3) + (4)]	90,269,876
7. Mean Loss Reserve 2003: 1/2 [(4) + (5)]	98,896,723
8. Ratio (6) ÷ (1)	0.095
9. Ratio (7) ÷ (2)	0.095
10. Loss Reserve: 1/2 [(8) + (9)]	0.095
11. Ratio of LAE Reserves to Loss Reserves (a)	0.422
12. Ratio of Incurred LAE to Incurred Losses (a)	0.161
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.116

(a) Based on 2003 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2003	\$17,270,667	\$384,279,257	4.49%

(a) Page 4, Line 9 of 2003 Annual Statement

(b) Average of Page 2, Line 9 from the 2002 and 2003 Annual Statements



CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS  
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1994	594,669,576	1,663,541	0.28%
1995	636,756,797	5,997,029	0.94%
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
	----- 7,529,396,477	----- 90,634,273	----- 1.20%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2003 data from Best's Aggregates and Averages, Net Investment Income Exhibit  
Column 2:

Bonds		
Taxable (Lines 1 + 1.2)	\$21,190,681	0.350
Non-Taxable (Lines 1.1 + 1.3)	9,918,255	-
	-----	-----
Sub-Total	\$31,108,936	0.238
Stocks		
Taxable (Lines 2.1 + 2.2)	\$2,864,754	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	3,838,458	-
	-----	-----
Sub-Total	\$6,703,212	0.045
Mortgage Loans (Line 3)	\$158,612	
Real Estate (Line 4)	1,690,507	
Contract Loans (Line 5)	438	
Cash/Short Term Investments (Line 6)	1,158,122	
Derivative Instruments (Line 7)	164,953	
All Other (Lines 8 + 9)	3,526,989	
	-----	-----
Sub-Total	\$6,699,621	0.350
Total	\$44,511,769	0.226
Investment Deductions (Line 16)	\$4,174,811	0.350
Net Investment Income Earned	\$40,336,958	0.213

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2004		\$2,164,489,189
2. Mean Unearned Premium Reserve	0.293 x (1)	634,195,332
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.90%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.45%
50% of Company Operating Expense		3.20%
Total		19.47%
4. (2) x (3)		123,477,831
5. Net Subject to Investment (2) - (4)		510,717,501

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$2,164,489,189
2. Average Agents' Balances	0.153
3. Delayed Remission (1) x (2)	331,166,846

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$2,164,489,189
2. Expected Incurred Losses and Loss Adjustment	1,406,917,973
0.650 x (1)	
3. Expected Mean Loss Reserves	1,205,728,703
0.857 x (2)	

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,385,279,358

E. Average Rate of Return 3.92%

F. Investment Earnings on Net Subject to Investment (D) x (E) 54,302,951

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 2.51%

H. Average Rate of Return as a Percent of Direct Earned Premium  
After Federal Income Taxes (G) 1.97%

0.784

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2004 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2004	\$2,119,188,172
2. Unearned Premium Reserve as of 12/31/2003	609,899,658
3. Unearned Premium Reserve as of 12/31/2004	632,152,880
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	621,026,269
5. Ratio (4) $\div$ (1)	0.293

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2004 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.9% of net written premiums. The 14.9% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.030 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.030 is based on 2003 and 2004 industrywide data provided by the A.M. Best Company. The two factors combined amount to .153 (.149 x 1.030 = .153).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2003 and 2004 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	\$1,501,859,410
2. Incurred Losses for Calendar Year 2004	1,598,924,786
3. Loss Reserves as of 12/31/2002	1,276,839,223
4. Loss Reserves as of 12/31/2003	1,335,811,002
5. Loss Reserves as of 12/31/2004	1,428,148,692
6. Mean Loss Reserve 2003: 1/2 [(3) + (4)]	1,306,325,113
7. Mean Loss Reserve 2004: 1/2 [(4) + (5)]	1,381,979,847
8. Ratio (6) ÷ (1)	0.870
9. Ratio (7) ÷ (2)	0.864
10. Loss Reserve: 1/2 [(8) + (9)]	0.867
11. Ratio of LAE Reserves to Loss Reserves (a)	0.203
12. Ratio of Incurred LAE to Incurred Losses (a)	0.217
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.857

(a) Based on 2004 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2004	\$15,621,594	\$398,950,049	3.92%

(a) Page 4, Line 9 of 2004 Annual Statement

(b) Average of Page 2, Line 9 from the 2003 and 2004 Annual Statements

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2004		\$1,431,711,481
2. Mean Unearned Premium Reserve	0.298 x (1)	426,650,021
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.40%
Taxes, Licenses and Fees		1.83%
50% of Other Acquisition Expense		4.30%
50% of Company Operating Expense		2.55%
Total		18.08%
4. (2) x (3)		77,138,324
5. Net Subject to Investment (2) - (4)		349,511,697

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$1,431,711,481
2. Average Agents' Balances	0.168
3. Delayed Remission (1) x (2)	240,527,529

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$1,431,711,481
2. Expected Incurred Losses and Loss Adjustment	926,317,328
0.647 x (1)	
3. Expected Mean Loss Reserves	114,863,349
0.124 x (2)	

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 223,847,517

E. Average Rate of Return 3.92%

F. Investment Earnings on Net Subject to Investment (D) x (E) 8,774,823

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 0.61%

H. Average Rate of Return as a Percent of Direct  
Earned Premium After Federal Income Taxes 0.48%  
(G) x 0.784

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2004 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2004	\$1,686,955,656
2. Unearned Premium Reserve as of 12/31/2003	488,842,619
3. Unearned Premium Reserve as of 12/31/2004	517,832,734
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	503,337,677
5. Ratio (4) ÷ (1)	0.298

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2004 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 16.3% of net written premiums. The 16.3% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).



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ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.030 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.030 is based on 2003 and 2004 industrywide data provided by the A.M. Best Company. The two factors combined amount to .168 (.163 x 1.030= .168).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2003 and 2004 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	\$1,043,631,340
2. Incurred Losses for Calendar Year 2004	934,796,980
3. Loss Reserves as of 12/31/2002	100,909,233
4. Loss Reserves as of 12/31/2003	96,884,213
5. Loss Reserves as of 12/31/2004	91,476,044
6. Mean Loss Reserve 2003: 1/2 [(3) + (4)]	98,896,723
7. Mean Loss Reserve 2004: 1/2 [(4) + (5)]	94,180,129
8. Ratio (6) ÷ (1)	0.095
9. Ratio (7) ÷ (2)	0.101
10. Loss Reserve: 1/2 [(8) + (9)]	0.098
11. Ratio of LAE Reserves to Loss Reserves (a)	0.493
12. Ratio of Incurred LAE to Incurred Losses (a)	0.177
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.124

(a) Based on 2004 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2004	\$15,621,594	\$398,950,049	3.92%

(a) Page 4, Line 9 of 2004 Annual Statement

(b) Average of Page 2, Line 9 from the 2003 and 2004 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS  
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1995	636,756,797	5,997,029	0.94%
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
	-----	-----	-----
	7,953,537,220	98,083,931	1.23%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2004 data from Best's Aggregates and Averages, Net Investment Income Exhibit  
Column 2:

Bonds		
Taxable (Lines 1 + 1.2)	\$21,696,435	0.350
Non-Taxable (Lines 1.1 + 1.3)	11,340,140	-
	-----	-----
Sub-Total	\$33,036,575	0.230
Stocks		
Taxable (Lines 2.1 + 2.2)	\$3,285,602	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	2,131,399	-
	-----	-----
Sub-Total	\$5,417,001	0.064
Mortgage Loans (Line 3)	\$169,603	
Real Estate (Line 4)	1,646,000	
Contract Loans (Line 5)	981	
Cash/Short Term Investments (Line 6)	1,189,806	
Derivative Instruments (Line 7)	(15,621)	
All Other (Lines 8 + 9)	3,767,317	
	-----	-----
Sub-Total	\$6,758,086	0.350
Total	\$45,211,662	0.228
Investment Deductions (Line 16)	\$4,064,665	0.350
Net Investment Income Earned	\$41,146,997	0.216

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2005		\$2,295,760,665
2. Mean Unearned Premium Reserve	0.279 x (1)	640,517,226
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.40%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.75%
50% of Company Operating Expense		2.85%
Total		19.92%
4. (2) x (3)		127,591,031
5. Net Subject to Investment (2) - (4)		512,926,195

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,295,760,665
2. Average Agents' Balances		0.154
3. Delayed Remission (1) x (2)		353,547,142

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,295,760,665
2. Expected Incurred Losses and Loss Adjustment		1,483,061,390
0.646 x (1)		
3. Expected Mean Loss Reserves	0.877 x (2)	1,300,644,839

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,460,023,892

E. Average Rate of Return 4.75%

F. Investment Earnings on Net Subject to Investment (D) x (E) 69,351,135

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 3.02%

H. Average Rate of Return as a Percent of Direct Earned Premium  
After Federal Income Taxes (G) 2.36%  
0.781

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PRIVATE PASSENGER AUTOMOBILE INSURANCE  
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ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2005 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2005	\$2,268,296,335
2. Unearned Premium Reserve as of 12/31/2004	632,152,880
3. Unearned Premium Reserve as of 12/31/2005	634,824,680
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	633,488,780
5. Ratio (4) $\div$ (1)	0.279

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2005 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.0% of net written premiums. The 15.0% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

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ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.029 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.029 is based on 2004 and 2005 industrywide data provided by the A.M. Best Company. The two factors combined amount to .154 (.150 x 1.029 = .154).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2004 and 2005 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	\$1,598,924,786
2. Incurred Losses for Calendar Year 2005	1,575,388,913
3. Loss Reserves as of 12/31/2003	1,335,811,002
4. Loss Reserves as of 12/31/2004	1,428,148,692
5. Loss Reserves as of 12/31/2005	1,475,667,865
6. Mean Loss Reserve 2004: 1/2 [(3) + (4)]	1,381,979,847
7. Mean Loss Reserve 2005: 1/2 [(4) + (5)]	1,451,908,279
8. Ratio (6) ÷ (1)	0.864
9. Ratio (7) ÷ (2)	0.922
10. Loss Reserve: 1/2 [(8) + (9)]	0.893
11. Ratio of LAE Reserves to Loss Reserves (a)	0.201
12. Ratio of Incurred LAE to Incurred Losses (a)	0.223
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.877

(a) Based on 2005 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2005	\$20,239,564	\$426,087,137	4.75%

(a) Page 4, Line 9 of 2005 Annual Statement

(b) Average of Page 2, Line 9 from the 2004 and 2005 Annual Statements



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2005		\$1,370,308,469
2. Mean Unearned Premium Reserve	0.285 x (1)	390,537,914
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.70%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.10%
50% of Company Operating Expense		2.50%
Total		18.22%
4. (2) x (3)		71,156,008
5. Net Subject to Investment (2) - (4)		319,381,906

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,370,308,469
2. Average Agents' Balances		0.163
3. Delayed Remission (1) x (2)		223,360,280

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,370,308,469
2. Expected Incurred Losses and Loss Adjustment		881,108,346
0.643 x (1)		
3. Expected Mean Loss Reserves	0.126 x (2)	111,019,652

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 207,041,278

E. Average Rate of Return 4.75%

F. Investment Earnings on Net Subject to Investment (D) x (E) 9,834,461

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 0.72%

H. Average Rate of Return as a Percent of Direct  
Earned Premium After Federal Income Taxes 0.56%  
(G) x 0.781

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2005 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2005	\$1,856,188,213
2. Unearned Premium Reserve as of 12/31/2004	517,832,734
3. Unearned Premium Reserve as of 12/31/2005	541,349,397
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	529,591,066
5. Ratio (4) ÷ (1)	0.285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2005 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.8% of net written premiums. The 15.8% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.029 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.029 is based on 2004 and 2005 industrywide data provided by the A.M. Best Company. The two factors combined amount to .163 (.158 x 1.029 = .163).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2004 and 2005 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	\$934,796,980
2. Incurred Losses for Calendar Year 2005	913,689,890
3. Loss Reserves as of 12/31/2003	96,884,213
4. Loss Reserves as of 12/31/2004	91,476,044
5. Loss Reserves as of 12/31/2005	85,263,193
6. Mean Loss Reserve 2004: 1/2 [(3) + (4)]	94,180,129
7. Mean Loss Reserve 2005: 1/2 [(4) + (5)]	88,369,619
8. Ratio (6) ÷ (1)	0.101
9. Ratio (7) ÷ (2)	0.097
10. Loss Reserve: 1/2 [(8) + (9)]	0.099
11. Ratio of LAE Reserves to Loss Reserves (a)	0.511
12. Ratio of Incurred LAE to Incurred Losses (a)	0.185
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.126

(a) Based on 2005 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2005	\$20,239,564	\$426,087,137	4.75%

(a) Page 4, Line 9 of 2005 Annual Statement

(b) Average of Page 2, Line 9 from the 2004 and 2005 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS  
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
	-----	-----	-----
	8,436,893,086	104,281,810	1.24%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2005 data from Best's Aggregates and Averages, Net Investment Income Exhibit  
Column 2:

Bonds		
Taxable (Lines 1 + 1.2)	\$23,254,464	0.350
Non-Taxable (Lines 1.1 + 1.3)	13,189,050	-
	-----	-----
Sub-Total	\$36,443,514	0.223
Stocks		
Taxable (Lines 2.1 + 2.2)	\$3,675,690	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	3,597,641	-
	-----	-----
Sub-Total	\$7,273,331	0.053
Mortgage Loans (Line 3)	\$194,195	
Real Estate (Line 4)	1,650,988	
Contract Loans (Line 5)	2,367	
Cash/Short Term Investments (Line 6)	3,006,076	
Derivative Instruments (Line 7)	(2,499)	
All Other (Lines 8 + 9)	7,533,180	
	-----	-----
Sub-Total	\$12,384,307	0.350
Total	\$56,101,152	0.229
Investment Deductions (Line 16)	\$4,363,521	0.350
Net Investment Income Earned	\$51,737,631	0.219

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2006		\$2,359,767,397
2. Mean Unearned Premium Reserve	0.285 x (1)	672,533,708
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.50%
50% of Company Operating Expense		3.95%
Total		20.20%
4. (2) x (3)		135,851,809
5. Net Subject to Investment (2) - (4)		536,681,899

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,359,767,397
2. Average Agents' Balances		0.168
3. Delayed Remission (1) x (2)		396,440,923

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,359,767,397
2. Expected Incurred Losses and Loss Adjustment		1,486,653,460
0.630 x (1)		
3. Expected Mean Loss Reserves	0.886 x (2)	1,317,174,966

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,457,415,942

E. Average Rate of Return 4.63%

F. Investment Earnings on Net Subject to Investment (D) x (E) 67,478,358

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 2.86%

H. Average Rate of Return as a Percent of Direct Earned Premium  
After Federal Income Taxes (G) 0.781 2.23%

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	\$2,316,658,861
2. Unearned Premium Reserve as of 12/31/2005	634,824,680
3. Unearned Premium Reserve as of 12/31/2006	684,498,941
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	659,661,811
5. Ratio (4) $\div$ (1)	0.285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2006 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 16.3% of net written premiums. The 16.3% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.032 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.032 is based on 2005 and 2006 industrywide data provided by the A.M. Best Company. The two factors combined amount to .168 (.163 x 1.032 = .168).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	\$1,575,388,913
2. Incurred Losses for Calendar Year 2006	1,703,407,276
3. Loss Reserves as of 12/31/2004	1,428,148,692
4. Loss Reserves as of 12/31/2005	1,475,667,865
5. Loss Reserves as of 12/31/2006	1,496,117,471
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	1,451,908,279
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	1,485,892,668
8. Ratio (6) ÷ (1)	0.922
9. Ratio (7) ÷ (2)	0.872
10. Loss Reserve: 1/2 [(8) + (9)]	0.897
11. Ratio of LAE Reserves to Loss Reserves (a)	0.209
12. Ratio of Incurred LAE to Incurred Losses (a)	0.224
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.886

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2006	\$23,044,106	\$497,553,109	4.63%

(a) Page 4, Line 9 of 2006 Annual Statement

(b) Average of Page 2, Line 9 from the 2005 and 2006 Annual Statements

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2006		\$1,406,554,611
2. Mean Unearned Premium Reserve	0.279 x (1)	392,428,736
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.30%
50% of Company Operating Expense		3.10%
Total		19.15%
4. (2) x (3)		75,150,103
5. Net Subject to Investment (2) - (4)		317,278,633

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,406,554,611
2. Average Agents' Balances		0.178
3. Delayed Remission (1) x (2)		250,366,721

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,406,554,611
2. Expected Incurred Losses and Loss Adjustment		873,470,413
0.621 x (1)		
3. Expected Mean Loss Reserves	0.124 x (2)	108,310,331

D. Net Subject to Investment (A-5) - (B-3) + (C-3)

175,222,243

E. Average Rate of Return

4.63%

F. Investment Earnings on Net Subject to Investment (D) x (E)

8,112,790

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1)

0.58%

H. Average Rate of Return as a Percent of Direct  
Earned Premium After Federal Income Taxes  
(G) x 0.781

0.45%

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	\$1,876,085,747
2. Unearned Premium Reserve as of 12/31/2005	541,349,397
3. Unearned Premium Reserve as of 12/31/2006	503,682,512
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	522,515,955
5. Ratio (4) ÷ (1)	0.279

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2006 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 17.2% of net written premiums. The 17.2% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.032 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.032 is based on 2005 and 2006 industrywide data provided by the A.M. Best Company. The two factors combined amount to .178 (.172 x 1.032 = .178).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	\$913,689,890
2. Incurred Losses for Calendar Year 2006	999,416,417
3. Loss Reserves as of 12/31/2004	91,476,044
4. Loss Reserves as of 12/31/2005	85,263,193
5. Loss Reserves as of 12/31/2006	83,497,488
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	88,369,619
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	84,380,341
8. Ratio (6) ÷ (1)	0.097
9. Ratio (7) ÷ (2)	0.084
10. Loss Reserve: 1/2 [(8) + (9)]	0.091
11. Ratio of LAE Reserves to Loss Reserves (a)	0.592
12. Ratio of Incurred LAE to Incurred Losses (a)	0.173
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.124

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2006	\$23,044,106	\$497,553,109	4.63%

(a) Page 4, Line 9 of 2006 Annual Statement

(b) Average of Page 2, Line 9 from the 2005 and 2006 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS  
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
	-----	-----	-----
	8,971,918,078	98,625,131	1.10%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2006 data from Best's Aggregates and Averages, Net Investment Income Exhibit  
Column 2:

Bonds		
Taxable (Lines 1 + 1.2)	\$25,429,410	0.350
Non-Taxable (Lines 1.1 + 1.3)	14,446,481	-
	-----	-----
Sub-Total	\$39,875,891	0.223
Stocks		
Taxable (Lines 2.1 + 2.2)	\$4,507,468	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	2,839,135	-
	-----	-----
Sub-Total	\$7,346,603	0.064
Mortgage Loans (Line 3)	\$195,240	
Real Estate (Line 4)	1,657,734	
Contract Loans (Line 5)	1,645	
Cash/Short Term Investments (Line 6)	4,755,081	
Derivative Instruments (Line 7)	(49,822)	
All Other (Lines 8 + 9)	5,439,596	
	-----	-----
Sub-Total	\$11,999,474	0.350
Total	\$59,221,968	0.229
Investment Deductions (Line 16)	\$4,573,873	0.350
Net Investment Income Earned	\$54,648,095	0.219

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).



NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2007		\$2,669,684,296
2. Mean Unearned Premium Reserve	0.280 x (1)	747,511,603
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.70%
Taxes, Licenses and Fees		1.83%
50% of Other Acquisition Expense		4.55%
50% of Company Operating Expense		3.60%
Total		19.68%
4. (2) x (3)		147,110,283
5. Net Subject to Investment (2) - (4)		600,401,320

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,669,684,296
2. Average Agents' Balances		0.183
3. Delayed Remission (1) x (2)		488,552,226

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,669,684,296
2. Expected Incurred Losses and Loss Adjustment		1,617,828,684
0.606 x (1)		
3. Expected Mean Loss Reserves	0.870 x (2)	1,407,510,955

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,519,360,049

E. Average Rate of Return 2.16%

F. Investment Earnings on Net Subject to Investment (D) x (E) 32,818,177

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 1.23%

H. Average Rate of Return as a Percent of Direct Earned Premium  
After Federal Income Taxes (G) 0.96%  
    0.780

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2007 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2007	\$2,495,076,574
2. Unearned Premium Reserve as of 12/31/2006	684,498,941
3. Unearned Premium Reserve as of 12/31/2007	714,521,400
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	699,510,171
5. Ratio (4) $\div$ (1)	0.280

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2007 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 17.7% of net written premiums. The 17.7% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.036 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.036 is based on 2006 and 2007 industrywide data provided by the A.M. Best Company. The two factors combined amount to .183 (.177 x 1.036 = .183).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2006 and 2007 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2006	\$1,703,407,276
2. Incurred Losses for Calendar Year 2007	1,772,529,395
3. Loss Reserves as of 12/31/2005	1,475,667,865
4. Loss Reserves as of 12/31/2006	1,496,117,471
5. Loss Reserves as of 12/31/2007	1,573,360,742
6. Mean Loss Reserve 2006: 1/2 [(3) + (4)]	1,485,892,668
7. Mean Loss Reserve 2007: 1/2 [(4) + (5)]	1,534,739,107
8. Ratio (6) ÷ (1)	0.872
9. Ratio (7) ÷ (2)	0.866
10. Loss Reserve: 1/2 [(8) + (9)]	0.869
11. Ratio of LAE Reserves to Loss Reserves (a)	0.203
12. Ratio of Incurred LAE to Incurred Losses (a)	0.201
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))	0.870

(a) Based on 2007 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2007	\$10,959,875	\$506,872,418	2.16%

(a) Page 4, Line 9 of 2007 Annual Statement

(b) Average of Page 2, Line 9 from the 2006 and 2007 Annual Statements

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES  
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2007		\$1,694,361,854
2. Mean Unearned Premium Reserve	0.29 x (1)	491,364,938
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.70%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.55%
50% of Company Operating Expense		2.95%
Total		18.95%
4. (2) x (3)		93,113,656
5. Net Subject to Investment (2) - (4)		398,251,282

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$1,694,361,854
2. Average Agents' Balances	0.180
3. Delayed Remission (1) x (2)	304,985,134

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$1,694,361,854
2. Expected Incurred Losses and Loss Adjustment	1,016,617,112
0.600 x (1)	
3. Expected Mean Loss Reserves	119,960,819
0.118 x (2)	

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 213,226,967

E. Average Rate of Return 2.16%

F. Investment Earnings on Net Subject to Investment (D) x (E) 4,605,702

G. Average Rate of Return as a Percent of Direct Earned Premium  
(F) / (A-1) 0.27%

H. Average Rate of Return as a Percent of Direct  
Earned Premium After Federal Income Taxes 0.21%  
(G) x 0.780

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2007 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2007	\$1,758,689,145
2. Unearned Premium Reserve as of 12/31/2006	503,682,512
3. Unearned Premium Reserve as of 12/31/2007	515,894,429
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	509,788,471
5. Ratio (4) $\div$ (1)	0.290

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2007 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 17.4% of net written premiums. The 17.4% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.036 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.036 is based on 2006 and 2007 industrywide data provided by the A.M. Best Company. The two factors combined amount to .180 (.174 x 1.036 = .180).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2006 and 2007 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2006	\$999,416,417
2. Incurred Losses for Calendar Year 2007	1,015,850,558
3. Loss Reserves as of 12/31/2005	85,263,193
4. Loss Reserves as of 12/31/2006	83,497,488
5. Loss Reserves as of 12/31/2007	84,318,092
6. Mean Loss Reserve 2006: 1/2 [(3) + (4)]	84,380,341
7. Mean Loss Reserve 2007: 1/2 [(4) + (5)]	83,907,790
8. Ratio (6) ÷ (1)	0.084
9. Ratio (7) ÷ (2)	0.083
10. Loss Reserve: 1/2 [(8) + (9)]	0.084
11. Ratio of LAE Reserves to Loss Reserves (a)	0.651
12. Ratio of Incurred LAE to Incurred Losses (a)	0.172
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.118

(a) Based on 2007 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2007	\$10,959,875	\$506,872,418	2.16%

(a) Page 4, Line 9 of 2007 Annual Statement

(b) Average of Page 2, Line 9 from the 2006 and 2007 Annual Statements



CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS  
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
2007	1,297,478,130	9,031,778	0.70%
	-----	-----	-----
	9,535,962,225	96,848,980	1.02%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2007 data from Best's Aggregates and Averages, Net Investment Income Exhibit  
Column 2:

Bonds		
Taxable (Lines 1 + 1.2)	\$26,829,002	0.350
Non-Taxable (Lines 1.1 + 1.3)	15,945,544	-
	-----	-----
Sub-Total	\$42,774,546	0.220
Stocks		
Taxable (Lines 2.1 + 2.2)	\$5,217,764	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	1,787,257	-
	-----	-----
Sub-Total	\$7,005,021	0.078
Mortgage Loans (Line 3)	\$277,884	
Real Estate (Line 4)	1,765,348	
Contract Loans (Line 5)	458	
Cash/Short Term Investments (Line 6)	5,343,544	
Derivative Instruments (Line 7)	1,588	
All Other (Lines 8 + 9)	5,816,928	
	-----	-----
Sub-Total	\$13,205,750	0.350
Total	\$62,985,317	0.231
Investment Deductions (Line 16)	\$5,452,582	0.350
Net Investment Income Earned	\$57,532,735	0.220

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

The data available to the Rate Bureau to estimate the requested length of time is the yearly paid and incurred total limits liability loss development data contained on pages H-439-441 and H-447-449. The combined BI, PD and Med Pay data on a paid and incurred basis is shown on pages H-667 and H-668. Page H-666 shows the liability incurred losses for immature accident years on an ultimate basis using the latest three-year average loss development factor.

The accident year data for any given year 19XX (or 20YY) has an average date of accident of July 1, 19XX (or 20YY). By taking the ratio of paid losses to ultimate incurred losses as shown on the following pages, the percentage of liability losses paid in each year is estimated.

It is next necessary to determine an estimate for the average payment date (months) of the losses paid in each interval. Such data are not available for North Carolina. Such data are available for Massachusetts and are set forth below for the purpose of showing how this analysis would be completed for North Carolina if North Carolina data were available. The following data is personal auto liability data for the state of Massachusetts as contained in the Massachusetts Automobile Rate Bureau's 1990 filing. Since the Rate Bureau is advised by ISO that Massachusetts payment patterns are longer than North Carolina's, the results of this analysis (based on Massachusetts payment patterns) overstate the average length of time between occurrence and payment.

The result of this analysis is shown below:

Period Month-to-Month	Percentage Paid in Period		Massachusetts
	(a)	(b)	Average Payment Date (months)
0-15	64.6%	64.8%	9.3
15-27	19.0%	18.8%	20.3
27-39	8.4%	9.0%	32.4
39-51	4.9%	4.7%	44.3
51-63	2.0%	1.7%	56.5
63-ult.	1.1%	1.0%	73.4
		(a)	(b)
(1) Average Payment Date		16.7 months	16.5 months
(2) Average Date of Accident		6.0 months	6.0 months
(3) Average Length of Time between Occurrence and Payment [(1)-(2)]		10.7 months	10.5 months

(a) Based on the average of the three earliest accident year points.

(b) Based on the average of the three latest accident year points.

Based on this analysis the average length of time between occurrence and payment of a liability claim has decreased by 0.2 months over this period.

## ULTIMATE INCURRED LOSSES

## LIABILITY

Accident Year	Losses (a)
1994	1,012,878,331
1995	1,080,149,261
1996	1,132,931,481
1997	1,141,375,788
1998	1,136,947,157
1999	1,196,305,206
2000	1,222,843,227
2001	1,229,607,885
2002	1,286,721,537
2003	1,349,291,872
2004	1,389,801,001
2005	1,396,784,587
2006	1,470,783,205
2007	1,489,878,322

(a) Total limits Bodily Injury, Property Damage and Medical Payments combined. 63 months is considered ultimate.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

B.I., P.D., Med.Pay. Combined Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					1,000,883,797
1995				1,046,916,855	1,067,822,322
1996			1,039,953,497	1,096,655,496	1,120,668,124
1997		955,293,444	1,051,378,903	1,106,544,953	1,129,898,054
1998	733,293,590	952,668,575	1,047,887,918	1,100,677,997	1,125,855,949
1999	766,874,761	998,045,746	1,100,179,975	1,155,991,393	1,182,252,291
2000	799,103,515	1,033,184,626	1,128,230,873	1,186,247,890	1,211,236,400
2001	789,771,959	1,030,163,060	1,132,217,585	1,192,854,613	1,217,736,943
2002	829,685,310	1,079,156,317	1,189,961,232	1,251,448,431	1,274,468,167
2003	856,896,088	1,131,112,193	1,242,432,276	1,308,422,750	1,336,566,920
2004	871,810,336	1,144,640,374	1,288,901,723	1,356,874,821	
2005	909,074,242	1,179,518,772	1,297,442,286		
2006	945,268,207	1,237,362,804			
2007	968,965,428				

Ratio of Paid to Ultimate Incurred

Accident Year	0-15 Mo.	15-27 Mo.	27-39 Months	39-51 Months	51-63 Months
1994					0.988
1995				0.969	0.989
1996			0.918	0.968	0.989
1997		0.837	0.921	0.969	0.990
1998	0.645	0.838	0.922	0.968	0.990
1999	0.641	0.834	0.920	0.966	0.988
2000	0.653	0.845	0.923	0.970	0.991
2001	0.642	0.838	0.921	0.970	0.990
2002	0.645	0.839	0.925	0.973	0.990
2003	0.635	0.838	0.921	0.970	0.991
2004	0.627	0.824	0.927	0.976	
2005	0.651	0.844	0.929		
2006	0.643	0.841			
2007	0.650				
Earliest Three Year Avg	0.646	0.836	0.920	0.969	0.989
Latest Three Year Avg	0.648	0.836	0.926	0.973	0.990

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA  
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS  
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

B.I., P.D., Med.Pay. Combined Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994					1,012,878,331
1995				1,084,703,753	1,080,149,261
1996			1,131,203,067	1,133,191,100	1,132,931,481
1997		1,120,759,790	1,132,077,719	1,139,495,672	1,141,375,788
1998	1,067,358,126	1,110,156,274	1,126,606,291	1,135,634,931	1,136,947,157
1999	1,113,366,528	1,157,598,783	1,182,991,251	1,192,900,037	1,196,305,206
2000	1,115,662,106	1,185,355,980	1,207,738,470	1,220,516,831	1,222,843,227
2001	1,127,660,082	1,189,153,419	1,216,383,714	1,229,418,504	1,229,607,885
2002	1,177,233,497	1,247,824,357	1,275,184,350	1,288,590,884	1,286,721,537
2003	1,218,414,098	1,306,023,654	1,340,479,085	1,347,615,509	1,349,291,872
2004	1,260,406,094	1,332,457,165	1,381,698,918	1,389,801,001	
2005	1,272,189,647	1,359,207,421	1,387,075,062		
2006	1,336,137,349	1,421,046,575			
2007	1,354,434,838				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1995				0.996
1996			1.002	1.000
1997		1.010	1.007	1.002
1998	1.040	1.015	1.008	1.001
1999	1.040	1.022	1.008	1.003
2000	1.062	1.019	1.011	1.002
2001	1.055	1.023	1.011	1.000
2002	1.060	1.022	1.011	0.999
2003	1.072	1.026	1.005	1.001
2004	1.057	1.037	1.006	
2005	1.068	1.021		
2006	1.064			

Five Year Average	1.064	1.026	1.009	1.001
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Three Year Average	1.063	1.028	1.007	1.000
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	Five Year	Three Year
39 to 63 months:	1.010	1.007
27 to 63 months:	1.036	1.035
15 to 63 months:	1.102	1.100

Losses exclude unallocated loss adjustment expense.

PERSONAL AUTO LIABILITY INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 ASSETS

1	Bonds	165,438,750
2	Stocks	
	2.1 Preferred stocks	3,888,849
	2.2 Common stocks	121,624,558
3	Mortgage loans on real estate	
	3.1 First Liens	2,230,027
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,189,587
	4.2 Other properties	0
5	Cash and Short-term investments	15,192,087
6	Other invested assets	17,468,836
7	Receivable for securities	89,121
8	Aggregate write-ins for invested assets	432,018
9	Subtotals, cash and invested assets	330,856,665
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,532,779
	10.2 Booked but deferred and not yet due	20,583,834
	10.3 Accrued retrospective premiums	1,718,634
11	Funds held by or deposited with reinsured companies	169,158
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,586,238
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	188,891
15	Electronic data processing equipment	814,712
16	Interest, dividends and real estate income due and accrued	2,222,034
17	Receivable from parent, subsidiaries and affiliates	2,707,362
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	160
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	6,155,658
22	TOTALS (items 8a through 20)	380,428,987

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	6,155,658
6	TOTALS	6,155,658

PERSONAL AUTO LIABILITY INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 LIABILITIES

1	Losses	92,568,512
1A	Reinsurance payable on paid loss and loss adjustment expense	2,232,929
2	Loss adjustment expenses	22,344,402
3	Contingent commissions and other similar charges	1,255,512
4	Other expenses	8,240,490
5	Taxes, licenses and fees	1,417,673
6	Federal and foreign income taxes	0
7	Borrowed money	1,888,354
8	Interest	0
9	Unearned premiums	49,812,537
10	Dividends declared and unpaid	
	(a) Stockholders	29,040
	(b) Policyholders	54,044
11	Funds held by company under reinsurance treaties	3,152,245
12	Amounts withheld or retained by company for account of others	3,262,967
13	Remittances and items not allocated	435,501
14	Provision for reinsurance	713,610
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	6,946
17	Drafts outstanding	1,225,523
18	Payable to parent, subsidiaries and affiliates	787,034
19	Payable for securities	505,459
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	6,623,632
23	Total liabilities	207,909,284
24	Aggregate write-ins for special surplus funds	44,173,628
25A	Common capital stock	211,995
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	14,866
26A	Surplus notes	3,732,597
26B	Gross paid in and contributed surplus	19,055,687
26C	Unassigned funds (surplus)	105,016,036
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	172,519,703
28	TOTALS	380,428,987

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	70,892
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,894,166
4	Discount on loss reserve	0
5	Other write-ins	8,446,906
9	TOTALS	6,623,632

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,866



PERSONAL AUTO LIABILITY INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	138,162,676
	Deductions	
2	Losses incurred	80,512,937
3	Loss expenses incurred	16,558,330
4	Other underwriting expenses incurred	34,670,337
5	Aggregate write-ins for underwriting deductions	-19,512
6	Total underwriting deductions	131,722,092
7	Net underwriting gain or loss	6,440,584
8	Net investment income earned	14,042,198
9	Net realized capital gains or losses	2,451,509
9A	Net investment gain or loss	16,493,707
10	Net gain or loss from agents or premium balances charged off	-328,945
11	Finance or service charges not included in premiums	1,092,836
12	Aggregate write-ins for miscellaneous income	-113,831
13	Total other income	650,059
14	Net income before dividends to policyholders and before federal and foreign income taxes	23,584,350
14A	Dividends to policyholders	770,533
14B	Net income after dividends to policyholders but before federal and foreign income taxes	22,813,817
15	Federal and foreign income taxes incurred	4,374,853
16	Net income	18,438,964
17	Surplus as regards policyholders, December 31 previous year	159,619,346
18	Net income	18,438,964
19	Net unrealized capital gains or losses	2,916,736
20	Change in non-admitted assets	-3,032,145
21	Change in provision for reinsurance	307,053
22	Change in foreign exchange adjustment	449,486
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	-121,178
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	0
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,605,499
	(b) Transferred to capital	0
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-8,249,025
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-151,354
31	Change in surplus as regards policyholders for the year	12,900,357
32	Surplus as regards policyholders, December 31 current year	172,519,703

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-157,925
2	Change in conditional reserves	6,570
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-151,354

PERSONAL AUTO LIABILITY INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 ASSETS

1	Bonds	166,275,395
2	Stocks	
	2.1 Preferred stocks	3,883,930
	2.2 Common stocks	121,768,741
3	Mortgage loans on real estate	
	3.1 First Liens	2,230,027
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,189,587
	4.2 Other properties	0
5	Cash and Short-term investments	15,130,182
6	Other invested assets	17,440,517
7	Receivable for securities	79,806
8	Aggregate write-ins for invested assets	432,018
9	Subtotals, cash and invested assets	331,733,036
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,497,836
	10.2 Booked but deferred and not yet due	20,723,715
	10.3 Accrued retrospective premiums	1,715,523
11	Funds held by or deposited with reinsured companies	169,158
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,572,942
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	186,524
15	Electronic data processing equipment	813,605
16	Interest, dividends and real estate income due and accrued	2,230,588
17	Receivable from parent, subsidiaries and affiliates	2,710,090
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	160
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	6,182,047
22	TOTALS (items 8a through 20)	381,450,619

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	6,182,047
6	TOTALS	6,182,047

2007 LIABILITIES

1	Losses	92,633,071
1A	Reinsurance payable on paid loss and loss adjustment expense	2,233,377
2	Loss adjustment expenses	22,453,092
3	Contingent commissions and other similar charges	1,274,972
4	Other expenses	8,235,569
5	Taxes, licenses and fees	1,424,239
6	Federal and foreign income taxes	0
7	Borrowed money	1,888,354
8	Interest	0
9	Unearned premiums	50,170,750
10	Dividends declared and unpaid	
	(a) Stockholders	29,040
	(b) Policyholders	53,624
11	Funds held by company under reinsurance treaties	3,151,280
12	Amounts withheld or retained by company for account of others	3,286,473
13	Remittances and items not allocated	436,257
14	Provision for reinsurance	712,776
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	6,946
17	Drafts outstanding	1,225,523
18	Payable to parent, subsidiaries and affiliates	813,920
19	Payable for securities	505,472
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	6,623,559
23	Total liabilities	208,499,481
24	Aggregate write-ins for special surplus funds	44,172,044
25A	Common capital stock	211,195
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	14,866
26A	Surplus notes	3,732,597
26B	Gross paid in and contributed surplus	19,250,170
26C	Unassigned funds (surplus)	105,255,372
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	172,951,138
28	TOTALS	381,450,619

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	70,892
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,890,233
4	Discount on loss reserve	0
5	Other write-ins	8,442,900
9	TOTALS	6,623,559

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,866

2007 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	138,853,573
	Deductions	
2	Losses incurred	80,995,071
3	Loss expenses incurred	16,611,834
4	Other underwriting expenses incurred	34,827,647
5	Aggregate write-ins for underwriting deductions	-19,512
6	Total underwriting deductions	132,415,040
7	Net underwriting gain or loss	6,438,533
8	Net investment income earned	14,071,292
9	Net realized capital gains or losses	2,452,266
9A	Net investment gain or loss	16,523,558
10	Net gain or loss from agents or premium balances charged off	-328,229
11	Finance or service charges not included in premiums	1,095,719
12	Aggregate write-ins for miscellaneous income	-112,706
13	Total other income	654,784
14	Net income before dividends to policyholders and before federal and foreign income taxes	23,616,874
14A	Dividends to policyholders	770,529
14B	Net income after dividends to policyholders but before federal and foreign income taxes	22,846,346
15	Federal and foreign income taxes incurred	4,382,637
16	Net income	18,463,708
17	Surplus as regards policyholders, December 31 previous year	160,026,319
18	Net income	18,463,708
19	Net unrealized capital gains or losses	2,917,646
20	Change in non-admitted assets	-3,026,139
21	Change in provision for reinsurance	306,901
22	Change in foreign exchange adjustment	449,485
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	-121,178
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	0
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,580,499
	(b) Transferred to capital	0
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-8,222,725
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-153,929
31	Change in surplus as regards policyholders for the year	12,924,819
32	Surplus as regards policyholders, December 31 current year	172,951,138

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-160,499
2	Change in conditional reserves	6,570
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-153,929

PERSONAL AUTO PHYSICAL DAMAGE INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 ASSETS

1	Bonds	149,957,766
2	Stocks	
	2.1 Preferred stocks	3,327,472
	2.2 Common stocks	118,427,071
3	Mortgage loans on real estate	
	3.1 First Liens	2,304,604
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,226,880
	4.2 Other properties	0
5	Cash and Short-term investments	14,824,453
6	Other invested assets	15,488,839
7	Receivable for securities	89,690
8	Aggregate write-ins for invested assets	152,377
9	Subtotals, cash and invested assets	309,109,123
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,065,016
	10.2 Booked but deferred and not yet due	19,555,534
	10.3 Accrued retrospective premiums	478,461
11	Funds held by or deposited with reinsured companies	537,034
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,090,046
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	167,154
15	Electronic data processing equipment	813,771
16	Interest, dividends and real estate income due and accrued	2,014,591
17	Receivable from parent, subsidiaries and affiliates	2,610,639
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	160
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	3,761,489
22	TOTALS (items 8a through 20)	352,594,158

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	3,761,489
6	TOTALS	3,761,489

PERSONAL AUTO PHYSICAL DAMAGE INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2006 LIABILITIES

1	Losses	80,211,510
1A	Reinsurance payable on paid loss and loss adjustment expense	2,029,727
2	Loss adjustment expenses	20,201,494
3	Contingent commissions and other similar charges	1,338,819
4	Other expenses	8,246,830
5	Taxes, licenses and fees	1,184,657
6	Federal and foreign income taxes	0
7	Borrowed money	1,607,801
8	Interest	0
9	Unearned premiums	45,992,759
10	Dividends declared and unpaid	
	(a) Stockholders	29,040
	(b) Policyholders	53,624
11	Funds held by company under reinsurance treaties	3,388,240
12	Amounts withheld or retained by company for account of others	3,253,401
13	Remittances and items not allocated	399,025
14	Provision for reinsurance	647,776
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	6,946
17	Drafts outstanding	1,206,967
18	Payable to parent, subsidiaries and affiliates	633,069
19	Payable for securities	503,325
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	5,197,823
23	Total liabilities	187,166,818
24	Aggregate write-ins for special surplus funds	44,162,880
25A	Common capital stock	193,709
25B	Preferred capital stock	315,000
25C	Aggregate write-ins for other than special surplus funds	14,866
26A	Surplus notes	3,712,597
26B	Gross paid in and contributed surplus	16,474,205
26C	Unassigned funds (surplus)	100,554,250
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	165,427,340
28	TOTALS	352,594,158

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	70,892
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,856,338
4	Discount on loss reserve	0
5	Other write-ins	6,983,268
9	TOTALS	5,197,823

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,866

2006 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	130,977,243
	Deductions	
2	Losses incurred	76,146,895
3	Loss expenses incurred	15,674,991
4	Other underwriting expenses incurred	33,286,226
5	Aggregate write-ins for underwriting deductions	-19,512
6	Total underwriting deductions	125,088,601
7	Net underwriting gain or loss	5,888,642
8	Net investment income earned	12,930,000
9	Net realized capital gains or losses	2,335,663
9A	Net investment gain or loss	15,265,663
10	Net gain or loss from agents or premium balances charged off	-235,056
11	Finance or service charges not included in premiums	1,074,283
12	Aggregate write-ins for miscellaneous income	-206,153
13	Total other income	633,074
14	Net income before dividends to policyholders and before federal and foreign income taxes	21,787,379
14A	Dividends to policyholders	770,091
14B	Net income after dividends to policyholders but before federal and foreign income taxes	21,017,288
15	Federal and foreign income taxes incurred	4,014,779
16	Net income	17,002,509
17	Surplus as regards policyholders, December 31 previous year	153,557,360
18	Net income	17,002,509
19	Net unrealized capital gains or losses	3,176,670
20	Change in non-admitted assets	-3,301,009
21	Change in provision for reinsurance	294,479
22	Change in foreign exchange adjustment	229,994
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	-121,178
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	360
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,449,554
	(b) Transferred to capital	-360
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-7,613,780
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-94,110
31	Change in surplus as regards policyholders for the year	11,869,980
32	Surplus as regards policyholders, December 31 current year	165,427,340

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-100,680
2	Change in conditional reserves	6,570
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-94,110

AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 ASSETS

1	Bonds	167,143,895
2	Stocks	
	2.1 Preferred stocks	3,910,128
	2.2 Common stocks	121,702,673
3	Mortgage loans on real estate	
	3.1 First Liens	2,304,604
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,226,880
	4.2 Other properties	0
5	Cash and Short-term investments	15,187,527
6	Other invested assets	17,437,547
7	Receivable for securities	80,359
8	Aggregate write-ins for invested assets	432,189
9	Subtotals, cash and invested assets	332,735,774
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,639,749
	10.2 Booked but deferred and not yet due	20,655,682
	10.3 Accrued retrospective premiums	1,715,523
11	Funds held by or deposited with reinsured companies	548,152
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,679,074
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	186,162
15	Electronic data processing equipment	813,771
16	Interest, dividends and real estate income due and accrued	2,245,485
17	Receivable from parent, subsidiaries and affiliates	2,724,061
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	160
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	6,175,144
22	TOTALS (items 8a through 20)	383,067,594

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	6,175,144
6	TOTALS	6,175,144



AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

2007 LIABILITIES

1	Losses	92,426,646
1A	Reinsurance payable on paid loss and loss adjustment expense	2,293,953
2	Loss adjustment expenses	22,388,923
3	Contingent commissions and other similar charges	1,360,676
4	Other expenses	8,253,163
5	Taxes, licenses and fees	1,422,745
6	Federal and foreign income taxes	0
7	Borrowed money	1,888,354
8	Interest	0
9	Unearned premiums	50,754,003
10	Dividends declared and unpaid	
	(a) Stockholders	29,040
	(b) Policyholders	53,624
11	Funds held by company under reinsurance treaties	3,563,960
12	Amounts withheld or retained by company for account of others	3,292,657
13	Remittances and items not allocated	436,512
14	Provision for reinsurance	738,456
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	6,946
17	Drafts outstanding	1,206,967
18	Payable to parent, subsidiaries and affiliates	833,752
19	Payable for securities	506,656
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	6,689,863
23	Total liabilities	209,693,534
24	Aggregate write-ins for special surplus funds	44,212,213
25A	Common capital stock	218,735
25B	Preferred capital stock	315,000
25C	Aggregate write-ins for other than special surplus funds	14,866
26A	Surplus notes	3,712,597
26B	Gross paid in and contributed surplus	19,537,928
26C	Unassigned funds (surplus)	105,362,888
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	173,374,061
28	TOTALS	383,067,594

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	70,892
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,892,128
4	Discount on loss reserve	0
5	Other write-ins	8,511,098
9	TOTALS	6,689,863

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,866

2007 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	139,525,891
	Deductions	
2	Losses incurred	81,124,336
3	Loss expenses incurred	16,596,176
4	Other underwriting expenses incurred	35,355,173
5	Aggregate write-ins for underwriting deductions	-19,512
6	Total underwriting deductions	133,056,173
7	Net underwriting gain or loss	6,469,718
8	Net investment income earned	14,004,718
9	Net realized capital gains or losses	2,452,527
9A	Net investment gain or loss	16,457,244
10	Net gain or loss from agents or premium balances charged off	-320,117
11	Finance or service charges not included in premiums	1,094,477
12	Aggregate write-ins for miscellaneous income	-127,040
13	Total other income	647,320
14	Net income before dividends to policyholders and before federal and foreign income taxes	23,574,282
14A	Dividends to policyholders	770,529
14B	Net income after dividends to policyholders but before federal and foreign income taxes	22,803,753
15	Federal and foreign income taxes incurred	4,381,810
16	Net income	18,421,943
17	Surplus as regards policyholders, December 31 previous year	160,387,361
18	Net income	18,421,943
19	Net unrealized capital gains or losses	3,051,385
20	Change in non-admitted assets	-3,025,235
21	Change in provision for reinsurance	299,138
22	Change in foreign exchange adjustment	456,422
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	-121,178
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	360
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,586,499
	(b) Transferred to capital	-360
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-8,237,480
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-152,214
31	Change in surplus as regards policyholders for the year	12,986,700
32	Surplus as regards policyholders, December 31 current year	173,374,061

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-158,785
2	Change in conditional reserves	6,570
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-152,214

AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

PART II - 2006 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	51,130,309,000
2	Net Premiums Earned	50,980,849,000
3	Dividends to Policyholders	250,751,000
4	Incurred Losses	32,322,581,000
5	Allocated Loss Adjustment Expenses Incurred	1,883,092,000
6	Unallocated Loss Adjustment Expenses Incurred	5,159,431,000
7	Unpaid Losses	37,484,599,000
8	Allocated Loss Adjustment Expenses Unpaid	5,526,928,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,194,859,000
10	Unearned Premium Reserves	14,333,575,000
11	Agents' Balances	8,053,070,000
12	Commission and Brokerage Expense	4,059,448,000
13	Taxes, Licenses and Fees Incurred	1,227,211,000
14	Other Acquisition, Etc. Expenses Incurred	4,367,995,000
15	General Expenses Incurred	2,306,771,000
16	Other Income Less Other Expenses	399,575,000
17	Pretax Profit Excluding Investment Gain	-196,854,000
18	Investment Gain on Insurance Transactions	3,008,764,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	2,811,910,000
20	Investment Gain on Capital and Surplus	3,824,892,000
21	Total Profit or Loss	6,636,798,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,945,353,000
2	Net Premiums Earned	34,709,800,000
3	Dividends to Policyholders	199,855,000
4	Incurred Losses	20,209,970,000
5	Allocated Loss Adjustment Expenses Incurred	109,813,000
6	Unallocated Loss Adjustment Expenses Incurred	3,436,954,000
7	Unpaid Losses	1,916,515,000
8	Allocated Loss Adjustment Expenses Unpaid	93,940,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,192,578,000
10	Unearned Premium Reserves	10,183,461,000
11	Agents' Balances	5,584,924,000
12	Commission and Brokerage Expense	2,472,192,000
13	Taxes, Licenses and Fees Incurred	829,262,000
14	Other Acquisition, Etc. Expenses Incurred	3,018,374,000
15	General Expenses Incurred	1,588,573,000
16	Other Income Less Other Expenses	178,787,000
17	Pretax Profit Excluding Investment Gain	3,023,590,000
18	Investment Gain on Insurance Transactions	303,715,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,327,307,000
20	Investment Gain on Capital and Surplus	1,710,309,000
21	Total Profit or Loss	5,037,613,000

PART II - 2007 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	51,265,927,000
2	Net Premiums Earned	51,112,658,000
3	Dividends to Policyholders	250,751,000
4	Incurred Losses	32,430,658,000
5	Allocated Loss Adjustment Expenses Incurred	1,889,787,000
6	Unallocated Loss Adjustment Expenses Incurred	5,161,422,000
7	Unpaid Losses	37,600,287,000
8	Allocated Loss Adjustment Expenses Unpaid	5,542,320,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,197,922,000
10	Unearned Premium Reserves	14,387,607,000
11	Agents' Balances	8,068,777,000
12	Commission and Brokerage Expense	4,080,062,000
13	Taxes, Licenses and Fees Incurred	1,230,636,000
14	Other Acquisition, Etc. Expenses Incurred	4,373,657,000
15	General Expenses Incurred	2,306,797,000
16	Other Income Less Other Expenses	399,902,000
17	Pretax Profit Excluding Investment Gain	-211,210,000
18	Investment Gain on Insurance Transactions	3,014,644,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	2,803,434,000
20	Investment Gain on Capital and Surplus	3,829,606,000
21	Total Profit or Loss	6,633,036,000

PHYSICAL DAMAGE

1	Net Premiums Written	35,076,657,000
2	Net Premiums Earned	34,838,173,000
3	Dividends to Policyholders	199,855,000
4	Incurred Losses	20,290,217,000
5	Allocated Loss Adjustment Expenses Incurred	110,501,000
6	Unallocated Loss Adjustment Expenses Incurred	3,439,889,000
7	Unpaid Losses	1,921,916,000
8	Allocated Loss Adjustment Expenses Unpaid	95,925,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,193,041,000
10	Unearned Premium Reserves	10,234,178,000
11	Agents' Balances	5,611,609,000
12	Commission and Brokerage Expense	2,494,135,000
13	Taxes, Licenses and Fees Incurred	832,752,000
14	Other Acquisition, Etc. Expenses Incurred	3,023,649,000
15	General Expenses Incurred	1,589,017,000
16	Other Income Less Other Expenses	179,060,000
17	Pretax Profit Excluding Investment Gain	3,037,211,000
18	Investment Gain on Insurance Transactions	303,909,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,341,122,000
20	Investment Gain on Capital and Surplus	1,711,971,000
21	Total Profit or Loss	5,053,090,000

AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

PART II - 2006 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	50,518,299,000
2	Net Premiums Earned	50,414,102,000
3	Dividends to Policyholders	250,751,000
4	Incurred Losses	31,961,072,000
5	Allocated Loss Adjustment Expenses Incurred	1,827,251,000
6	Unallocated Loss Adjustment Expenses Incurred	5,130,817,000
7	Unpaid Losses	37,127,835,000
8	Allocated Loss Adjustment Expenses Unpaid	5,458,683,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,184,835,000
10	Unearned Premium Reserves	13,937,590,000
11	Agents' Balances	7,919,579,000
12	Commission and Brokerage Expense	3,946,981,000
13	Taxes, Licenses and Fees Incurred	1,220,568,000
14	Other Acquisition, Etc. Expenses Incurred	4,358,686,000
15	General Expenses Incurred	2,289,649,000
16	Other Income Less Other Expenses	396,601,000
17	Pretax Profit Excluding Investment Gain	-175,070,000
18	Investment Gain on Insurance Transactions	2,965,075,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	2,790,006,000
20	Investment Gain on Capital and Surplus	3,785,586,000
21	Total Profit or Loss	6,575,586,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,940,647,000
2	Net Premiums Earned	34,736,243,000
3	Dividends to Policyholders	199,855,000
4	Incurred Losses	20,177,128,000
5	Allocated Loss Adjustment Expenses Incurred	95,044,000
6	Unallocated Loss Adjustment Expenses Incurred	3,452,322,000
7	Unpaid Losses	1,938,464,000
8	Allocated Loss Adjustment Expenses Unpaid	89,916,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,194,757,000
10	Unearned Premium Reserves	10,129,777,000
11	Agents' Balances	5,573,839,000
12	Commission and Brokerage Expense	2,518,372,000
13	Taxes, Licenses and Fees Incurred	835,963,000
14	Other Acquisition, Etc. Expenses Incurred	3,029,391,000
15	General Expenses Incurred	1,611,321,000
16	Other Income Less Other Expenses	178,925,000
17	Pretax Profit Excluding Investment Gain	2,995,767,000
18	Investment Gain on Insurance Transactions	297,983,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,293,752,000
20	Investment Gain on Capital and Surplus	1,710,963,000
21	Total Profit or Loss	5,004,709,000

PERSONAL AUTO PHYSICAL DAMAGE INSURANCE  
 AGGREGATE ANNUAL STATEMENT DATA  
 TOP 50 AUTO INSURERS BASED ON 2007 WRITTEN PREMIUM

PART II - 2007 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	51,073,443,000
2	Net Premiums Earned	50,960,000,000
3	Dividends to Policyholders	250,751,000
4	Incurred Losses	32,325,980,000
5	Allocated Loss Adjustment Expenses Incurred	1,886,970,000
6	Unallocated Loss Adjustment Expenses Incurred	5,149,631,000
7	Unpaid Losses	37,483,101,000
8	Allocated Loss Adjustment Expenses Unpaid	5,528,790,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,190,583,000
10	Unearned Premium Reserves	14,326,834,000
11	Agents' Balances	8,014,480,000
12	Commission and Brokerage Expense	4,059,630,000
13	Taxes, Licenses and Fees Incurred	1,226,496,000
14	Other Acquisition, Etc. Expenses Incurred	4,369,424,000
15	General Expenses Incurred	2,292,152,000
16	Other Income Less Other Expenses	397,157,000
17	Pretax Profit Excluding Investment Gain	-203,876,000
18	Investment Gain on Insurance Transactions	2,997,322,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	2,793,447,000
20	Investment Gain on Capital and Surplus	3,811,814,000
21	Total Profit or Loss	6,605,257,000

PHYSICAL DAMAGE

1	Net Premiums Written	35,300,317,000
2	Net Premiums Earned	35,092,296,000
3	Dividends to Policyholders	199,855,000
4	Incurred Losses	20,386,348,000
5	Allocated Loss Adjustment Expenses Incurred	110,896,000
6	Unallocated Loss Adjustment Expenses Incurred	3,462,684,000
7	Unpaid Losses	1,956,417,000
8	Allocated Loss Adjustment Expenses Unpaid	97,714,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,195,756,000
10	Unearned Premium Reserves	10,410,391,000
11	Agents' Balances	5,650,602,000
12	Commission and Brokerage Expense	2,578,158,000
13	Taxes, Licenses and Fees Incurred	840,859,000
14	Other Acquisition, Etc. Expenses Incurred	3,037,578,000
15	General Expenses Incurred	1,613,169,000
16	Other Income Less Other Expenses	179,332,000
17	Pretax Profit Excluding Investment Gain	3,042,074,000
18	Investment Gain on Insurance Transactions	307,122,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,349,198,000
20	Investment Gain on Capital and Surplus	1,723,485,000
21	Total Profit or Loss	5,072,681,000

11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A  
CERTIFICATION OF COMPLIANCE WITH THEM

(a) ISO Personal Auto Statistical Plan

ISO Minimum Personal Auto Statistical Plan

ISO 2007 Call for Personal Auto Bodily Injury and Property Damage  
Liability and No-Fault Statistics

ISO 2007 Call for Personal Auto Physical Damage Statistics

ISO 2007 Call for Personal Auto Minimum Statistical Plan Liability  
and No-Fault Statistics

ISO 2007 Call for Personal Auto Minimum Statistical Plan Physical  
Damage Statistics

ISS Automobile Statistical Plans - All Coverages

ISS 2007 quarterly Automobile Liability and Physical Damage Call

ISS Voluntary Automobile Excess Loss Call

Annual Statement for Calendar Year 2007

Insurance Expense Exhibit for Calendar Year 2007

RB Calls for 2007 North Carolina Automobile and Motorcycle Expense  
Experience

NISS Automobile Statistical Plan - All Coverages - Part IV, North  
Carolina

NISS 2007 Quarterly Automobile Call

NISS 2007 Quarterly Automobile Excess Loss Call

NISS 2007 Calendar Year Annual Statement

NISS 2008 Financial Reconciliation Call

(b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of P. Woods and M. Miller.

(c) Pages H-686-690 contain general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.

ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Private Passenger, Bodily Injury, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Page 15 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified and results are verified by checking back to the source data.

ISO's edit procedure for Private Passenger Automobile data is in compliance with the requirements of the Statistical Data Monitoring System (SDMS) which is mandated for use in several states and was developed by the New York Insurance Department in conjunction with the Arthur Andersen Company. SDMS was developed to provide procedures for the companies that report, and stat agents that collect, data in order to put controls into the reporting system to generate valid results. ISO employs the procedures detailed by SDMS throughout the country.



ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Page 15 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:

Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

## Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Similarly, the various coverages written on private passenger automobile policies in North Carolina are defined in the Automobile Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

### 3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

#### Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This initiates balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data being reported on tape, cartridge, diskette or form to be keyed.
- b. Individual company submissions are balanced to the company letter of transmittals to ensure that all data have been received and processed. After all four quarters of data have been received, the company reports are reconciled to the Annual Statement Page 15 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current quarter data to the previous quarter. This comparison is performed and analyzed by grouping data.
- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provisions contained in the filing, the pro forma statutory return on net worth (equity capital), is shown in the filing and the pre-filed testimony of D. Appel. Also shown therein is the ratio of net worth to surplus of 1.17. (This value is based on a five year average using data through 2007.) Accordingly, the corresponding return on statutory capital and surplus would be 14.43% for liability and 14.25% for physical damage. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of net worth to assets is .361. Accordingly, the corresponding return on assets would be 4.46% for liability and 4.40% for physical damage.

See also pre-filed testimony of D. Appel and J. Vander Weide.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS WITHOUT ENDANGERING THE SOLVENCY OF MEMBER COMPANIES

- (a) The aggregate premium to surplus ratios for the latest available calendar years for the company groups which have written North Carolina private passenger automobile insurance during the entire period shown are estimated to be as follows:

<u>Year</u>	<u>Liability</u>	<u>Physical Damage</u>
1998	0.931	0.946
1999	0.898	0.929
2000	0.951	0.980
2001	1.159	1.182
2002	1.377	1.400
2003	1.189	1.236
2004	1.089	1.109
2005	1.080	1.102
2006	0.928	0.956
2007	0.876	0.914

Note: These data are available from Best's Data Service and Best's Aggregate and Averages. See also the prefiled testimony and exhibits of D. Appel.

- (b) The experience provides the best estimate of the future. See the prefiled testimony of D. Appel.
- (c) The actual premium to surplus ratio for the property and casualty industry on a countrywide basis (based upon the latest A. M. Best data available at this time) is as follows:

(000's omitted)

STATUTORY CAPITAL AND SURPLUS, 2007	\$537,118,116
STATUTORY CAPITAL AND SURPLUS, 2006	\$501,207,593
AVERAGE STATUTORY CAPITAL AND SURPLUS (2007)	\$519,162,855
NET PREMIUMS EARNED (2007)	\$450,693,641
PREMIUM/SURPLUS RATIO	0.868

The actual level of capital and surplus needed to support premium writings without endangering the solvency of a company is dependent upon (among others) the financial structure and investments unique to each company, the relationship of the company with affiliated companies as a group (and the experience of the affiliated companies), the mix of business of each company, and the conditions of the economy as they affect each company's individual circumstances. The Rate Bureau is advised that the National Association of Insurance Commissioners, as one of several criteria, generally considers that a premium to surplus ratio for an individual company of 3 to 1 warrants close regulatory attention and monitoring with respect to the company's solvency position.

- (d) The Rate Bureau has not allocated surplus by state and by line in preparing this filing. The Rate Bureau has treated surplus in this manner because each dollar of surplus is available to cover losses in excess of premium for each and every line.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING  
AS PER 11 NCAC 10.1104

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

See attached Exhibits (14)(a), (b), (c) and (d).

See the pre-filed testimony of P. Woods, D. Appel and J. Vander Weide.

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Minutes of the Automobile Committee meeting held on December 11, 2008 and telephone conference held on January 6 and 9, 2009 and Minutes of the Governing Committee held on January 15, 2009 are not complete and will be sent as soon as possible.

With regard to the information requested under Item (14) (c) the Rate Bureau submits the following:

February 1, 2008 Rate Filing

Insurance Services Office: ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings or reviews. The assessment covers all services provided by ISO to the Rate Bureau with respect to automobile insurance, including services for developing rates and preparing the filing. The assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the costs of each insurance line and service by the premium volume of all insurers affiliated with ISO for each respective line and service. During 2008 ISO has billed the Rate Bureau \$3,092,870 for charges relating to automobile insurance services.

Young, Moore, and Henderson, P.A.: The firm has billed the Rate Bureau approximately \$398,826 for services (fees) rendered in connection with the 2008 private passenger automobile insurance rate filing.

Milliman Inc.: The firm has billed the Rate Bureau approximately \$121,973 for services rendered in connection with the 2008 private passenger automobile insurance rate filing.

EPIC Consulting, LLC: The firm has billed the Rate Bureau approximately \$124,820 for services rendered in connection with the 2008 private passenger automobile rate filing.

Financial Strategy Associates: The firm has billed the Rate Bureau approximately \$28,382 for its services rendered in connection with the 2008 private passenger automobile insurance rate filing.

February 1, 2009 Rate Filing

Insurance Services Office: ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings or reviews. The assessment covers all services provided by ISO to the Rate Bureau with respect to automobile insurance, including services for developing rates and preparing the filing. The assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the costs of each insurance line and service by the premium volume of all insurers affiliated with ISO for each respective line and service. At the time of the preparation of this filing, ISO has not billed the Rate Bureau for charges relating to automobile insurance services.

Young, Moore, and Henderson, P.A.: At the time of the preparation of this filing, the firm has billed the Rate Bureau approximately \$22,062 for services (fees) rendered in connection with the 2009 private passenger automobile insurance rate filing.

Epic Consulting, LLC: At the time of the preparation of this filing, the firm has billed the Rate Bureau approximately \$10,203 for services rendered in connection with the 2009 private passenger automobile rate filing.

Milliman Inc.: At the time of the preparation of this filing, the firm has billed the Rate Bureau approximately \$3,050 for services rendered in connection with the 2009 private passenger automobile rate filing.

Financial Strategy Associates: At the time of the preparation of this filing, the firm has not yet billed the Rate Bureau for its services rendered in connection with the 2009 private passenger automobile insurance rate filing.

While the Rate Bureau does not consider these changes in methodology, the following changes from the February 1, 2008 filing have been incorporated into this filing:

- This filing includes proposed revisions to classification differentials, deductible relativities and model year relativities. See sections I, J and K.
- This filing introduces a switch to a symbol 8 base symbol for the physical damage coverages. The proposed base rates reflect this change. Previously, symbol 2 was the base symbol. See Sections B, C and K.
- The model year and symbol relativity tables on pages B-4 and B-5 reflect the re-indexing of the current table to a symbol 8 base, the proposed revisions to the model year relativities, and the introduction of the recently approved 75 symbol table for 2011 and later model year vehicles. See Section K.
- Used 3-year and 5-year average factors, respectively, for Underinsured Motorists Bodily Injury and Medical Payments loss development factors in the development of ultimate losses. Previously, 5-year UIM BI and 3-year Medical Payments factors were used. See sections D and E.
- Incorporated the selection of an average dividend provision of 0.25% into the determination of the average premium required per exposure for all automobile coverages. See Sections C, E and RB-5.
- Selected the excess limits change to be applied to the higher limits portion of the bodily injury increased limits factors, while applying the residual excess limits indication to the basic limits rates. See section G.
- Considered both the "All Items" and "All Items - Less Energy" CPI indices in the selection of a trend factor for expenses. Previously, the "All Items - Less Energy" index was not utilized.

See also the prefiled testimony of P. Woods and M. Miller.

SECTION I  
DEDUCTIBLE RELATIVITIES REVIEW

## REVIEW OF DEDUCTIBLE RELATIVITIES

Page I-2 displays a review of indicated deductible loss relativities based on ISO only North Carolina size of loss distributions for calendar accident years ended December 31, 2005, 2006, and 2007.

These relativities were calculated based on the losses eliminated in moving from a lower to higher deductible. The distributions which underlie these relativities were adjusted to reflect the expected size of loss distributions that will exist on the average date of accident under the proposed rates (7/13/10).

Because the effect of increasing deductibles will not change the fixed expenses, the following formula has been utilized in developing an indicated rate relativity for each deductible that approximately reflects such expenses that do not vary with premium:

$$R = \frac{(Ld + F)}{(1 - V)}$$

where R = indicated relativity

L = provision for loss and loss adjustment expense in the proposed rates (page I-4)

d = loss relativity (page I-2)

F = provision in proposed rates for fixed expenses (page I-4)

V = provision in proposed rates for expenses that vary with premium (page I-4)

Using this formula, which is based on Robert Hurley's "Commercial Fire Insurance Ratemaking" contained in the 1973 CAS Proceedings, and the indicated loss relativities on page I-2, the indicated rate relativities have been calculated and displayed on page I-3.

Page I-4 contains the calculation of L, F, and V.

Page I-5 contains a summary of the current and proposed deductible relativities. A change to the \$500 and \$1,000 Comprehensive deductible and \$1,000 Collision deductible relativities has been proposed.

Page I-6 contains the calculation of the deductible relativity offsets.

NORTH CAROLINA

PRIVATE PASSENGER PHYSICAL DAMAGE INSURANCE

INDICATED LOSS RELATIVITIES

<u>COMPREHENSIVE</u>	<u>2005 (A)</u>	<u>2005 (B)</u>	<u>2006 (A)</u>	<u>2006 (B)</u>	<u>2007 (A)</u>	<u>2007 (B)</u>
Full Coverage	1.000		1.000		1.000	
\$ 50 Deductible	0.935		0.940		0.937	
\$ 100 Deductible	0.872		0.883		0.877	
\$ 250 Deductible	0.697	0.716	0.722	0.744	0.712	0.730
\$ 500 Deductible	0.526	0.557	0.563	0.601	0.552	0.582
\$1000 Deductible	0.368	0.405	0.391	0.439	0.384	0.420

(A) Based on ISO calendar/accident year Full Coverage Comprehensive claim size distribution.

(B) Based on ISO calendar/accident year \$100 Deductible Comprehensive claim size distribution rebased to Full Coverage level.

<u>COLLISION</u>	<u>2005 (A)</u>	<u>2005 (B)</u>	<u>2006 (A)</u>	<u>2006 (B)</u>	<u>2007 (A)</u>	<u>2007 (B)</u>
\$ 50 Deductible (C)	1.025		1.024		1.022	
\$ 100 Deductible	1.000		1.000		1.000	
\$ 200 Deductible	0.958		0.959		0.957	
\$ 250 Deductible	0.937		0.939		0.935	
\$ 500 Deductible	0.838	0.852	0.841	0.854	0.833	0.850
\$1000 Deductible	0.676	0.706	0.682	0.707	0.668	0.704

(A) Based on ISO calendar/accident year \$100 Deductible Collision claim size distribution.

(B) Based on ISO calendar/accident year \$250 Deductible Collision claim size distribution rebased to \$100 Deductible level.

(C) Based on ISO calendar/accident year \$50 Deductible Collision claim size distribution.

## PRIVATE PASSENGER PHYSICAL DAMAGE INSURANCE

## INDICATED RATE RELATIVITIES

<u>COMPREHENSIVE</u>	<u>CURRENT</u>	<u>2005 (A)</u>	<u>2005 (B)</u>	<u>2006 (A)</u>	<u>2006 (B)</u>	<u>2007 (A)</u>	<u>2007 (B)</u>
Full Coverage	1.00	1.000		1.000		1.000	
\$ 50 Deductible	0.95	0.947		0.951		0.949	
\$ 100 Deductible	0.90	0.896		0.905		0.900	
\$ 250 Deductible	0.77	0.753	0.769	0.774	0.792	0.766	0.780
\$ 500 Deductible	0.60	0.614	0.639	0.644	0.675	0.635	0.660
\$1000 Deductible	0.50	0.486	0.516	0.504	0.543	0.499	0.528

(A) Based on ISO calendar/accident year Full Coverage Comprehensive claim size distribution.

(B) Based on ISO calendar/accident year \$100 Deductible Comprehensive claim size distribution rebased to Full Coverage level.

<u>COLLISION</u>	<u>CURRENT</u>	<u>2005 (A)</u>	<u>2005 (B)</u>	<u>2006 (A)</u>	<u>2006 (B)</u>	<u>2007 (A)</u>	<u>2007 (B)</u>
\$ 50 Deductible (C)	1.02	1.020		1.020		1.018	
\$ 100 Deductible	1.00	1.000		1.000		1.000	
\$ 200 Deductible	0.97	0.966		0.966		0.965	
\$ 250 Deductible	0.95	0.948		0.950		0.947	
\$ 500 Deductible	0.88	0.867	0.879	0.870	0.880	0.863	0.877
\$1000 Deductible	0.77	0.735	0.759	0.740	0.760	0.728	0.758

(A) Based on ISO calendar/accident year \$100 Deductible Collision claim size distribution.

(B) Based on ISO calendar/accident year \$250 Deductible Collision claim size distribution rebased to \$100 Deductible level.

(C) Based on ISO calendar/accident year \$50 Deductible Collision claim size distribution.



NORTH CAROLINA  
REVIEW OF DEDUCTIBLE RELATIVITIES

I. Calculation of Projected Loss Ratio (L)

	<u>Comprehensive</u>	<u>Collision</u>
(1) Trended premium at manual rates (pages H-3, part II. and C-7, lines 25, 26)	534,275,786	1,275,050,190
(2) Projected losses (page C-7, line 15)	287,611,143	629,500,510
(3) Projected loss adjustment expenses (page C-7, line 16)	42,159,544	92,275,471
(4) Projected general and other acquisition expenses (page C-7, line 18)	75,354,892	159,376,738
(5) Projected premium [(2)+(3)+(4)]/[1-V]	538,730,823	1,171,745,637
(6) Projected losses and loss adjustment expenses (2)+(3)	329,770,687	721,775,981
(7) Projected loss ratio (L) (6)/(5)	0.612125152	0.615983502

II. Calculation of Fixed Expense Percentage (F)

(1) Projected general and other acquisition expenses [(4) above]	75,354,892	159,376,738
(2) Projected premium [(5) above]	538,730,823	1,171,745,637
(3) Fixed expense percentage (F) (1)/(2)	0.139874848	0.136016498

III. Calculation of Variable Expense Percentage (V) (page D-22)

(1) Commission and Brokerage	9.7%
(2) Contingencies	0.0%
(3) Profit	13.0%
(4) Taxes, Licenses and Fees	2.1%
(5) Total (1)+(2)+(3)+(4)	24.8%

NORTH CAROLINA  
PRIVATE PASSENGER PHYSICAL DAMAGE INSURANCE

PHYSICAL DAMAGE DEDUCTIBLE RELATIVITIES

	<u>Current Relativity</u>	<u>Selected Relativity</u>
COMPREHENSIVE		
Full Coverage	1.000	1.000
\$ 50 Deductible	0.950	0.950
\$ 100 Deductible	0.900	0.900
\$ 250 Deductible	0.770	0.770
\$ 500 Deductible	0.600	0.650
\$1000 Deductible	0.500	0.530
COLLISION		
\$ 50 Deductible	1.020	1.020
\$ 100 Deductible	1.000	1.000
\$ 200 Deductible	0.970	0.970
\$ 250 Deductible	0.950	0.950
\$ 500 Deductible	0.880	0.880
\$1000 Deductible	0.770	0.750

NORTH CAROLINA  
REVIEW OF DEDUCTIBLE RELATIVITIES

Deductible Relativity Offset Calculation

Comprehensive

<u>Coverage</u>	(1) Trended Premium <u>at Present Rates</u>	(2) Current <u>Factor</u>	(3) Revised <u>Factor</u>	(4) <u>(1)/(2) * (3)</u>	Offset <u>(1)/(4)</u>
Full Cov	188,195,876	1.00	1.00	188,195,876	
\$50 Ded	30,067,706	0.95	0.95	30,067,706	
\$100 Ded	158,579,138	0.90	0.90	158,579,138	
\$250 Ded	70,723,039	0.77	0.77	70,723,039	
\$500 Ded	78,330,349	0.60	0.65	84,857,878	
\$1000 Ded	8,379,678	0.50	0.53	8,882,459	
	534,275,786			541,306,096	0.987

Collision

<u>Coverage</u>	(1) Trended Premium <u>at Present Rates</u>	(2) Current <u>Factor</u>	(3) Revised <u>Factor</u>	(4) <u>(1)/(2) * (3)</u>	Offset <u>(1)/(4)</u>
\$50 Ded	5,244,825	1.02	1.02	5,244,825	
\$100 Ded	77,656,324	1.00	1.00	77,656,324	
\$200 Ded	25,223,134	0.97	0.97	25,223,134	
\$250 Ded	502,800,720	0.95	0.95	502,800,720	
\$500 Ded	613,311,052	0.88	0.88	613,311,052	
\$1000 Ded	50,814,135	0.77	0.75	49,494,287	
	1,275,050,190			1,273,730,342	1.001

SECTION J  
CLASSIFICATION PLAN REVIEW

# NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

## REVIEW OF CLASSIFICATION EXPERIENCE

### Explanatory Memorandum

This section presents a review of North Carolina classification experience. This review summarizes all private passenger non-fleet motor vehicle experience for companies reporting to Insurance Services Office, Inc. (ISO), the Independent Statistical Service (ISS), or the National Independent Statistical Service (NISS) for the three years ended December 31, 2007. The data for Liability coverages are retained and ceded risks combined for 30/60 Bodily Injury and \$25,000 Property Damage. The data for Physical Damage includes all standard rate and consent to rate experience for Full Coverage, \$50, \$100, \$250, \$500 and \$1,000 Deductible Comprehensive, and \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductible Collision. The premiums shown in this review are premiums at present voluntary/standard base rates. Losses are actual unadjusted dollars of losses, i.e. the losses are not trended or developed. Losses are on a calendar/accident year incurred basis for liability and include allocated loss adjustment expenses only. Losses are on a calendar year paid basis for physical damage and exclude all loss adjustment expense.

In consideration of this most recent experience, the Rate Bureau is effecting changes in the classification and subclassification plans used for private passenger nonfleet automobiles. Revisions in the rating factors that apply to the classes and subclasses are appropriate to more accurately reflect the differences in hazard between different motor vehicles and operators. In particular, changes are proposed in the Safe Driver Insurance plan surcharges and the inexperienced operator surcharges. The experience pertaining to the multicar discount and use surcharges were reviewed, but no changes are proposed. The descriptions below provide a more detailed analysis of these changes. Technical notes are provided after the exhibits.

#### The Review

Each rating factor (type of use, operator experience, single/multi car policy, and SDIP points) was reviewed separately. The review derives indicated rating factors so that each group of operators would have the same loss ratio. For example, for type of use, the review considers the pleasure use classes, the drive to work less than 10 miles classes, the drive to work more than 10 miles classes, the business use classes, and the farm use classes; and develops the additional additive surcharge that would create equal loss ratios for each group of classes. Similarly, inexperienced operator surcharges, multicar discounts and SDIP surcharges were developed.

The results of the review are shown on pages J-3 through J-9.

#### Use Surcharges

Page J-6 shows the review of the use surcharges in the same detail as the current surcharges. Liability, Comprehensive and Collision are reviewed separately. The average rating factors for the other variables (inexperienced operator, single/multicar policy and SDIP) were calculated and used to compute premium at present pleasure rates (column (1)). These rating factors are the surcharges currently in effect. Here pleasure use is assumed to be the base class. The premium is that which would be generated if there were no use surcharges. The ratio of losses to premium at pleasure rates, column (8), was calculated. The premium that must be collected from each type of use to have the same loss ratio as the pleasure use group (column (9)) is then derived. The shortfall between this needed premium and the premium collected at pleasure rates must be recovered through use surcharges. The ratio of the shortfall to the premium at present base rates equals the indicated use surcharge. The use surcharges are not revised.

### Multicar Discount

Pages J-7 shows the review of the multicar discount. Liability, Comprehensive and Collision are reviewed separately. This review was performed in a similar way as the review of the use surcharges. For Liability, Comprehensive and Collision the discount is unchanged.

### Inexperienced Operator Surcharges

Page J-8 shows the review of the inexperienced operator surcharge in the same detail as the current surcharges. Liability, Comprehensive and Collision are reviewed separately. This review was performed in a similar way as the review of the use surcharges. The inexperienced operator surcharges are revised for Liability, Comprehensive and Collision.

### SDIP Surcharges

Page J-9 shows the review of the SDIP surcharges. Because of potential biases created with the assignment of SDIP points for multi-car risks, single car risks only were used for this analysis. For each SDIP point category, the total premiums at present rates and losses for all coverages are considered. The ratio of losses to premium at 0-point rates, column (4), was calculated. The premium that must be collected from each point category to have the same loss ratio as the 0 point group (column (5)) is then derived. The shortfall between this needed premium and the premium collected at 0-point rates must be recovered through SDIP surcharges. The ratio of the shortfall to the premium at present base rates equals the indicated SDIP surcharge. For all coverages, the SDIP surcharges are revised.

### Implementation

To introduce this revision with no rate level effect, the base rates must be adjusted to offset any change to the premium collected. The offset is equal to the ratio of the average rating factor (weighted on premium at present base rates) before the changes to the average rating factor after the changes. The appropriate offsets have been calculated by territory separately for Liability, Comprehensive and Collision. The offsets are shown on page J-11.

The revised rates shown in Section B of this filing reflect these offsets.

Current and Indicated Use Surcharges

	(1)	(2)	(3)	(4)
	Current factor	1st iteration Indicated factor	2nd iteration Indicated surcharge	Selected factor
<u>Liability</u>				
Pleasure	0.00	0.000	0.000	0.00
Work < 10	0.05	0.092	0.090	0.05
Work > 10	0.05	0.022	0.020	0.05
Business	0.05	-0.005	-0.005	0.05
Farm	-0.20	-0.255	-0.255	-0.20
<u>Comprehensive</u>				
Pleasure	0.00	0.000	0.000	0.00
Work < 10	0.20	0.171	0.170	0.20
Work > 10	0.20	0.234	0.234	0.20
Business	0.20	0.112	0.112	0.20
Farm	-0.20	-0.167	-0.165	-0.20
<u>Collision</u>				
Pleasure	0.00	0.000	0.000	0.00
Work < 10	0.10	0.081	0.080	0.10
Work > 10	0.10	0.059	0.058	0.10
Business	0.10	-0.034	-0.034	0.10
Farm	-0.20	-0.261	-0.260	-0.20

Review was based on 3 years of data ended December 31, 2007.

Current and Indicated Inexperienced Operator Surcharges

	(1)	(2)	(3)	(4)
	Current factor	1st iteration Indicated factor	2nd iteration Indicated surcharge	Selected factor
<u>Liability</u>				
No inexperienced	0.00	0.000	0.000	0.00
Principal < 1	3.50	3.240	3.260	3.50
Occasional < 1	1.90	1.940	1.951	1.90
Principal < 2	1.75	1.769	1.779	1.75
Occasional < 2	0.90	0.752	0.756	0.85
Principal < 3	1.30	1.382	1.385	1.35
Occasional < 3	0.60	0.325	0.325	0.50
<u>Comprehensive</u>				
No inexperienced	0.00	0.000	0.000	0.00
Principal < 1	0.70	0.406	0.410	0.55
Occasional < 1	0.25	0.224	0.227	0.25
Principal < 2	0.55	0.359	0.362	0.55
Occasional < 2	0.10	-0.019	-0.018	0.10
Principal < 3	0.55	0.650	0.652	0.55
Occasional < 3	0.00	-0.062	-0.062	0.00
<u>Collision</u>				
No inexperienced	0.00	0.000	0.000	0.00
Principal < 1	3.40	2.969	2.986	3.25
Occasional < 1	2.10	1.812	1.823	2.05
Principal < 2	1.90	1.918	1.929	1.90
Occasional < 2	1.10	0.925	0.930	1.10
Principal < 3	1.65	1.733	1.739	1.65
Occasional < 3	0.85	0.586	0.588	0.80

Review was based on 3 years of data ended December 31, 2007.



Current and Selected SDIP Surcharges

Number of Points	(1)	(2)	(3)	(4)
	Current surcharge	1st iteration Indicated surcharge	2nd iteration Indicated surcharge	Selected surcharge
0	0.00	0.000	0.000	0.00
1	0.25	0.612	0.612	0.35
2	0.45	0.604	0.604	0.50
3	0.60	0.555	0.554	0.60
4	0.80	0.937	0.937	0.85
5	1.05	1.599	1.599	1.20
6	1.30	1.716	1.715	1.50
7	1.60	2.212	2.211	1.80
8	1.90	2.182	2.182	2.10
9	2.25	2.352	2.351	2.30
10	2.60	1.984	1.983	2.60
11	3.00	2.651	2.650	3.00
12	3.40	0.963	0.963	3.40
NE	0.10	-0.163	-0.163	0.10

Current and Indicated Multicar Discount

	Current	1st iteration Indicated	2nd iteration Indicated	Selected surcharge
Liability	-0.35	-0.421	-0.419	-0.35
Comprehensive	-0.10	-0.158	-0.157	-0.10
Collision	-0.30	-0.375	-0.375	-0.30

Review was based on 3 years of data ended December 31, 2007.

NORTH CAROLINA PRIVATE PASSENGER CLASSIFICATION EXPERIENCE -- REVIEW OF USE SURCHARGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Premium at pleasure rates	Premium at base rates	Losses	Average exp factor	Average use factor	Average multi factor	Average SDIP factor	Loss ratio	Needed premium	Shortfall	Indicat factor
<u>Liability Coverages</u>											
Pleasure	2,715,150,043	3,373,702,159	1,461,218,477	0.047	0.000	-0.292	0.048	0.5382	2,715,150,043	0	0.000
Work < 10	2,606,364,868	2,756,818,448	1,539,529,438	0.094	0.050	-0.241	0.091	0.5907	2,860,662,855	254,297,987	0.091
Work > 10	735,476,980	835,369,351	405,713,975	0.057	0.050	-0.254	0.077	0.5516	753,873,794	18,396,814	0.025
Business	103,867,852	125,024,033	55,579,890	0.019	0.050	-0.257	0.067	0.5351	103,275,275	(592,577)	-0.005
Farm	101,195,385	137,315,515	35,588,611	0.029	-0.200	-0.317	0.024	0.3517	66,128,659	(35,066,726)	-0.259
<u>Comprehensive Coverages</u>											
Pleasure	603,572,915	619,760,717	324,833,098	0.007	0.000	-0.082	0.052	0.5382	603,572,915	0	0.000
Work < 10	501,917,807	493,466,086	315,581,694	0.013	0.200	-0.071	0.080	0.6288	586,382,866	84,465,059	0.173
Work > 10	159,219,823	159,312,597	105,779,000	0.007	0.200	-0.074	0.070	0.6644	196,548,134	37,328,311	0.234
Business	24,797,662	24,993,049	14,848,588	0.002	0.200	-0.073	0.066	0.5988	27,590,186	2,792,524	0.112
Farm	26,505,538	28,194,719	11,736,996	0.005	-0.200	-0.090	0.026	0.4428	21,808,532	(4,697,006)	-0.167
<u>Collision Coverages</u>											
Pleasure	1,413,628,556	1,690,518,119	743,617,836	0.026	0.000	-0.246	0.055	0.5260	1,413,628,556	0	0.000
Work < 10	1,335,304,169	1,446,120,122	763,846,010	0.049	0.100	-0.209	0.082	0.5720	1,452,082,615	116,778,446	0.081
Work > 10	417,417,194	472,447,140	234,231,179	0.030	0.100	-0.219	0.072	0.5611	445,276,952	27,859,758	0.059
Business	64,211,732	74,204,934	32,465,182	0.012	0.100	-0.216	0.068	0.5056	61,716,793	(2,494,939)	-0.034
Farm	47,806,946	61,810,586	16,662,911	0.013	-0.200	-0.269	0.029	0.3485	31,676,441	(16,130,505)	-0.261

NORTH CAROLINA PRIVATE PASSENGER CLASSIFICATION EXPERIENCE -- REVIEW OF MULTICAR DISCOUNT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Premium at <u>single rates</u>	Premium at <u>base rates</u>	<u>Losses</u>	Average exp <u>factor</u>	Average use <u>factor</u>	Average multi <u>factor</u>	Average SDIP <u>factor</u>	<u>Loss ratio</u>	<u>Needed premium</u>	<u>Shortfall</u>	<u>Indicate factor</u>
<u>Liability Coverages</u>											
Single	2,117,458,786	1,717,876,558	1,228,044,705	0.072	0.031	0.000	0.130	0.5800	2,117,458,786	0	0.000
Multi	6,231,617,363	5,510,352,948	2,269,585,686	0.063	0.018	-0.350	0.049	0.3642	3,913,338,115	(2,318,279,248)	-0.421
<u>Comprehensive Coverages</u>											
Single	364,423,335	297,700,655	203,190,102	0.007	0.127	0.000	0.099	0.5576	364,423,335	0	0.000
Multi	1,184,308,464	1,028,026,513	569,589,274	0.010	0.093	-0.100	0.054	0.4809	1,021,563,653	(162,744,811)	-0.158
<u>Collision Coverages</u>											
Single	1,074,563,748	900,952,595	591,896,246	0.028	0.064	0.000	0.100	0.5508	1,074,563,748	0	0.000
Multi	3,243,964,444	2,844,148,306	1,198,926,872	0.037	0.045	-0.300	0.057	0.3696	2,176,603,352	(1,067,361,092)	-0.375

NORTH CAROLINA PRIVATE PASSENGER CLASSIFICATION EXPERIENCE -- REVIEW OF INEXPERIENCED OPERATOR SURCHARGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Premium at experienced rates	Premium at base rates	Losses	Average exp factor	Average use factor	Average multi factor	Average SDIP factor	Loss ratio	Needed premium	Shortfall	Indicator factor
<u>Liability Coverages</u>											
No inexp	5,745,576,973	6,984,895,094	3,138,266,737	0.000	0.021	-0.268	0.067	0.5462	5,745,576,973	0	0.000
Prin <1	49,098,129	60,193,166	133,342,434	3.500	0.031	-0.258	0.042	2.7158	244,124,953	195,026,824	3.240
Occ <1	25,130,535	30,523,943	46,066,348	1.900	0.029	-0.258	0.052	1.8331	84,338,831	59,208,296	1.940
Prin <2	44,124,866	53,350,657	75,665,183	1.750	0.031	-0.272	0.067	1.7148	138,528,739	94,403,873	1.769
Occ <2	18,321,528	22,447,409	19,226,918	0.900	0.028	-0.279	0.067	1.0494	35,200,876	16,879,348	0.752
Prin <3	53,653,190	58,592,912	73,521,453	1.300	0.033	-0.239	0.121	1.3703	134,603,972	80,950,782	1.382
Occ <3	15,202,925	18,226,325	11,541,318	0.600	0.028	-0.283	0.089	0.7592	21,129,986	5,927,061	0.325
<u>Comprehensive Coverages</u>											
No inexp	1,403,598,883	1,298,035,445	751,531,867	0.000	0.100	-0.077	0.065	0.5354	1,403,598,883	0	0.000
Prin <1	5,723,390	5,360,840	4,230,440	0.700	0.122	-0.088	0.038	0.7391	7,900,983	2,177,593	0.406
Occ <1	4,385,037	4,039,936	2,832,182	0.250	0.123	-0.079	0.044	0.6459	5,289,526	904,489	0.224
Prin <2	6,253,336	5,726,096	4,449,479	0.550	0.129	-0.086	0.054	0.7115	8,310,072	2,056,736	0.359
Occ <2	3,408,160	3,126,525	1,793,300	0.100	0.119	-0.083	0.057	0.5262	3,349,258	(58,902)	-0.019
Prin <3	7,607,658	6,679,741	6,398,550	0.550	0.134	-0.078	0.091	0.8411	11,950,255	4,342,597	0.650
Occ <3	3,053,915	2,758,513	1,543,558	0.000	0.120	-0.084	0.075	0.5054	2,882,827	(171,088)	-0.062
<u>Collision Coverages</u>											
No inexp	3,271,800,495	3,676,680,900	1,695,702,737	0.000	0.049	-0.228	0.068	0.5183	3,271,800,495	0	0.000
Prin <1	10,368,055	12,138,548	24,050,111	3.400	0.062	-0.257	0.048	2.3196	46,403,867	36,035,812	2.969
Occ <1	9,409,745	10,676,202	14,901,296	2.100	0.063	-0.232	0.050	1.5836	28,751,542	19,341,797	1.812
Prin <2	11,747,117	13,291,019	19,301,454	1.900	0.066	-0.250	0.067	1.6431	37,241,496	25,494,379	1.918
Occ <2	7,043,795	7,979,503	7,474,646	1.100	0.061	-0.245	0.066	1.0612	14,422,074	7,378,279	0.925
Prin <3	16,316,444	17,157,966	23,863,100	1.650	0.068	-0.225	0.105	1.4625	46,043,036	29,726,592	1.733
Occ <3	6,464,213	7,176,449	5,529,774	0.850	0.061	-0.247	0.086	0.8554	10,669,510	4,205,297	0.586

## REVIEW OF SAFE DRIVER INSURANCE PLAN SURCHARGES

## Liability and Physical Damage data combined\*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Premium at 0-point rates (Class Premium)	Premium at base rates	Losses	Loss ratio (3)/(1)	Indicated Premium $((3_1) * (1_0)) / (3_0)$	Shortfall (5)-(1)	Indicated surcharge (6)/(2)
0	2,659,407,655	2,418,925,434	1,519,407,340	0.571	2,659,407,655	0	0.000
1	94,204,201	83,681,246	83,066,604	0.882	145,390,875	51,186,674	0.612
2	108,432,046	97,399,439	95,566,629	0.881	167,269,578	58,837,532	0.604
3	158,297,301	141,358,157	135,236,206	0.854	236,702,951	78,405,650	0.555
4	47,733,529	42,337,575	49,942,990	1.046	87,414,853	39,681,324	0.937
5	19,370,327	17,052,919	26,650,126	1.376	46,645,522	27,275,195	1.599
6	15,487,792	13,499,258	22,082,092	1.426	38,650,126	23,162,334	1.716
7	6,348,819	5,566,975	10,662,219	1.679	18,662,005	12,313,186	2.212
8	5,084,649	4,520,989	8,541,706	1.680	14,950,486	9,865,837	2.182
9	2,792,157	2,448,703	4,886,238	1.750	8,552,347	5,760,190	2.352
10	1,565,728	1,384,838	2,463,978	1.574	4,312,683	2,746,955	1.984
11	873,211	768,939	1,663,482	1.905	2,911,580	2,038,369	2.651
12	27,853,046	25,663,184	30,033,701	1.078	52,567,769	24,714,723	0.963
NE	67,744,739	61,922,153	32,927,742	0.486	57,633,188	-10,111,551	-0.163
Tot	3,215,195,200	2,916,529,809	2,023,131,053	0.629	3,541,071,619	325,876,419	0.112

## Notes:

Premium at 0 point level: statewide premium at present rates, adjusted to a 0 SDIP point level.

Premium at base rates: statewide premium at present rates, adjusted to unity class (pleasure use, single car, no inexperienced operators, 0 SDIP points).

Losses: incurred undeveloped losses for liability and paid losses for physical damage.

Loss ratio: losses divided by premium at 0 point level.

Indicated Premium: premium necessary such that the loss ratio of the SDIP class under review will equal the base class (0 points).

= (class premium for the base class) x (class losses) / (losses for the base class).

Shortfall: difference between the indicated premium and the class premium.

Indicated surcharge: Shortfall divided by premium at base rates.

\* Single car risks only.

## Notes for pages J-6-8

Column (1) (Class Premium)	The premium at pleasure rates on page J-6 is the premium at present rates as if all the exposures were in the pleasure use class.
	The premium at single rates on page J-7 is the premium at present rates as if all the exposures were on single car policies.
	The premium at experienced rates on page J-8 is the premium at present rates as if all the exposures had no inexperienced operators.
Premium at base rates	The premium at present rates as if all the exposures were in the unity class (pleasure use, single car, no inexperienced operators, no SDIP points.)
Losses	Incurred undeveloped basic limit losses for liability and paid losses for physical damage.
Average experience factor	Average inexperienced operator surcharge for all in the class.
Average use factor	Average use surcharge for all in the class.
Average multi factor	Average multi-car discount for all in the class.
Average SDIP factor	Average SDIP surcharge for all in the class.
Loss ratio	Ratio of losses to class premium.
Needed premium	Premium necessary such that the loss ratio of the class under review will equal the base class. = (Class premium for the base class) x (Class losses) ÷ (Losses for the base class)
Shortfall	Difference between the needed premium and the class premium.
Indicated factor	Shortfall divided by premium at base rates.

## Premium Offsets to Maintain Constant Premium Volume

## Physical Damage

Terr.	Liability	Comprehensive	Collision
11	0.994	0.996	0.995
13	0.994	0.996	0.995
14	0.995	0.996	0.996
15	0.995	0.996	0.996
16	0.993	0.995	0.995
17	0.995	0.997	0.996
18	0.994	0.996	0.995
24	0.995	0.997	0.996
25	0.995	0.996	0.995
26	0.996	0.997	0.996
31	0.994	0.996	0.995
32	0.995	0.997	0.996
33	0.995	0.996	0.995
40	0.995	0.996	0.995
41	0.993	0.995	0.994
43	0.993	0.995	0.995
47	0.995	0.996	0.995
51	0.993	0.995	0.994
52	0.993	0.995	0.994

SECTION K  
MODEL YEAR RELATIVITY REVIEW



## NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

### REVIEW OF MODEL YEAR RELATIVITIES AND INTRODUCTION OF THE 75-SYMBOL TABLE FOR 2011 AND LATER MODEL YEAR VEHICLES.

#### Explanatory Memorandum - Model Year Relativity Review

This section presents a review of North Carolina model year relativity experience. This review summarizes private passenger non-fleet motor vehicle experience for companies reporting to Insurance Services Office, Inc. (ISO) and the Independent Statistical Service (ISS) for the three years ended December 31, 2007. The data includes all standard rate experience for Full Coverage, \$50, \$100, \$250, \$500 and \$1,000 Deductible Comprehensive, and \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductible Collision. The premiums shown in this review are premiums at present standard base rates at the current base year model year relativity for all model years. Losses are actual unadjusted dollars of losses, i.e. the losses are not trended or developed. Losses are on a calendar year paid basis and exclude all loss adjustment expense.

In consideration of this experience, the Rate Bureau is effecting changes in the model year relativities for private passenger non-fleet automobiles. Revisions in these rating factors are appropriate to more accurately reflect the differences in hazard between different aged vehicles. Technical notes are provided.

#### The Review

Using three years of data, the loss ratio for each vehicle age was determined separately for comprehensive and collision. Based on these loss ratios, an indicated relativity indexed to a base model year was determined. For vehicle ages with limited claim volume, the indicated relativity was credibility weighted with the current age relativity to arrive at an indicated weighted relativity by vehicle age. Using the weighted indicated relativities, various annual rates of change were determined. Based on these, annual rates of change of 2.5% for comprehensive and 7.0% for collision were selected. Using these fitted annual changes, a smoothed set of relativities was determined, indexed to a base model year. In order to maintain the existing model year relativity structure, model year relativities for the current base year, one prospective year, and 9 prior model years were selected. In order to do so, a weighted average of all the smoothed relativities for vehicles aged 9 years and older was determined and assigned to all vehicles aged 9 years or more.

The results of the review are shown on page K-2.

#### Implementation

To introduce this revision with no rate level effect, the base rates must be adjusted to offset any change to the premium collected. The offset is determined by determining the ratio of the current model year (2009) relativities, shifted to the revised base model year (2010) to the revised model year relativities indexed to 2010, using written premiums by model year and symbol as weights. The calculation of the offsets are shown on pages K-4-16.

North Carolina  
Model Year Relativity Review  
Data for Calendar Years 2005-2007

COMPREHENSIVE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Model Year	Premiums at Present Rates	Paid Claims	Paid Losses	Loss Ratio	Indicated Relativity	Current Relativity	Credibility	Weighted Relativity	Fitted Relativity	Selected Relativity	Change
-15	13772781	4465	2800477	0.2033	0.555	0.54	0.60	0.549	0.69	0.76	40.7%
-14	16180160	5794	3790445	0.2343	0.639	0.54	0.70	0.609	0.71	0.76	40.7%
-13	21616971	8050	5469122	0.2530	0.691	0.54	0.80	0.661	0.72	0.76	40.7%
-12	30255098	11442	8068954	0.2667	0.728	0.54	1.00	0.728	0.74	0.76	40.7%
-11	42979179	16294	12004825	0.2793	0.762	0.54	1.00	0.762	0.76	0.76	40.7%
-10	54638416	20780	15558387	0.2848	0.777	0.54	1.00	0.777	0.78	0.76	40.7%
-9	68891384	26231	20174374	0.2928	0.799	0.54	1.00	0.799	0.80	0.76	40.7%
-8	80524041	31201	24415554	0.3032	0.828	0.59	1.00	0.828	0.82	0.82	39.0%
-7	98736138	37938	30108464	0.3049	0.832	0.64	1.00	0.832	0.84	0.84	31.3%
-6	114996752	44917	36778893	0.3198	0.873	0.69	1.00	0.873	0.86	0.86	24.6%
-5	127932481	50242	41385784	0.3235	0.883	0.75	1.00	0.883	0.88	0.88	17.3%
-4	134093704	53483	43944873	0.3277	0.894	0.80	1.00	0.894	0.91	0.91	13.8%
-3	135393822	55059	45495404	0.3360	0.917	0.85	1.00	0.917	0.93	0.93	9.4%
-2	137133324	57224	46271140	0.3374	0.921	0.90	1.00	0.921	0.95	0.95	5.6%
-1	136063226	58113	48406639	0.3558	0.971	0.95	1.00	0.971	0.98	0.98	3.2%
Base 0	128240075	55541	46983656	0.3664	1.000	1.00	1.00	1.000	1.00	1.00	0.0%
1	68658772	29804	26162183	0.3810	1.040	1.05	1.00	1.040	1.03	1.03	-1.9%
							Annual Rate of Change	9-pts	2.6%		
							Annual Rate of Change	12-pts	2.5%		
							Annual Rate of Change	14-pts	2.5%		
							Annual Rate of Change	16-pts	3.0%		
								<b>Selected</b>	<b>2.5%</b>		

COLLISION

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Model Year	Premiums at Present Rates	Paid Claims	Paid Losses	Loss Ratio	Indicated Relativity	Current Relativity	Credibility	Weighted Relativity	Fitted Relativity	Selected Relativity	Change
-15	25039012	1734	2462311	0.0983	0.237	0.49	0.40	0.389	0.35	0.47	-4.1%
-14	31486168	2558	3973286	0.1262	0.304	0.49	0.40	0.416	0.37	0.47	-4.1%
-13	43647520	3743	6027780	0.1381	0.333	0.49	0.50	0.412	0.40	0.47	-4.1%
-12	63396400	5656	9656185	0.1523	0.367	0.49	0.70	0.404	0.43	0.47	-4.1%
-11	92431330	8542	15643669	0.1692	0.408	0.49	0.80	0.424	0.46	0.47	-4.1%
-10	121794183	11987	23993522	0.1970	0.475	0.49	1.00	0.475	0.50	0.47	-4.1%
-9	158630412	15811	33459000	0.2109	0.508	0.49	1.00	0.508	0.53	0.47	-4.1%
-8	191552370	19600	45159436	0.2358	0.568	0.54	1.00	0.568	0.57	0.57	5.6%
-7	239791612	25607	63433712	0.2645	0.637	0.60	1.00	0.637	0.61	0.61	1.7%
-6	284857124	31383	82960986	0.2912	0.702	0.66	1.00	0.702	0.66	0.66	0.0%
-5	319238487	36076	101676193	0.3185	0.767	0.72	1.00	0.767	0.70	0.70	-2.8%
-4	337273962	39462	119398823	0.3540	0.853	0.79	1.00	0.853	0.75	0.75	-5.1%
-3	341169212	40372	127099528	0.3725	0.898	0.85	1.00	0.898	0.81	0.81	-4.7%
-2	345687962	41339	133816983	0.3871	0.933	0.90	1.00	0.933	0.87	0.87	-3.3%
-1	341315278	42565	136790509	0.4008	0.966	0.95	1.00	0.966	0.93	0.93	-2.1%
Base 0	318470267	40785	132164722	0.4150	1.000	1.00	1.00	1.000	1.00	1.00	0.0%
1	171442524	21664	72297788	0.4217	1.016	1.05	1.00	1.016	1.07	1.07	1.9%
							Annual Rate of Change	9-pts	6.0%		
							Annual Rate of Change	12-pts	7.6%		
							Annual Rate of Change	14-pts	8.1%		
							Annual Rate of Change	16-pts	7.6%		
								<b>Selected</b>	<b>7.0%</b>		

## REVIEW OF NORTH CAROLINA PRIVATE PASSENGER MODEL YEAR EXPERIENCE

### Notes for page K-2

Column (1) Premiums at Present Rates	This is the premium at present manual rates as if all the exposures were in the current base model year.
Column (2) Paid Claims	Number of paid claims by model year underlying the analysis. Used to determine the credibility assigned to the indicated relativity.
Column (3) Losses	Paid losses by model year.
Column (4) Loss Ratio	Column (3) / Column (1).
Column (5) Indicated Relativity	Loss Ratio in Column (4) divided by the loss ratio for the base model year.
Column (6) Current Relativity	Current North Carolina model year relativities.
Column (7) Credibility	Credibility assigned to the indicated relativity, based on the number of claims in Column (2) and a full credibility standard of 10,623 claims.
Column (8) Weighted Relativity	$[\text{Column}(5) \times \text{Column}(7)] + [\text{Column}(6) \times (1 - \text{Column}(7))]$ .
Column (9) Fitted Relativity	Relativity determined by using the selected annual rate of change fit to an exponential curve of best fit.
Column (10) Selected Relativity	Equal to Column (9) for the current year, prospective year and 8 prior years. For nine years and prior, the selected relativity reflects a weighted average of the fitted relativities for years nine and prior.
Column (11) Change	Column (10) / Column(6).

Notes for pages K-5-16, The Determination of the Offsets for the Revision of the Model Year Relativities and the Shift to a 2010 Base Model Year.

The offsets used are necessary so that no overall rate level change will result from the change in model year base from 2009 to 2010, as well as the revisions to the model year relativities.

Column (1): Model Year

Column (2): Symbol

Column (3): Written Premium for all deductibles for year ended 12/31/2007.

Column (4): Relativity using 2009 as current base model year. 1989 and prior are based on a 21 symbol table with a symbol 7 base. 1990 and subsequent are based on a 27 symbol table with a symbol 2 base.

Column (5): Column (4)/1.05 where 1.05 is the current change in model year relativity representing a one year change in model year base.

Column (6): Relativity using 2010 as revised base model year and reflecting the revised model year relativities.

Column (7): Column (6) / Column (5)

Column (8): Column (7) x Column (3)

The offset is derived by dividing the total of column (3) by the total of column (8).

See following pages K-5-16 for the calculation of the offsets.

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 1	Cov 3	Cov 10	Cov 55	Cov 726	Cov 727	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
1989	1	3260	262	775	342	488	45	5172	0.15	0.1429	0.21	1.4700	7602.84
1989	2	1456	102	407	133	73	16	2187	0.17	0.1619	0.24	1.4824	3241.91
1989	3	3929	423	1053	224	248	39	5916	0.24	0.2286	0.33	1.4438	8541.23
1989	4	14756	882	2762	901	483	129	19913	0.29	0.2762	0.40	1.4483	28839.52
1989	5	27928	1721	5891	1562	1184	252	38538	0.34	0.3238	0.48	1.4824	57126.92
1989	6	39991	2864	8883	2273	1143	225	55379	0.44	0.4190	0.62	1.4795	81935.75
1989	7	302996	47996	185446	71179	7264	6851	621732	0.54	0.5143	0.76	1.4778	918781.73
1989	8	276743	28454	74019	16478	8523	831	405048	0.64	0.6095	0.90	1.4766	598078.69
1989	10	373895	36758	108111	24914	12983	1322	557983	0.81	0.7714	1.14	1.4778	824574.88
1989	11	305368	30059	93159	23568	12895	1666	466715	0.98	0.9333	1.38	1.4786	690071.46
1989	12	183237	21694	67809	16250	10691	1203	300884	1.15	1.0952	1.62	1.4791	445046.68
1989	13	104480	12502	42505	13243	8775	1411	182916	1.35	1.2857	1.90	1.4778	270309.20
1989	14	80175	10118	38804	13344	10256	1321	154018	1.59	1.5143	2.23	1.4726	226813.30
1989	15	43328	6567	26000	9683	5929	1005	92512	1.92	1.8286	2.71	1.4820	137105.68
1989	16	51911	8222	41698	15340	12284	1616	131071	2.33	2.2190	3.28	1.4781	193737.56
1989	17	48574	6995	38292	15013	11755	1833	122462	2.80	2.6667	3.94	1.4775	180937.61
1989	18	40166	5867	31214	13651	12951	2766	106615	3.34	3.1810	4.70	1.4775	157528.45
1989	19	22883	4858	19959	8428	10478	1534	68140	3.99	3.8000	5.61	1.4763	100596.16
1989	20	12628	1748	12676	7044	7891	1534	43521	4.73	4.5048	6.65	1.4762	64246.38
1989	21	52216	13502	63441	30923	32241	11356	203679	6.55	6.2381	9.22	1.4780	301040.67
Model Years 1990-1997 combined													
1997	1	24330	2861	10666	2895	1778	169	42699	0.39	0.3714	0.55	1.4808	63227.37
1997	2	91800	10721	32072	7733	3864	336	146526	0.54	0.5143	0.76	1.4778	216532.87
1997	3	221262	26480	84906	22014	11578	984	367224	0.61	0.5810	0.86	1.4803	543611.92
1997	4	485947	61772	181476	50755	27576	2288	809814	0.68	0.6476	0.95	1.4669	1187925.68
1997	5	1078614	136362	468933	137600	78832	6087	1906428	0.76	0.7238	1.07	1.4783	2818252.44
1997	6	1105716	142098	487077	148975	91423	6989	1982278	0.86	0.8190	1.21	1.4773	2928470.00
1997	7	1563129	203763	701057	217137	131248	9894	2826228	0.94	0.8952	1.32	1.4745	4167182.99
1997	8	2071916	275454	948023	299426	182908	15123	3792850	1.02	0.9714	1.44	1.4824	5622342.35
1997	10	1780968	238441	893226	289846	189631	14897	3407009	1.10	1.0476	1.55	1.4795	5040824.68
1997	11	1939979	259045	1023327	347057	232916	19240	3821564	1.19	1.1333	1.68	1.4824	5664906.64
1997	12	1866462	262330	1029115	355417	249368	20479	3783171	1.30	1.2381	1.83	1.4781	5591817.75
1997	13	1681728	245136	972809	341985	250764	25446	3517868	1.40	1.3333	1.97	1.4775	5197649.97
1997	14	1545347	222732	918560	332561	242373	20653	3282226	1.51	1.4381	2.13	1.4811	4861389.70
1997	15	1182544	169436	707024	269607	205921	18151	2552683	1.66	1.5810	2.34	1.4801	3778278.39
1997	16	1045321	155004	658488	246694	192217	19885	2317609	1.83	1.7429	2.58	1.4803	3430821.19
1997	17	532184	89547	358506	149536	120689	12196	1262658	2.02	1.9238	2.84	1.4762	1863983.25
1997	18	472514	76216	355175	137841	121307	15251	1178304	2.21	2.1048	3.11	1.4776	1741064.12
1997	19	440740	78975	326624	138713	115871	11304	1112227	2.41	2.2952	3.39	1.4770	1642726.97
1997	20	325863	52031	270504	109286	97928	10992	866604	2.67	2.5429	3.75	1.4747	1277997.47
1997	21	449530	71751	361338	156323	144023	18938	1201903	2.96	2.8190	4.17	1.4792	1777882.53
1997	22	268888	50110	227781	109469	99860	12758	768866	3.34	3.1810	4.70	1.4775	1136034.04
1997	23	302551	55792	267516	114906	120744	18182	879691	3.74	3.5619	5.27	1.4795	1301542.82
1997	24	196880	40304	177015	96839	97303	16700	625041	4.34	4.1333	6.10	1.4758	922439.54
1997	25	87087	22419	89937	48530	56924	15006	319903	5.34	5.0857	7.51	1.4767	472396.09
1997	26	137585	36174	153204	86818	98502	26183	538466	6.55	6.2381	9.22	1.4780	795860.97
1997	27	70903	15628	76394	43963	47929	16911	271728	7.63	7.2667	10.74	1.4780	401609.00

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 1	Cov 3	Cov 10	Cov 55	Cov 726	Cov 727	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
1998	1	1081	70	485	200	131	8	1975	0.42	0.4000	0.55	1.3750	2715.63
1998	2	96	47	0	29	5	0	177	0.59	0.5619	0.76	1.3525	239.40
1998	3	591	82	888	128	170	0	1859	0.67	0.6381	0.86	1.3478	2505.49
1998	4	5611	1042	4435	1276	1132	56	13552	0.74	0.7048	0.95	1.3480	18267.73
1998	5	23061	3077	16374	6943	5854	266	55575	0.83	0.7905	1.07	1.3536	75227.12
1998	6	199952	28018	102786	34198	25651	1365	391970	0.94	0.8952	1.21	1.3516	529784.98
1998	7	230402	35862	139815	50984	39168	2837	499068	1.03	0.9810	1.32	1.3456	671561.41
1998	8	512359	73856	277794	94871	71750	5488	1036118	1.12	1.0667	1.44	1.3500	1398759.30
1998	10	368091	51620	208012	76708	60892	4635	769958	1.20	1.1429	1.55	1.3563	1044255.54
1998	11	512697	75310	316521	115258	93370	7299	1120455	1.30	1.2381	1.68	1.3569	1520371.25
1998	12	953510	148144	610382	226252	182640	17574	2138502	1.42	1.3524	1.83	1.3532	2893754.64
1998	13	507842	79141	334446	130086	108222	11080	1170817	1.53	1.4571	1.97	1.3520	1582898.67
1998	14	638237	90163	403329	146567	120135	12345	1410776	1.65	1.5714	2.13	1.3555	1912242.74
1998	15	561718	86752	384269	161291	150962	11836	1356828	1.82	1.7333	2.34	1.3500	1831717.80
1998	16	211756	33946	153286	60918	58406	6374	524686	2.00	1.9048	2.58	1.3545	710687.19
1998	17	226357	34161	172060	69003	67070	6553	575204	2.21	2.1048	2.84	1.3493	776134.99
1998	18	326865	49539	233604	93859	91511	8555	803933	2.41	2.2952	3.11	1.3550	1089312.54
1998	19	130007	20558	98387	47341	38701	5835	340829	2.63	2.5048	3.39	1.3534	461285.48
1998	20	99949	19193	96562	44196	48100	6964	314964	2.91	2.7714	3.75	1.3531	426175.52
1998	21	203029	36270	168556	83494	77038	11415	579802	3.24	3.0857	4.17	1.3514	783537.98
1998	22	42116	8754	42647	20349	26244	4652	144762	3.65	3.4762	4.70	1.3521	195726.16
1998	23	60976	10271	62537	28109	31989	5960	199842	4.09	3.8952	5.27	1.3529	270373.03
1998	24	23162	4695	27366	16039	16093	3464	90819	4.74	4.5143	6.10	1.3513	122720.61
1998	25	5170	992	4070	2256	4803	1396	18687	5.83	5.5524	7.51	1.3526	25275.53
1998	26	23366	3871	24150	15234	15810	7047	89478	7.16	6.8190	9.22	1.3521	120982.75
1998	27	6311	2249	8617	3455	5215	2876	28723	8.34	7.9429	10.74	1.3522	38838.04
1999	1	945	60	521	129	130	19	1804	0.46	0.4381	0.59	1.3467	2429.52
1999	2	131	3	27	89	16	0	266	0.64	0.6095	0.82	1.3453	357.85
1999	3	791	123	1454	220	295	71	2954	0.72	0.6857	0.93	1.3563	4006.36
1999	4	3649	257	2959	1391	1206	37	9499	0.80	0.7619	1.03	1.3519	12841.46
1999	5	16662	2636	11483	4001	3544	329	38655	0.90	0.8571	1.16	1.3533	52313.10
1999	6	91761	11987	53055	19408	13558	1022	190791	1.02	0.9714	1.30	1.3382	255323.25
1999	7	300314	41113	189899	71335	60911	4743	668315	1.11	1.0571	1.43	1.3527	904031.51
1999	8	603504	84342	322191	114740	87087	6651	1218515	1.21	1.1524	1.55	1.3450	1638953.03
1999	10	462832	74722	278258	103212	82355	6798	1008177	1.31	1.2476	1.67	1.3385	1349494.94
1999	11	702712	97531	434223	156735	136757	12441	1540399	1.41	1.3429	1.81	1.3479	2076261.21
1999	12	1144488	180862	737688	291818	244970	24197	2624023	1.54	1.4667	1.98	1.3500	3542431.05
1999	13	801235	128727	553880	224567	196229	17191	1921829	1.66	1.5810	2.12	1.3410	2577103.23
1999	14	990641	145344	656242	263747	242249	23592	2321815	1.79	1.7048	2.30	1.3492	3132504.59
1999	15	727155	113488	513247	207705	196972	16268	1774835	1.97	1.8762	2.53	1.3485	2393324.46
1999	16	424769	63270	303373	130649	128503	13192	1063756	2.17	2.0667	2.78	1.3452	1430923.39
1999	17	450143	68606	330970	138418	143317	17084	1148538	2.39	2.2762	3.07	1.3487	1549084.62
1999	18	292346	45656	212847	92038	88723	9611	741221	2.62	2.4952	3.35	1.3426	995131.63
1999	19	154885	23798	124777	63778	57338	6906	431482	2.85	2.7143	3.66	1.3484	581819.41
1999	20	234527	40479	194873	92819	92991	15202	670891	3.16	3.0095	4.05	1.3457	902836.70
1999	21	124713	21760	128052	58542	65767	8117	406951	3.51	3.3429	4.50	1.3462	547818.65
1999	22	70821	14515	73135	38299	43921	5813	246504	3.96	3.7714	5.08	1.3470	332033.42
1999	23	40499	8516	41197	16602	20765	5173	132752	4.44	4.2286	5.68	1.3432	178318.23
1999	24	26862	5621	27633	12976	14387	3901	91380	5.14	4.8952	6.58	1.3442	122829.65
1999	25	33815	8475	35959	20989	23546	6552	129336	6.32	6.0190	8.10	1.3457	174051.06
1999	26	20686	4975	26362	8563	20705	4632	85923	7.76	7.3905	9.95	1.3463	115680.48
1999	27	13452	3218	22462	8333	13178	7035	67678	9.04	8.6095	11.59	1.3462	91107.02

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 1	Cov 3	Cov 10	Cov 55	Cov 726	Cov 727	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
2000	1	2018	34	97	176	73	0	2398	0.50	0.4762	0.60	1.2600	3021.48
2000	2	45	24	69	93	85	0	316	0.69	0.6571	0.84	1.2783	403.93
2000	3	1476	370	1765	765	315	52	4743	0.78	0.7429	0.95	1.2788	6065.57
2000	4	1119	342	2382	857	590	67	5357	0.86	0.8190	1.05	1.2820	6867.55
2000	5	3032	448	2802	1163	2284	287	10016	0.97	0.9238	1.18	1.2773	12793.63
2000	6	125818	21317	60160	18920	15217	1120	242552	1.10	1.0476	1.34	1.2791	310246.06
2000	7	112299	18207	78407	32920	27914	2602	272349	1.20	1.1429	1.46	1.2775	347925.85
2000	8	588869	91966	363822	136622	115249	11202	1307730	1.30	1.2381	1.59	1.2842	1679427.10
2000	10	819760	126792	519893	201363	176554	15505	1859867	1.41	1.3429	1.71	1.2734	2368362.55
2000	11	908955	142295	590648	229651	207963	16342	2095854	1.52	1.4476	1.86	1.2849	2692896.62
2000	12	1166204	182037	767210	294264	263128	25024	2697867	1.66	1.5810	2.02	1.2777	3447093.92
2000	13	993475	159460	673721	277535	254980	24015	2383186	1.79	1.7048	2.18	1.2788	3047549.02
2000	14	1318547	199366	972695	396734	367510	34138	3288990	1.93	1.8381	2.35	1.2785	4204965.19
2000	15	900769	132102	634543	269286	275694	27363	2239757	2.13	2.0286	2.59	1.2768	2859633.41
2000	16	766703	113654	543742	236254	226296	20297	1906946	2.34	2.2286	2.85	1.2788	2438690.56
2000	17	460727	75964	347945	142550	152191	17028	1196405	2.58	2.4571	3.14	1.2779	1528894.30
2000	18	364615	59377	289321	129269	137474	13930	993986	2.82	2.6857	3.44	1.2809	1273148.03
2000	19	259778	40220	214793	97051	108551	13038	733431	3.08	2.9333	3.75	1.2784	937624.86
2000	20	213608	39789	197265	99666	103214	15736	669278	3.41	3.2476	4.15	1.2779	855243.07
2000	21	192183	32462	180220	91541	97809	15406	609621	3.79	3.6095	4.61	1.2772	778593.79
2000	22	54049	11948	51371	30209	31613	6125	185315	4.27	4.0667	5.20	1.2787	236960.16
2000	23	64373	14230	67475	31732	39725	7260	224795	4.78	4.5524	5.82	1.2785	287389.59
2000	24	13973	2767	12821	7556	10581	2715	50413	5.54	5.2762	6.75	1.2793	64494.97
2000	25	32882	8686	49008	24968	26610	5967	148121	6.82	6.4952	8.30	1.2779	189277.79
2000	26	28855	5691	32048	21657	21543	5820	115614	8.37	7.9714	10.19	1.2783	147791.16
2000	27	9263	1780	11701	4753	9772	4262	41531	9.75	9.2857	11.87	1.2783	53089.40
2001	1	2929	55	1038	160	259	0	4441	0.54	0.5143	0.62	1.2056	5353.87
2001	2	35	0	0	27	87	0	149	0.75	0.7143	0.86	1.2040	179.40
2001	3	1445	490	2118	1067	552	169	5841	0.85	0.8095	0.97	1.1982	6998.89
2001	4	975	488	3020	922	819	210	6434	0.94	0.8952	1.08	1.2064	7761.87
2001	5	10283	2113	9310	4671	4302	545	31224	1.06	1.0095	1.21	1.1986	37424.62
2001	6	20722	2786	13859	5178	4773	458	47776	1.19	1.1333	1.37	1.2088	57752.75
2001	7	176966	27817	91478	33011	32508	2471	364251	1.31	1.2476	1.50	1.2023	437935.36
2001	8	414055	65876	271791	106441	91439	8411	958013	1.42	1.3524	1.63	1.2053	1154675.53
2001	10	716202	117419	459253	177159	157941	13722	1641696	1.53	1.4571	1.75	1.2010	1971644.71
2001	11	997666	155456	646337	258902	246619	21440	2326420	1.66	1.5810	1.90	1.2018	2795908.37
2001	12	1033016	165920	689602	275721	265441	25375	2455075	1.81	1.7238	2.07	1.2008	2948124.59
2001	13	1008463	162147	691466	277300	262282	25491	2427149	1.94	1.8476	2.23	1.2070	2929468.75
2001	14	1231656	192069	882413	372653	361066	34649	3074506	2.10	2.0000	2.41	1.2050	3704779.73
2001	15	1260157	207761	918762	379728	394613	42141	3203162	2.31	2.2000	2.65	1.2045	3858354.23
2001	16	1088184	158364	797583	358467	374502	36740	2813840	2.54	2.4190	2.92	1.2071	3396548.60
2001	17	533156	81605	387926	168363	174562	19973	1365585	2.81	2.6762	3.22	1.2032	1643075.76
2001	18	503607	84552	401178	166161	192876	19512	1367886	3.07	2.9238	3.52	1.2039	1646809.99
2001	19	283114	52485	249916	114104	130505	14801	844925	3.35	3.1905	3.84	1.2036	1016936.60
2001	20	167837	31569	149320	70429	87602	14287	521044	3.71	3.5333	4.25	1.2028	626727.45
2001	21	155584	23634	117157	46011	54427	8275	405088	4.12	3.9238	4.72	1.2029	487285.47
2001	22	249062	41404	242683	116541	147076	22845	819611	4.64	4.4190	5.32	1.2039	986712.73
2001	23	70311	12644	74472	41627	47094	10885	257033	5.20	4.9524	5.96	1.2035	309329.33
2001	24	59281	10867	60947	33836	39863	7897	212691	6.02	5.7333	6.91	1.2052	256342.12
2001	25	24753	5132	28342	17270	18031	4209	97737	7.41	7.0571	8.50	1.2045	117719.67
2001	26	46038	11284	55823	35240	37234	8241	193860	9.10	8.6667	10.43	1.2035	233303.05
2001	27	14146	1787	20451	11998	12323	6009	66714	10.60	10.0952	12.15	1.2035	80292.82

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 1	Cov 3	Cov 10	Cov 55	Cov 726	Cov 727	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
2002	1	2133	37	379	78	156	0	2783	0.58	0.5524	0.63	1.1405	3174.06
2002	2	91	0	8	0	106	0	205	0.80	0.7619	0.88	1.1550	236.78
2002	3	1120	148	2688	1046	552	56	5610	0.90	0.8571	0.99	1.1550	6479.55
2002	4	2261	757	4255	1053	648	162	9136	1.00	0.9524	1.10	1.1550	10552.08
2002	5	5383	1451	6331	2868	2246	373	18652	1.13	1.0762	1.24	1.1522	21491.07
2002	6	11119	2165	7965	4789	4065	124	30227	1.27	1.2095	1.40	1.1575	34987.16
2002	7	155259	24393	80248	30373	31774	2243	324290	1.39	1.3238	1.53	1.1558	374799.92
2002	8	472477	75349	306490	119509	115596	9498	1098919	1.51	1.4381	1.66	1.1543	1268487.30
2002	10	822814	133828	525550	220915	215493	19013	1937613	1.63	1.5524	1.80	1.1595	2246680.10
2002	11	1005487	159649	672516	269369	258835	24705	2390561	1.77	1.6857	1.94	1.1508	2751171.05
2002	12	1449909	237121	973833	400237	381756	34898	3477754	1.93	1.8381	2.12	1.1534	4011129.74
2002	13	1175991	195885	857868	349437	354582	38320	2972083	2.07	1.9714	2.28	1.1565	3437278.60
2002	14	1308684	203660	943975	394475	434851	40906	3326551	2.24	2.1333	2.46	1.1531	3835929.12
2002	15	1423542	227253	1069842	474455	507085	45506	3747683	2.46	2.3429	2.71	1.1567	4334972.35
2002	16	1082913	173160	812330	360540	404067	41602	2874612	2.71	2.5810	2.98	1.1546	3319063.08
2002	17	701111	99382	490759	201081	236299	27474	1756106	2.99	2.8476	3.29	1.1554	2028919.12
2002	18	581629	96259	473447	209598	246758	27481	1635172	3.27	3.1143	3.60	1.1560	1890198.83
2002	19	263574	46323	241540	112078	130774	20240	814529	3.57	3.4000	3.92	1.1529	939104.02
2002	20	187329	37191	167630	79807	97420	17133	586510	3.95	3.7619	4.35	1.1563	678198.59
2002	21	62957	10753	57441	33704	40854	6062	211771	4.39	4.1810	4.83	1.1552	244646.16
2002	22	207064	38152	184028	81888	120393	18212	649737	4.95	4.7143	5.45	1.1561	751135.35
2002	23	47598	11435	57372	28452	37926	6290	189073	5.54	5.2762	6.10	1.1561	218594.33
2002	24	110965	21862	122137	57051	79996	15487	407498	6.42	6.1143	7.07	1.1563	471193.36
2002	25	50903	12231	56403	29559	37873	8787	195756	7.90	7.5238	8.69	1.1550	226098.18
2002	26	9030	2410	13292	3853	6875	2107	37567	9.70	9.2381	10.67	1.1550	43389.89
2002	27	25087	6660	40072	22921	33068	15115	142923	11.30	10.7619	12.43	1.1550	165076.07
2003	1	2406	195	508	161	170	67	3507	0.61	0.5810	0.66	1.1361	3984.18
2003	2	0	0	0	0	0	0	0	0.85	0.8095	0.91	1.1241	0.00
2003	3	2049	207	3815	541	527	0	7139	0.96	0.9143	1.03	1.1266	8042.53
2003	4	2710	788	5088	1652	892	251	11381	1.06	1.0095	1.14	1.1292	12851.94
2003	5	2354	925	5722	2033	2184	143	13361	1.20	1.1429	1.28	1.1200	14964.32
2003	6	5401	1225	6473	2425	2362	323	18209	1.35	1.2857	1.45	1.1278	20535.71
2003	7	234739	40117	146573	61364	56211	4355	543359	1.48	1.4095	1.58	1.1209	609076.07
2003	8	438414	73436	272170	105869	102378	10457	1002724	1.61	1.5333	1.72	1.1217	1124794.75
2003	10	579386	89799	384770	158118	158585	13230	1383888	1.73	1.6476	1.86	1.1289	1562273.56
2003	11	1063224	175702	729273	290369	286762	22976	2568306	1.88	1.7905	2.01	1.1226	2883196.71
2003	12	1569678	261101	1109613	469031	470023	42958	3922404	2.05	1.9524	2.19	1.1217	4399789.27
2003	13	1570121	264512	1167980	488188	502061	50728	4043590	2.20	2.0952	2.36	1.1264	4554552.74
2003	14	1499418	245326	1059227	456971	472229	49042	3782213	2.38	2.2667	2.55	1.1250	4254989.63
2003	15	1525089	249152	1148404	504291	555278	54658	4036872	2.62	2.4952	2.80	1.1221	4529925.07
2003	16	900179	152064	717196	333690	379834	40575	2523538	2.88	2.7429	3.08	1.1229	2833722.88
2003	17	696453	112388	551891	241084	270974	32199	1904989	3.18	3.0286	3.40	1.1226	2138619.73
2003	18	433643	69775	359115	168244	215469	26043	1272289	3.48	3.3143	3.72	1.1224	1428034.72
2003	19	321519	54483	269667	136207	172017	21627	975520	3.79	3.6095	4.06	1.1248	1097266.96
2003	20	394234	78653	354853	162233	201040	28141	1219154	4.20	4.0000	4.50	1.1250	1371548.25
2003	21	155291	25996	124430	72016	91987	12362	482082	4.67	4.4476	5.00	1.1242	541955.14
2003	22	202790	33814	202686	96603	117921	17507	671321	5.26	5.0095	5.63	1.1239	754470.36
2003	23	114014	23166	114365	62463	78433	14609	407050	5.89	5.6095	6.31	1.1249	457879.42
2003	24	101225	23652	100699	66550	76745	14116	382987	6.83	6.5048	7.31	1.1238	430397.76
2003	25	37903	8705	49732	29336	36298	7523	169497	8.40	8.0000	8.99	1.1238	190472.25
2003	26	29899	4942	32321	14858	32974	3767	118761	10.31	9.8190	11.04	1.1243	133528.37
2003	27	43587	7353	50853	39844	44631	19441	205709	12.01	11.4381	12.86	1.1243	231281.32



NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 1	Cov 3	Cov 10	Cov 55	Cov 726	Cov 727	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
2004	1	2606	117	314	138	200	38	3413	0.65	0.6190	0.67	1.0823	3693.92
2004	2	96	0	79	0	34	0	209	0.90	0.8571	0.93	1.0850	226.77
2004	3	1817	379	2889	946	927	40	6998	1.02	0.9714	1.05	1.0809	7564.01
2004	4	1693	684	4858	1695	601	157	9688	1.13	1.0762	1.16	1.0779	10442.46
2004	5	3846	1043	6421	2599	2525	686	17120	1.27	1.2095	1.31	1.0831	18542.17
2004	6	13331	2678	11366	7517	6287	454	41633	1.43	1.3619	1.48	1.0867	45243.13
2004	7	161768	23942	78324	27577	26657	2362	320630	1.57	1.4952	1.62	1.0834	347383.20
2004	8	338740	58404	247182	108037	109024	10698	872085	1.70	1.6190	1.76	1.0871	948007.69
2004	10	627710	102421	421529	182495	185535	17945	1537635	1.84	1.7524	1.90	1.0842	1667164.04
2004	11	1047163	166814	735527	310009	324220	27219	2610952	1.99	1.8952	2.06	1.0869	2837934.26
2004	12	1324679	218397	906141	384236	386464	38020	3257937	2.17	2.0667	2.24	1.0839	3531183.33
2004	13	1435667	232260	1081514	465481	499263	51232	3765417	2.33	2.2190	2.41	1.0861	4089436.79
2004	14	1739009	311828	1314642	574030	616922	65374	4621805	2.52	2.4000	2.60	1.0833	5006955.42
2004	15	1612674	272813	1225548	512151	570726	57835	4251747	2.77	2.6381	2.86	1.0841	4609384.92
2004	16	1398441	220167	1118510	505345	590188	59675	3892326	3.05	2.9048	3.15	1.0844	4220940.41
2004	17	941981	143709	746411	324128	378245	44842	2579316	3.37	3.2095	3.48	1.0843	2796682.69
2004	18	873935	130072	675091	295661	342258	38481	2355498	3.68	3.5048	3.80	1.0842	2553923.10
2004	19	437481	79482	364931	183827	217385	26632	1309738	4.01	3.8190	4.15	1.0867	1423237.74
2004	20	272440	58084	265085	120173	159148	25108	900038	4.45	4.2381	4.59	1.0830	974771.49
2004	21	168695	33960	159876	82097	101926	16731	563285	4.94	4.7048	5.11	1.0861	611802.77
2004	22	112536	19625	102741	58858	73130	11609	378499	5.57	5.3048	5.76	1.0858	410980.60
2004	23	145256	28576	139298	70388	95463	17518	496499	6.24	5.9429	6.44	1.0837	538033.05
2004	24	117118	21476	111796	63565	85340	17577	416872	7.23	6.8857	7.47	1.0849	452245.58
2004	25	52868	10281	64476	33235	39325	9973	210158	8.89	8.4667	9.19	1.0854	228112.44
2004	26	31334	6146	39456	20542	35986	5992	139456	10.92	10.4000	11.28	1.0846	151256.12
2004	27	28049	10917	39029	23711	44208	23722	169636	12.72	12.1143	13.14	1.0847	183999.05
2005	1	2172	4	58	88	178	0	2500	0.68	0.6476	0.68	1.0500	2625.00
2005	2	0	0	18	21	0	19	58	0.95	0.9048	0.95	1.0500	60.90
2005	3	1654	782	2516	755	328	85	6120	1.07	1.0190	1.07	1.0500	6426.00
2005	4	2507	561	4185	1195	1381	381	10210	1.19	1.1333	1.19	1.0500	10720.50
2005	5	2967	149	4355	1679	3074	561	12785	1.34	1.2762	1.34	1.0500	13424.25
2005	6	64134	10290	51867	22443	25852	1562	176148	1.51	1.4381	1.51	1.0500	184955.40
2005	7	41720	7097	30610	15019	14215	1615	110276	1.65	1.5714	1.65	1.0500	115789.80
2005	8	572457	87199	351443	145836	138703	11335	1306973	1.80	1.7143	1.80	1.0500	1372321.65
2005	10	536139	92786	361557	142797	144755	13378	1291412	1.94	1.8476	1.94	1.0500	1355982.60
2005	11	978913	158025	654494	277565	270603	24481	2364081	2.10	2.0000	2.10	1.0500	2482285.05
2005	12	1205927	206529	874208	381197	408342	40494	3116697	2.29	2.1810	2.29	1.0500	3272531.85
2005	13	1407422	239837	1063949	459933	492218	46682	3710041	2.46	2.3429	2.46	1.0500	3895543.05
2005	14	2265177	365650	1704595	751301	837004	85399	6009126	2.66	2.5333	2.66	1.0500	6309582.30
2005	15	1282502	211569	977017	416738	463306	53297	3404429	2.93	2.7905	2.93	1.0500	3574650.45
2005	16	1209535	190976	944284	427408	512525	49250	3333978	3.22	3.0667	3.22	1.0500	3500676.90
2005	17	1358995	227297	1106999	505955	612263	61726	3873235	3.55	3.3810	3.55	1.0500	4066896.75
2005	18	594165	95387	478017	203286	254798	36930	1662583	3.89	3.7048	3.89	1.0500	1745712.15
2005	19	505979	89496	445104	204072	236054	30692	1511397	4.24	4.0381	4.24	1.0500	1586966.85
2005	20	319318	64362	274733	137083	152587	28510	976593	4.69	4.4667	4.69	1.0500	1025422.65
2005	21	212545	38164	177533	76514	98808	14562	618126	5.22	4.9714	5.22	1.0500	649032.30
2005	22	147626	33515	142846	73124	97741	16568	511420	5.88	5.6000	5.88	1.0500	536991.00
2005	23	83668	15008	85130	44024	52363	10296	290489	6.58	6.2667	6.58	1.0500	305013.45
2005	24	89668	17446	90127	57773	62888	16738	334640	7.63	7.2667	7.63	1.0500	351372.00
2005	25	40328	7977	48496	24244	31692	8174	160911	9.39	8.9429	9.39	1.0500	168956.55
2005	26	34468	4486	51929	24450	29140	8193	152666	11.52	10.9714	11.52	1.0500	160299.30
2005	27	29064	7815	37940	33296	53456	32694	194265	13.42	12.7810	13.42	1.0500	203978.25

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 1	Cov 3	Cov 10	Cov 55	Cov 726	Cov 727	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
2006	1	3460	34	291	0	283	23	4091	0.72	0.6857	0.71	1.0354	4235.89
2006	2	209	0	41	27	20	0	297	1.00	0.9524	0.98	1.0290	305.61
2006	3	911	282	1986	830	380	170	4559	1.13	1.0762	1.11	1.0314	4702.23
2006	4	1536	998	4672	1530	1262	152	10150	1.25	1.1905	1.23	1.0332	10486.98
2006	5	2926	1056	5295	2901	2749	409	15336	1.41	1.3429	1.38	1.0277	15760.19
2006	6	38568	8103	35257	12438	17282	1068	112716	1.59	1.5143	1.56	1.0302	116118.75
2006	7	48816	7253	40768	17652	20217	2438	137144	1.74	1.6571	1.71	1.0319	141518.42
2006	8	309239	54066	228987	103200	112413	10240	818145	1.89	1.8000	1.85	1.0278	840871.25
2006	10	426464	73718	282028	118872	114909	11945	1027936	2.04	1.9429	2.00	1.0294	1058169.41
2006	11	809066	131668	575880	243831	281984	26025	2068454	2.21	2.1048	2.17	1.0310	2132566.71
2006	12	1071877	184590	815090	377215	422599	41582	2912953	2.41	2.2952	2.36	1.0282	2995144.20
2006	13	1192792	199213	881989	388558	425057	42214	3129823	2.59	2.4667	2.54	1.0297	3222871.79
2006	14	1825677	293456	1368596	630034	694589	66610	4878962	2.80	2.6667	2.74	1.0275	5013133.46
2006	15	1308526	220219	1037904	480623	581481	60497	3689250	3.08	2.9333	3.02	1.0295	3798250.57
2006	16	1068970	175169	858702	401239	509021	55235	3068336	3.39	3.2286	3.32	1.0283	3155226.93
2006	17	1366020	237536	1072831	478967	576534	66648	3798536	3.74	3.5619	3.67	1.0303	3913812.43
2006	18	1120084	184438	926575	455783	555715	61606	3304201	4.09	3.8952	4.01	1.0295	3401549.71
2006	19	530163	100880	475107	225707	279456	37178	1648491	4.46	4.2476	4.37	1.0288	1695986.76
2006	20	484632	103978	462661	209567	270306	42590	1573734	4.94	4.7048	4.84	1.0287	1618970.89
2006	21	239705	46399	207756	99413	115689	20732	729694	5.49	5.2286	5.38	1.0290	750827.21
2006	22	213660	42537	192081	114786	141479	27978	732521	6.19	5.8952	6.07	1.0296	754236.28
2006	23	86028	21904	97888	44025	64550	13301	327696	6.93	6.6000	6.79	1.0288	337129.67
2006	24	72431	18219	103334	61958	74158	21109	351209	8.03	7.6476	7.87	1.0291	361421.62
2006	25	54205	16114	71977	43334	52220	11633	249483	9.88	9.4095	9.68	1.0287	256654.37
2006	26	33615	9979	35186	22706	37478	7939	146903	12.13	11.5524	11.89	1.0292	151196.25
2006	27	41478	12656	71252	46042	53378	53144	277950	14.13	13.4571	13.85	1.0292	286064.25
2007	1	1677	105	837	467	524	50	3660	0.76	0.7238	0.72	0.9947	3640.74
2007	2	102	0	0	0	0	0	102	1.05	1.0000	1.00	1.0000	102.00
2007	3	599	33	1859	970	288	0	3749	1.19	1.1333	1.13	0.9971	3737.97
2007	4	2160	563	4886	1678	1349	39	10675	1.31	1.2476	1.25	1.0019	10695.37
2007	5	3741	856	5392	2781	3321	543	16634	1.48	1.4095	1.41	1.0003	16639.62
2007	6	33003	4958	25046	12758	20137	1606	97508	1.67	1.5905	1.59	0.9997	97478.81
2007	7	131718	24063	108611	53494	63366	6512	387764	1.83	1.7429	1.74	0.9984	387128.32
2007	8	187534	33125	138302	61508	78909	5988	505366	1.98	1.8857	1.89	1.0023	506514.56
2007	10	509237	90804	363073	153945	170757	14656	1302472	2.14	2.0381	2.04	1.0009	1303689.26
2007	11	479639	83666	357742	169174	194308	17609	1302138	2.32	2.2095	2.21	1.0002	1302418.63
2007	12	714044	124970	537714	250923	291197	30083	1948931	2.53	2.4095	2.41	1.0002	1949316.16
2007	13	993058	188267	808532	362052	438049	49147	2839105	2.72	2.5905	2.59	0.9998	2838583.11
2007	14	1406047	258916	1103554	515578	598342	66939	3949376	2.94	2.8000	2.80	1.0000	3949376.00
2007	15	1064466	216411	872163	402536	484563	60100	3100239	3.23	3.0762	3.08	1.0012	3104078.31
2007	16	710730	134046	607989	285892	365383	46986	2151026	3.56	3.3905	3.39	0.9999	2150723.89
2007	17	655933	130555	534120	255842	313979	39268	1929697	3.93	3.7429	3.74	0.9992	1928223.95
2007	18	513056	94320	396577	190317	220878	30628	1445776	4.29	4.0857	4.09	1.0010	1447292.55
2007	19	363556	75719	323016	157638	192640	25816	1138385	4.68	4.4571	4.46	1.0006	1139114.73
2007	20	423393	82805	395737	196145	227949	36282	1362311	5.19	4.9429	4.94	0.9994	1361523.54
2007	21	227288	53534	223501	116696	141654	27074	789747	5.76	5.4857	5.49	1.0008	790363.99
2007	22	136710	35551	138641	78778	93304	20990	503974	6.50	6.1905	6.19	0.9999	503935.23
2007	23	123616	25807	131460	62135	78567	20937	442522	7.28	6.9333	6.93	0.9995	442309.25
2007	24	63368	20828	86444	52627	65543	20912	309722	8.43	8.0286	8.03	1.0002	309777.11
2007	25	84528	25865	96404	51832	61261	24042	343932	10.37	9.8762	9.88	1.0004	344064.66
2007	26	38075	12245	53307	25908	33554	16809	179898	12.74	12.1333	12.13	0.9997	179848.58
2007	27	58395	26847	102339	74818	105371	79297	447067	14.84	14.1333	14.13	0.9998	446961.56
All Comprehensive								320095472	offset rounded		0.84295 0.843	379730438	

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 72	Cov 73	Cov 74	Cov 76	Cov 77	Cov 78	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
1989	1	104	106	1244	3710	3584	276	9024	0.21	0.2000	0.20	1.0000	9024.00
1989	2	86	129	614	1612	1173	268	3882	0.25	0.2381	0.24	1.0080	3913.06
1989	3	114	127	2167	3029	2447	207	8091	0.31	0.2952	0.30	1.0161	8221.50
1989	4	852	277	6729	10814	5545	894	25111	0.35	0.3333	0.33	0.9900	24859.89
1989	5	872	817	11689	20338	12122	885	46723	0.41	0.3905	0.39	0.9988	46666.02
1989	6	1543	1219	22324	31794	16297	1031	74208	0.45	0.4286	0.43	1.0033	74455.36
1989	7	5716	9812	136056	424745	507752	50327	1134408	0.49	0.4667	0.47	1.0071	1142510.91
1989	8	9713	13007	178542	270432	96670	3676	572040	0.59	0.5619	0.57	1.0144	580281.25
1989	10	10100	12861	194516	347612	141476	6822	713387	0.68	0.6476	0.65	1.0037	716009.75
1989	11	4867	9513	135161	270635	125568	7151	552895	0.74	0.7048	0.71	1.0074	557004.35
1989	12	3227	6591	80377	173004	95863	5438	364500	0.82	0.7810	0.78	0.9988	364055.49
1989	13	2141	4375	45645	105187	63696	6196	227240	0.88	0.8381	0.84	1.0023	227756.45
1989	14	1981	5146	24454	89643	61081	6560	188865	0.98	0.9333	0.94	1.0071	190214.04
1989	15	1064	2131	13022	45971	36997	3152	102337	1.06	1.0095	1.02	1.0104	103398.99
1989	16	1438	2992	15615	68066	61304	7764	157179	1.17	1.1143	1.12	1.0051	157985.05
1989	17	559	2343	12857	57607	55992	7881	137239	1.24	1.1810	1.19	1.0077	138290.43
1989	18	436	1820	7717	44368	52225	9325	115891	1.35	1.2857	1.29	1.0033	116277.30
1989	19	466	911	4379	24718	31899	4726	67099	1.43	1.3619	1.37	1.0059	67497.84
1989	20	60	652	3320	12091	23377	4747	44247	1.51	1.4381	1.45	1.0083	44613.28
1989	21	525	2468	7410	54673	87844	25870	178790	1.72	1.6381	1.65	1.0073	180089.35
Model Years 1990-1997 combined													
1997	1	625	1390	17375	48109	24575	1385	93459	0.43	0.4095	0.41	1.0012	93567.67
1997	2	2554	4978	61506	132025	58352	2000	261415	0.49	0.4667	0.47	1.0071	263282.25
1997	3	7868	15499	166549	378365	155666	6011	729958	0.57	0.5429	0.55	1.0132	739562.71
1997	4	16772	29358	360767	821719	355450	13905	1597971	0.62	0.5905	0.59	0.9992	1596682.31
1997	5	36341	65815	729745	1991387	961794	42133	3827215	0.66	0.6286	0.63	1.0023	3835913.22
1997	6	26748	65255	628587	1851984	1001143	44475	3618192	0.69	0.6571	0.66	1.0043	3633923.27
1997	7	37839	83831	865339	2612612	1364560	67324	5031505	0.72	0.6857	0.69	1.0063	5062951.91
1997	8	52304	113481	1093125	3458635	1950129	99924	6767598	0.75	0.7143	0.72	1.0080	6821738.78
1997	10	41055	95106	858421	3103332	1922781	98571	6119266	0.80	0.7619	0.77	1.0106	6184283.20
1997	11	39134	102613	853423	3447663	2261823	120642	6825298	0.84	0.8000	0.80	1.0000	6825298.00
1997	12	34159	89243	742667	3184315	2286307	144598	6481289	0.86	0.8190	0.83	1.0134	6567957.40
1997	13	35045	93841	679536	2946695	2193766	144393	6093276	0.90	0.8571	0.86	1.0033	6113586.92
1997	14	33230	80728	602519	2713061	2015197	124913	5569648	0.96	0.9143	0.92	1.0063	5604458.30
1997	15	20086	51142	379549	1953342	1594446	106376	4104941	1.00	0.9524	0.96	1.0080	4137780.53
1997	16	18121	47462	307971	1712742	1416360	101901	3604557	1.04	0.9905	1.00	1.0096	3639216.20
1997	17	10276	21603	154595	864741	814175	61011	1926401	1.08	1.0286	1.04	1.0111	1947805.46
1997	18	8461	21268	128189	767328	789897	70856	1785999	1.14	1.0857	1.10	1.0132	1809498.99
1997	19	8258	24177	120860	687641	682654	54113	1577703	1.19	1.1333	1.14	1.0059	1586983.61
1997	20	3802	14705	82682	475460	539347	46239	1162235	1.23	1.1714	1.18	1.0073	1170739.16
1997	21	6139	15468	94511	624265	736116	80058	1556557	1.28	1.2190	1.23	1.0090	1570541.69
1997	22	3594	13041	57214	370767	463371	49295	957282	1.35	1.2857	1.29	1.0033	960472.94
1997	23	4170	10723	67746	364532	497854	66747	1011772	1.40	1.3333	1.34	1.0050	1016830.86
1997	24	1693	8816	32476	237491	348520	53156	682152	1.47	1.4000	1.41	1.0071	687024.51
1997	25	742	2839	9775	84815	171654	41160	310985	1.58	1.5048	1.52	1.0101	314134.22
1997	26	1184	3741	13326	129996	270215	62610	481072	1.72	1.6381	1.65	1.0073	484568.16
1997	27	715	1751	9454	56564	115794	28054	212332	1.79	1.7048	1.72	1.0089	214229.94

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 72	Cov 73	Cov 74	Cov 76	Cov 77	Cov 78	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
1998	1	0	84	528	1370	1090	39	3111	0.48	0.4571	0.41	0.8969	2790.18
1998	2	0	0	58	284	135	0	477	0.54	0.5143	0.47	0.9139	435.93
1998	3	0	0	245	1532	1600	-405	2972	0.63	0.6000	0.55	0.9167	2724.33
1998	4	79	348	4424	15955	13082	620	34508	0.68	0.6476	0.59	0.9110	31437.80
1998	5	231	2512	17617	65958	55862	1888	144068	0.72	0.6857	0.63	0.9188	132362.48
1998	6	5205	16620	141101	437293	269161	12265	881645	0.76	0.7238	0.66	0.9118	803921.03
1998	7	7140	20043	130504	528496	387725	22010	1095918	0.79	0.7524	0.69	0.9171	1005053.91
1998	8	13625	35942	309425	1055692	723819	42679	2181182	0.83	0.7905	0.72	0.9108	1986715.17
1998	10	10738	21579	182777	803165	593393	34774	1646426	0.88	0.8381	0.77	0.9188	1512653.89
1998	11	10372	33144	241005	1080035	857833	55057	2277446	0.92	0.8762	0.80	0.9130	2079407.22
1998	12	24250	68570	434314	2019031	1623620	118367	4288152	0.95	0.9048	0.83	0.9174	3933815.23
1998	13	10680	37943	222196	1039020	924435	74001	2308275	0.99	0.9429	0.86	0.9121	2105426.59
1998	14	10374	30397	234706	1216720	1057564	75236	2624997	1.05	1.0000	0.92	0.9200	2414997.24
1998	15	11531	34947	194642	1122973	1084147	71752	2519992	1.11	1.0571	0.96	0.9081	2288425.17
1998	16	2738	12092	62114	400464	434054	37988	949450	1.15	1.0952	1.00	0.9130	866889.13
1998	17	6089	12009	60975	408792	447763	34600	970228	1.19	1.1333	1.04	0.9176	890326.87
1998	18	5628	16078	81454	544713	590728	47308	1285909	1.26	1.2000	1.10	0.9167	1178749.92
1998	19	2074	6331	26076	221843	248169	27478	531971	1.31	1.2476	1.14	0.9137	486083.43
1998	20	1829	5199	26349	179041	248862	34813	496093	1.36	1.2952	1.18	0.9110	451955.31
1998	21	2154	8042	37002	307735	416720	47889	819542	1.41	1.3429	1.23	0.9160	750665.60
1998	22	1007	2979	9497	62312	112962	16287	205044	1.49	1.4190	1.29	0.9091	186397.38
1998	23	868	3303	14397	84108	135276	20864	258816	1.54	1.4667	1.34	0.9136	236463.71
1998	24	34	1685	2011	33288	62515	10095	109628	1.61	1.5333	1.41	0.9196	100810.10
1998	25	0	236	841	5022	11844	3086	21029	1.74	1.6571	1.52	0.9172	19288.67
1998	26	0	704	463	26519	43154	14193	85033	1.89	1.8000	1.65	0.9167	77946.92
1998	27	189	0	1035	3831	14588	4594	24237	1.97	1.8762	1.72	0.9168	22219.30
1999	1	0	75	71	1101	1691	84	3022	0.53	0.5048	0.50	0.9906	2993.49
1999	2	72	0	0	550	175	0	797	0.60	0.5714	0.57	0.9975	795.01
1999	3	0	0	28	2712	3277	175	6192	0.70	0.6667	0.66	0.9900	6130.08
1999	4	100	283	2273	10700	8179	570	22105	0.76	0.7238	0.72	0.9947	21988.66
1999	5	231	934	9924	43635	32393	2544	89661	0.80	0.7619	0.76	0.9975	89436.85
1999	6	3287	7600	65429	219505	150015	6423	452259	0.85	0.8095	0.80	0.9882	446938.31
1999	7	8435	22900	164560	728148	551958	31144	1507145	0.88	0.8381	0.84	1.0023	1510570.33
1999	8	16069	44143	360807	1277007	904363	49000	2651389	0.92	0.8762	0.87	0.9929	2632656.36
1999	10	10981	36118	248586	1037265	810426	50765	2194141	0.98	0.9333	0.93	0.9964	2186304.78
1999	11	10997	41383	314455	1505745	1276983	82663	3232226	1.03	0.9810	0.97	0.9888	3196138.04
1999	12	21642	75198	501695	2481901	2201799	159762	5441997	1.06	1.0095	1.00	0.9906	5390657.41
1999	13	16600	53825	345806	1781247	1644937	111074	3953489	1.10	1.0476	1.04	0.9927	3924736.35
1999	14	20515	48706	350814	2009507	1966026	142661	4538229	1.17	1.1143	1.11	0.9962	4520774.27
1999	15	14761	42298	262475	1442426	1500900	114644	3377504	1.23	1.1714	1.17	0.9988	3373385.09
1999	16	6384	20375	130200	810778	919034	71738	1958509	1.28	1.2190	1.21	0.9926	1943973.19
1999	17	6202	19693	114387	795154	994277	95454	2025167	1.33	1.2667	1.26	0.9947	2014508.23
1999	18	2446	15007	72122	495384	602077	57606	1244642	1.40	1.3333	1.33	0.9975	1241530.40
1999	19	2292	7162	38099	275497	338663	31846	693559	1.46	1.3905	1.39	0.9997	693321.48
1999	20	2826	11860	54572	382254	540796	75653	1067961	1.51	1.4381	1.43	0.9944	1061949.30
1999	21	1745	8128	30366	203478	338480	38157	620354	1.57	1.4952	1.49	0.9965	618180.79
1999	22	1429	2893	14997	117189	187551	24351	348410	1.65	1.5714	1.57	0.9991	348093.26
1999	23	691	1310	8989	59268	89771	17759	177788	1.72	1.6381	1.63	0.9951	176909.40
1999	24	95	778	4174	32326	56770	13086	107229	1.79	1.7048	1.70	0.9972	106929.48
1999	25	0	1028	6920	34135	78868	16772	137723	1.94	1.8476	1.84	0.9959	137155.07
1999	26	770	451	2384	20542	47393	11961	83501	2.10	2.0000	2.00	1.0000	83501.00
1999	27	0	1057	981	15646	28223	11654	57561	2.19	2.0857	2.08	0.9973	57403.30

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1) myr	(2) sym	Written Premiums (C'07)			Collision				(3) Total	(4) Current Rel on '09 base	(5) Current Rel on '10 base	(6) Revised Rel on '10 base	(7) Ratio	(8) Ratio x Writ Prem
		Cov 72	Cov 73	Cov 74	Cov 76	Cov 77	Cov 78							
2000	1	0	49	99	905	921	88	2062	0.58	0.5524	0.54	0.9776	2015.78	
2000	2	0	0	0	390	395	0	785	0.66	0.6286	0.61	0.9705	761.81	
2000	3	92	0	650	5171	4721	251	10885	0.77	0.7333	0.71	0.9682	10538.66	
2000	4	0	0	458	4457	5282	483	10680	0.83	0.7905	0.77	0.9741	10403.35	
2000	5	745	138	864	9476	13767	1704	26694	0.88	0.8381	0.82	0.9784	26117.65	
2000	6	3588	15869	93694	284241	192560	12981	602933	0.93	0.8857	0.86	0.9710	585428.49	
2000	7	3408	8343	61036	306100	258637	16092	653616	0.97	0.9238	0.90	0.9742	636770.23	
2000	8	15678	53777	352766	1421888	1143577	77080	3064766	1.01	0.9619	0.93	0.9668	2963112.87	
2000	10	25797	62659	452397	1993195	1642611	99944	4276603	1.08	1.0286	0.99	0.9625	4116230.39	
2000	11	23516	66384	437284	2164212	1928833	127851	4748080	1.13	1.0762	1.04	0.9664	4588410.05	
2000	12	18092	74916	498545	2578064	2406478	184244	5760339	1.16	1.1048	1.07	0.9685	5579086.95	
2000	13	19274	71122	430740	2196225	2122977	166448	5006786	1.21	1.1524	1.12	0.9719	4866099.45	
2000	14	27292	82510	492172	2935915	3053236	226423	6817548	1.29	1.2286	1.19	0.9686	6603508.70	
2000	15	16184	61894	319914	1856332	2062635	172944	4489903	1.35	1.2857	1.25	0.9722	4365183.47	
2000	16	13002	37667	233690	1484909	1617849	118956	3506073	1.41	1.3429	1.30	0.9681	3394177.05	
2000	17	7253	25966	134079	873058	1016923	93079	2150358	1.46	1.3905	1.35	0.9709	2087761.96	
2000	18	6359	18272	92048	694488	865792	75582	1752541	1.54	1.4667	1.42	0.9682	1696778.33	
2000	19	4027	10985	58807	475148	636042	66410	1251419	1.60	1.5238	1.48	0.9713	1215440.70	
2000	20	3549	11189	54832	366435	585045	78517	1099567	1.66	1.5810	1.53	0.9678	1064129.15	
2000	21	3271	8020	37184	313518	491597	71650	925240	1.72	1.6381	1.59	0.9706	898074.52	
2000	22	500	4412	10813	86437	148965	22974	274101	1.82	1.7333	1.68	0.9692	265667.12	
2000	23	803	2621	12807	94777	168754	27296	307058	1.89	1.8000	1.74	0.9667	296822.73	
2000	24	0	995	1745	20559	39491	6681	69471	1.97	1.8762	1.82	0.9701	67390.40	
2000	25	55	516	4749	52126	87490	18075	163011	2.13	2.0286	1.97	0.9711	158304.34	
2000	26	181	2070	2134	32853	63016	12544	112798	2.31	2.2000	2.14	0.9727	109721.69	
2000	27	0	109	799	9322	23018	7156	40404	2.41	2.2952	2.23	0.9716	39255.59	
2001	1	0	27	273	1931	1395	88	3714	0.63	0.6000	0.58	0.9667	3590.20	
2001	2	0	120	0	112	342	196	770	0.72	0.6857	0.66	0.9625	741.13	
2001	3	0	0	950	2835	8802	816	13403	0.84	0.8000	0.77	0.9625	12900.39	
2001	4	0	147	466	4497	6295	2086	13491	0.91	0.8667	0.83	0.9577	12920.23	
2001	5	420	1991	6720	37778	35079	2910	84898	0.96	0.9143	0.88	0.9625	81714.33	
2001	6	624	2102	12301	58896	47990	3606	125519	1.02	0.9714	0.93	0.9574	120165.98	
2001	7	5710	17629	119221	406398	332261	21644	902863	1.06	1.0095	0.97	0.9608	867515.06	
2001	8	9715	42611	251942	1086296	904752	59121	2354437	1.10	1.0476	1.01	0.9641	2269891.31	
2001	10	21716	58133	418061	1804405	1535933	105214	3943462	1.17	1.1143	1.08	0.9692	3822124.71	
2001	11	22073	81450	478206	2418429	2286972	169042	5456172	1.23	1.1714	1.13	0.9646	5263209.82	
2001	12	22977	77429	452933	2387732	2359457	174634	5475162	1.27	1.2095	1.16	0.9591	5250982.14	
2001	13	25290	65919	407158	2183179	2291717	181910	5155173	1.32	1.2571	1.21	0.9625	4961854.01	
2001	14	30447	93113	492734	2835501	2958943	230213	6640951	1.40	1.3333	1.29	0.9675	6425120.09	
2001	15	30508	89272	467825	2742261	3017933	257718	6605517	1.48	1.4095	1.35	0.9578	6326567.80	
2001	16	22624	57850	355613	2246178	2615283	212822	5510370	1.53	1.4571	1.41	0.9676	5332093.32	
2001	17	7657	30758	153543	968943	1200624	111958	2473483	1.59	1.5143	1.46	0.9642	2384810.97	
2001	18	7950	29702	134585	934347	1224547	110498	2441629	1.68	1.6000	1.54	0.9625	2350067.91	
2001	19	7187	17854	78204	540667	766142	71878	1481932	1.75	1.6667	1.60	0.9600	1422654.72	
2001	20	3232	11223	35462	276455	472116	63247	861735	1.81	1.7238	1.66	0.9630	829836.52	
2001	21	1462	6693	27115	218704	316975	34918	605867	1.88	1.7905	1.72	0.9606	582019.04	
2001	22	3070	10435	45552	388401	674997	92972	1215427	1.98	1.8857	1.82	0.9652	1173071.21	
2001	23	166	2717	11793	108175	203911	38042	364804	2.06	1.9619	1.89	0.9633	351433.76	
2001	24	858	3263	8642	75184	151390	26533	265870	2.15	2.0476	1.97	0.9621	255791.67	
2001	25	0	210	5729	30303	62919	13576	112737	2.33	2.2190	2.13	0.9599	108213.00	
2001	26	543	912	6194	57796	101652	18478	185575	2.52	2.4000	2.31	0.9625	178615.94	
2001	27	0	501	954	14295	32483	9506	57739	2.63	2.5048	2.41	0.9622	55554.58	

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1)	(2)	Written Premiums (C'07)						(3)	(4)	(5)	(6)	(7)	(8)
myr	sym	Cov 72	Cov 73	Cov 74	Cov 76	Cov 77	Cov 78	Total	Current Rel on '09 base	Current Rel on '10 base	Revised Rel on '10 base	Ratio	Ratio x Writ Prem
2002	1	0	0	545	1171	1914	75	3705	0.70	0.6667	0.62	0.9300	3445.65
2002	2	0	0	0	176	435	0	611	0.79	0.7524	0.70	0.9304	568.46
2002	3	0	115	465	6839	5875	473	13767	0.92	0.8762	0.81	0.9245	12726.99
2002	4	0	248	135	8324	8989	1199	18895	1.00	0.9524	0.88	0.9240	17458.98
2002	5	223	747	4026	21302	18826	1593	46717	1.06	1.0095	0.94	0.9311	43499.70
2002	6	479	1330	6574	34488	43187	957	87015	1.11	1.0571	0.99	0.9365	81488.37
2002	7	5182	17306	117022	363317	322327	21011	846165	1.16	1.1048	1.03	0.9323	788902.97
2002	8	15825	41832	281286	1208914	1074689	72908	2695454	1.21	1.1524	1.07	0.9285	2502762.45
2002	10	19581	76413	416042	2042392	2040462	150140	4745030	1.29	1.2286	1.14	0.9279	4402946.44
2002	11	21883	84046	510043	2402007	2450668	178234	5646881	1.35	1.2857	1.20	0.9333	5270422.27
2002	12	30432	113601	605453	3344028	3468801	265375	7827690	1.39	1.3238	1.23	0.9291	7272993.98
2002	13	26443	88161	464782	2681259	2988459	256187	6505291	1.45	1.3810	1.28	0.9269	6029731.80
2002	14	22980	96193	532483	2972697	3355743	264836	7244932	1.54	1.4667	1.37	0.9341	6767425.12
2002	15	28340	109876	579997	3207338	3710056	299506	7935113	1.62	1.5429	1.44	0.9333	7406105.47
2002	16	18832	70801	359950	2204545	2787461	242792	5684381	1.68	1.6000	1.49	0.9313	5293579.81
2002	17	11077	34011	192107	1254403	1554753	143466	3189817	1.75	1.6667	1.55	0.9300	2966529.81
2002	18	9544	28840	156603	1117377	1564957	141142	3018463	1.84	1.7524	1.63	0.9302	2807662.73
2002	19	3843	15792	68701	497794	775571	93213	1454914	1.92	1.8286	1.70	0.9297	1352615.36
2002	20	3964	11467	38358	324456	527303	74416	979964	1.98	1.8857	1.76	0.9333	914633.07
2002	21	708	3264	13164	110604	203475	25981	357196	2.06	1.9619	1.83	0.9328	333180.64
2002	22	4231	10933	35902	302812	527623	70520	952021	2.17	2.0667	1.93	0.9339	889064.77
2002	23	288	4222	8221	76137	163791	25300	277959	2.26	2.1524	2.00	0.9292	258280.49
2002	24	1840	5733	13580	150821	292932	53394	518300	2.36	2.2476	2.09	0.9299	481953.11
2002	25	0	1384	9168	56705	122960	29740	219957	2.55	2.4286	2.26	0.9306	204689.40
2002	26	0	0	2633	11116	21684	5238	40671	2.77	2.6381	2.45	0.9287	37771.17
2002	27	554	2344	4433	24297	70408	31472	133508	2.88	2.7429	2.56	0.9333	124607.47
2003	1	0	0	-117	2327	1693	213	4116	0.75	0.7143	0.66	0.9240	3803.18
2003	2	0	0	0	0	0	0	0	0.85	0.8095	0.75	0.9265	0.00
2003	3	0	424	884	7926	6714	354	16302	0.99	0.9429	0.87	0.9227	15042.30
2003	4	0	231	1165	11686	10661	1185	24928	1.07	1.0190	0.95	0.9322	23238.95
2003	5	0	408	1985	10266	18198	1426	32283	1.14	1.0857	1.01	0.9303	30031.69
2003	6	211	541	3816	17679	25903	2269	50419	1.20	1.1429	1.06	0.9275	46763.62
2003	7	8309	31171	162239	625814	586564	36218	1450315	1.25	1.1905	1.10	0.9240	1340091.06
2003	8	13612	41805	275946	1102140	1047201	77382	2558086	1.30	1.2381	1.15	0.9288	2376068.34
2003	10	18031	57991	328191	1516668	1468444	101235	3490560	1.39	1.3238	1.22	0.9216	3216839.83
2003	11	25981	90829	586446	2665867	2671943	184927	6225993	1.45	1.3810	1.28	0.9269	5770851.44
2003	12	35937	142828	716450	3875715	4121639	316897	9209466	1.50	1.4286	1.32	0.9240	8509546.58
2003	13	32484	120678	588863	3681359	4339405	355160	9117949	1.56	1.4857	1.37	0.9221	8407801.05
2003	14	33873	122226	597499	3408808	3963170	324280	8449856	1.66	1.5810	1.46	0.9235	7803391.11
2003	15	35106	112666	565216	3430933	4193091	372802	8709814	1.74	1.6571	1.54	0.9293	8094120.25
2003	16	19343	63747	306376	2029412	2622431	249921	5291230	1.81	1.7238	1.60	0.9282	4911196.91
2003	17	11539	40666	204020	1401513	1832894	167513	3658145	1.88	1.7905	1.66	0.9271	3391567.41
2003	18	9241	21358	103246	869141	1308253	142789	2454028	1.98	1.8857	1.75	0.9280	2277412.35
2003	19	5520	17500	81539	618609	995134	109668	1827970	2.07	1.9714	1.82	0.9232	1687560.71
2003	20	5886	25328	106725	699422	1135659	133855	2106875	2.13	2.0286	1.88	0.9268	1952568.66
2003	21	3135	6267	34967	255616	443089	51872	794946	2.22	2.1143	1.96	0.9270	736936.43
2003	22	1541	8410	48199	345062	533548	73426	1010186	2.34	2.2286	2.06	0.9244	933774.49
2003	23	2198	4872	19149	167540	337416	58380	589555	2.43	2.3143	2.15	0.9290	547703.87
2003	24	524	6760	17078	137473	300412	47254	509501	2.54	2.4190	2.24	0.9260	471789.90
2003	25	1216	2308	3518	49171	122189	19070	197472	2.75	2.6190	2.42	0.9240	182464.13
2003	26	0	79	3853	26971	76670	11909	119482	2.98	2.8381	2.63	0.9267	110721.32
2003	27	1	3037	3238	40956	102466	43679	193377	3.10	2.9524	2.74	0.9281	179466.33

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1) myr	(2) sym	Written Premiums (C'07)			Collision				(3) Total	(4) Current Rel on '09 base	(5) Current Rel on '10 base	(6) Revised Rel on '10 base	(7) Ratio	(8) Ratio x Writ Prem
		Cov 72	Cov 73	Cov 74	Cov 76	Cov 77	Cov 78							
2004	1	0	0	286	904	2297	231	3718	0.79	0.7524	0.71	0.9437	3508.57	
2004	2	0	0	0	221	447	0	668	0.90	0.8571	0.81	0.9450	631.26	
2004	3	0	0	798	6860	8706	308	16672	1.04	0.9905	0.94	0.9490	15822.37	
2004	4	0	96	908	9657	9833	1606	22100	1.13	1.0762	1.02	0.9478	20946.11	
2004	5	0	920	2016	11379	21426	3147	38888	1.21	1.1524	1.09	0.9459	36782.91	
2004	6	230	2130	5842	50885	56664	4558	120309	1.27	1.2095	1.14	0.9425	113393.60	
2004	7	7478	20686	132276	362999	312915	21066	857420	1.32	1.2571	1.19	0.9466	811625.98	
2004	8	7472	42711	169916	934344	1058671	80928	2294042	1.38	1.3143	1.24	0.9435	2164378.76	
2004	10	18427	64388	330008	1641939	1753836	133515	3942113	1.47	1.4000	1.32	0.9429	3716849.40	
2004	11	31468	95921	537972	2702876	2891491	205898	6465626	1.54	1.4667	1.39	0.9477	6127650.10	
2004	12	28769	114390	622674	3169965	3495930	278556	7710284	1.58	1.5048	1.43	0.9503	7327209.76	
2004	13	32708	110407	593280	3376373	4127395	342310	8582473	1.65	1.5714	1.48	0.9418	8083129.12	
2004	14	39462	148557	691253	4104081	5148953	457651	10589957	1.76	1.6762	1.58	0.9426	9982237.88	
2004	15	33250	122674	643460	3571688	4409409	373895	9154376	1.85	1.7619	1.66	0.9422	8624906.69	
2004	16	30314	83891	496441	3028047	4055420	361035	8055148	1.92	1.8286	1.73	0.9461	7620925.18	
2004	17	14876	52506	279041	1902829	2532576	232896	5014724	1.99	1.8952	1.79	0.9445	4736268.22	
2004	18	14612	41390	215836	1640468	2240055	213768	4366129	2.10	2.0000	1.89	0.9450	4125991.91	
2004	19	4921	24911	121551	849172	1285297	137530	2423382	2.19	2.0857	1.97	0.9445	2288934.09	
2004	20	6712	19074	81275	507641	868714	119661	1603077	2.26	2.1524	2.03	0.9431	1511928.60	
2004	21	1130	8018	36448	287555	512354	71557	917062	2.35	2.2381	2.11	0.9428	864574.83	
2004	22	2586	5520	21241	185746	325303	55185	595581	2.48	2.3619	2.23	0.9442	562319.72	
2004	23	1883	6410	31244	205578	399945	71843	716903	2.57	2.4476	2.32	0.9479	679523.62	
2004	24	2319	3544	18647	157660	319891	64271	566332	2.69	2.5619	2.42	0.9446	534962.68	
2004	25	948	2086	6521	60580	144221	31646	246002	2.91	2.7714	2.62	0.9454	232560.65	
2004	26	0	988	3863	34108	90148	17306	146413	3.15	3.0000	2.84	0.9467	138604.31	
2004	27	0	1647	2874	32705	81781	41051	160058	3.29	3.1333	2.96	0.9447	151203.73	
2005	1	0	0	142	508	289	-21	918	0.84	0.8000	0.77	0.9625	883.58	
2005	2	0	0	-64	273	66	177	452	0.95	0.9048	0.87	0.9616	434.63	
2005	3	0	0	1518	5323	6386	554	13781	1.10	1.0476	1.01	0.9641	13286.14	
2005	4	0	0	354	6876	14547	1597	23374	1.20	1.1429	1.10	0.9625	22497.48	
2005	5	0	415	1713	8305	17926	2261	30620	1.27	1.2095	1.17	0.9673	29619.43	
2005	6	2251	8136	37956	209191	236782	14130	508446	1.34	1.2762	1.23	0.9638	490043.29	
2005	7	506	3411	20321	118947	137314	11221	291720	1.40	1.3333	1.28	0.9600	280051.20	
2005	8	19142	58468	330826	1430060	1362677	98455	3299628	1.45	1.3810	1.33	0.9631	3177883.10	
2005	10	14117	48956	257304	1361486	1447401	104560	3233824	1.55	1.4762	1.42	0.9619	3110730.05	
2005	11	24225	87333	488757	2464324	2585705	187074	5837418	1.62	1.5429	1.49	0.9657	5637432.38	
2005	12	32336	101540	491737	2962525	3448119	263962	7300219	1.67	1.5905	1.53	0.9620	7022635.82	
2005	13	26475	123960	601807	3402019	4069419	322756	8546436	1.74	1.6571	1.59	0.9595	8200157.99	
2005	14	55546	171732	879007	5339509	6739401	573977	13759172	1.85	1.7619	1.70	0.9649	13275741.63	
2005	15	30254	101204	474127	2860833	3622040	328989	7417447	1.95	1.8571	1.78	0.9585	7109337.66	
2005	16	24006	81669	419255	2618220	3469229	294148	6906527	2.02	1.9238	1.85	0.9616	6641548.86	
2005	17	30516	79527	416373	2837108	3912259	358319	7634102	2.10	2.0000	1.92	0.9600	7328737.92	
2005	18	7276	27672	148071	1104919	1621118	180290	3089346	2.21	2.1048	2.03	0.9645	2979611.31	
2005	19	6596	30030	140032	955235	1423388	158918	2714199	2.31	2.2000	2.11	0.9591	2603163.59	
2005	20	6656	22367	83396	545435	895761	126257	1679872	2.38	2.2667	2.18	0.9618	1615641.60	
2005	21	3587	11603	52351	321984	517180	79431	986136	2.48	2.3619	2.27	0.9611	947764.18	
2005	22	1216	8032	33879	230188	451521	74736	799572	2.61	2.4857	2.39	0.9615	768783.88	
2005	23	1396	3289	18597	120012	233706	42692	419692	2.72	2.5905	2.49	0.9612	403413.51	
2005	24	651	6206	13001	110527	263357	58196	451938	2.84	2.7048	2.60	0.9613	434433.36	
2005	25	1069	1654	4353	61364	98511	25318	192269	3.07	2.9238	2.81	0.9611	184784.91	
2005	26	0	1070	6934	42795	94398	21482	166679	3.33	3.1714	3.05	0.9617	160297.15	
2005	27	0	974	2482	25519	97278	49411	175664	3.47	3.3048	3.18	0.9622	169032.30	

NORTH CAROLINA  
PHYSICAL DAMAGE MODEL YEAR OFFSET CALCULATION

(1) myr	(2) sym	Written Premiums (C'07)				Collision				(3) Total	(4) Current Rel on '09 base	(5) Current Rel on '10 base	(6) Revised Rel on '10 base	(7) Ratio	(8) Ratio x Writ Prem
		Cov 72	Cov 73	Cov 74	Cov 76	Cov 77	Cov 78								
2006	1	0	0	67	455	2587	449	3558	0.88	0.8381	0.82	0.9784	3481.18		
2006	2	0	0	0	0	513	0	513	1.00	0.9524	0.93	0.9765	500.94		
2006	3	0	0	755	4773	4646	487	10661	1.16	1.1048	1.08	0.9776	10422.05		
2006	4	0	271	729	8521	12335	837	22693	1.26	1.2000	1.17	0.9750	22125.68		
2006	5	136	759	1791	13478	17323	1973	35460	1.34	1.2762	1.25	0.9795	34732.28		
2006	6	2165	2964	26842	128857	154244	8054	323126	1.41	1.3429	1.31	0.9755	315219.73		
2006	7	1353	4039	25419	151578	173349	14283	370021	1.47	1.4000	1.37	0.9786	362091.98		
2006	8	9676	31653	156791	834436	981724	74442	2088722	1.53	1.4571	1.42	0.9745	2035480.07		
2006	10	10269	37290	202294	1043071	1129741	84262	2506927	1.63	1.5524	1.52	0.9791	2454635.27		
2006	11	26275	70917	378423	2080525	2391770	182925	5130835	1.71	1.6286	1.59	0.9763	5009315.22		
2006	12	25796	94177	445045	2691664	3405464	276928	6939074	1.76	1.6762	1.64	0.9784	6789253.08		
2006	13	25492	103965	482437	2807287	3465890	277958	7163029	1.83	1.7429	1.70	0.9754	6986888.94		
2006	14	51004	145549	701348	4273272	5463025	443587	11077785	1.95	1.8571	1.81	0.9746	10796579.69		
2006	15	39517	113203	481028	2947946	4188243	369696	8139633	2.05	1.9524	1.91	0.9783	7962943.41		
2006	16	29920	72747	353607	2296529	3328151	304188	6385142	2.13	2.0286	1.98	0.9761	6232258.32		
2006	17	29318	90543	410907	2656886	3815872	381623	7385149	2.21	2.1048	2.06	0.9787	7228089.27		
2006	18	25561	70406	335140	2261182	3359324	306880	6358493	2.33	2.2190	2.17	0.9779	6217951.20		
2006	19	10005	33555	162276	978791	1618986	191465	2995078	2.43	2.3143	2.26	0.9765	2924823.08		
2006	20	9005	33254	125480	878858	1435772	220210	2702579	2.51	2.3905	2.33	0.9747	2634206.98		
2006	21	5903	11756	57643	355659	634494	97088	1162543	2.61	2.4857	2.43	0.9776	1136486.00		
2006	22	2797	13865	37709	323813	644557	122344	1145085	2.75	2.6190	2.56	0.9775	1119268.54		
2006	23	2536	6963	11195	129302	285806	49953	485755	2.86	2.7238	2.66	0.9766	474375.42		
2006	24	372	5105	11643	110673	280767	78353	486913	2.99	2.8476	2.78	0.9763	475350.85		
2006	25	1513	2241	10069	74191	169924	40196	298134	3.23	3.0762	3.00	0.9752	290749.88		
2006	26	0	1650	2476	32410	105365	23880	165781	3.50	3.3333	3.26	0.9780	162133.82		
2006	27	0	1545	2723	41718	137211	78705	261902	3.65	3.4762	3.39	0.9752	255408.27		
2007	1	84	31	222	3883	4979	443	9642	0.92	0.8762	0.88	1.0043	9683.92		
2007	2	0	0	0	163	49	0	212	1.05	1.0000	1.00	1.0000	212.00		
2007	3	0	0	179	2685	6099	156	9119	1.22	1.1619	1.16	0.9984	9104.05		
2007	4	0	524	1016	7415	13370	668	22993	1.32	1.2571	1.26	1.0023	23045.26		
2007	5	112	413	969	13180	21931	2954	39559	1.41	1.3429	1.34	0.9979	39474.83		
2007	6	2352	4004	16140	100163	154769	11544	288972	1.48	1.4095	1.41	1.0003	289069.63		
2007	7	5688	11816	62623	398761	557988	43085	1079961	1.54	1.4667	1.47	1.0023	1082415.46		
2007	8	5502	22240	104363	497314	654644	46097	1330160	1.61	1.5333	1.53	0.9978	1327268.35		
2007	10	15292	61283	261575	1315640	1563336	110568	3327694	1.71	1.6286	1.63	1.0009	3330613.03		
2007	11	18244	46864	237997	1223248	1596443	124691	3247487	1.80	1.7143	1.71	0.9975	3239368.28		
2007	12	20793	69075	294503	1768311	2347831	189246	4689759	1.85	1.7619	1.76	0.9989	4684688.99		
2007	13	29866	91756	390895	2447710	3388415	317898	6666540	1.92	1.8286	1.83	1.0008	6671748.23		
2007	14	39729	124256	541356	3285810	4706278	430390	9127819	2.05	1.9524	1.95	0.9988	9116687.51		
2007	15	30348	116010	402671	2382876	3604515	385243	6921663	2.15	2.0476	2.05	1.0012	6929711.45		
2007	16	15522	55463	212056	1532605	2514181	261986	4591813	2.24	2.1333	2.13	0.9984	4584638.29		
2007	17	18708	62289	197277	1329738	2056239	222639	3886890	2.32	2.2095	2.21	1.0002	3887727.69		
2007	18	10203	35566	151777	943043	1420121	179821	2740531	2.45	2.3333	2.33	0.9986	2736615.96		
2007	19	11459	23954	103303	657930	1159339	134741	2090726	2.55	2.4286	2.43	1.0006	2091955.84		
2007	20	7325	32691	105621	752438	1269802	168886	2336763	2.64	2.5143	2.51	0.9983	2332779.88		
2007	21	4502	16883	47576	365979	730717	122749	1288406	2.74	2.6095	2.61	1.0002	1288641.11		
2007	22	3045	10012	28722	218964	445540	88477	794760	2.89	2.7524	2.75	0.9991	794072.49		
2007	23	1381	7663	22806	155881	359903	81237	628871	3.00	2.8571	2.86	1.0010	629499.87		
2007	24	2344	4621	10081	86579	257876	68447	429948	3.14	2.9905	2.99	0.9998	429879.54		
2007	25	929	6221	11918	95793	234483	60725	410069	3.39	3.2286	3.23	1.0004	410250.45		
2007	26	591	2109	4786	45878	105974	38343	197681	3.68	3.5048	3.50	0.9986	197412.41		
2007	27	1051	6254	7873	64711	209824	130122	419835	3.83	3.6476	3.65	1.0007	420109.04		
All Collision								647197007		offset rounded	1.03727 1.037		623943790.3		



## Explanatory Memorandum - Introduction of Symbol Relativities for Model Years 2011 and Later

This filing includes the introduction of Comprehensive and Collision symbol relativities for the recently approved 75-symbol table applicable to 2011 and later model year vehicles. The new table includes 70 symbols with revised price ranges up to \$150,000 and the corresponding relativities. The table also includes five symbols with relativities that are higher than those associated with prices up to \$150,000.

The relativities for the new 75 symbol table were calculated by linearly interpolating off of the present 27-symbol table. For price ranges over \$80,000 (symbols 62 and above), which are not assigned relativities on the 27-symbol table, relativities were extrapolated using Manual Rule 12.

In order to ease the transition to the new 75 symbol table with the introduction of the 2011 models, the base symbol for the 2010 model year vehicles has been revised to symbol 8. This is done so that no rate level impact will be incurred upon the future transition to a 2011 base model year, whereby the base symbol will be revised to symbol 11. The revised physical damage base rates in this filing reflect the transition to a symbol 8 base.

Pages K-18-19 display the determination of the symbol relativities for the new 75 symbol table.

Pages K-20-21 display the revised model year and symbol relativities reflecting the re-indexing to a symbol 8 base symbol for 2010, the revisions to the model year relativities, and introduction of the symbol relativities for the 2011 models.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Present Symbol	Present Lower Bound	Present Upper Bound	Present Midpoint	Present Comprehensive Relativity	Present Collision Relativity	Revised Symbol	Revised Lower Bound	Revised Upper Bound	Revised Midpoint	Closest 27-Symbol Table Midpoint, Lower	Closest 27-Symbol Table Midpoint, Upper	Weight To Upper	Indicated Comprehensive Relativity	Indicated Collision Relativity	Re-Indexed Comprehensive Relativity	Re-Indexed Collision Relativity	Selected Comprehensive Relativity	Selected Collision Relativity
01	1	6,500	3,250	0.72	0.88	01	1	3,000	1,500	0	3,250	0.462	0.332	0.406	0.17	0.26	0.31 (c)	0.44 (c)
02	6,501	8,000	7,250	1.00	1.00	02	3,001	5,500	4,250	3,250	7,250	0.250	0.790	0.910	0.41	0.59	0.41	0.59
03	8,001	9,000	8,500	1.13	1.16	03	5,501	8,000	6,750	3,250	7,250	0.875	0.965	0.985	0.51	0.64	0.51	0.64
04	9,001	10,000	9,500	1.25	1.26	04	8,001	9,000	8,500	8,500	9,500	0.000	1.130	1.160	0.59	0.75	0.59	0.75
05	10,001	11,250	10,625	1.41	1.34	05	9,001	10,000	9,500	9,500	10,625	0.000	1.250	1.260	0.66	0.82	0.66	0.82
06	11,251	12,500	11,875	1.59	1.41	06	10,001	11,000	10,500	9,500	10,625	0.889	1.392	1.331	0.73	0.86	0.73	0.86
07	12,501	13,750	13,125	1.74	1.47	07	11,001	12,000	11,500	10,625	11,875	0.700	1.536	1.389	0.81	0.90	0.81	0.90
08	13,751	15,000	14,375	1.89	1.53	08	12,001	13,000	12,500	11,875	13,125	0.500	1.665	1.440	0.87	0.94	0.87	0.94
10	15,001	16,250	15,625	2.04	1.63	10	13,001	14,000	13,500	13,125	14,375	0.300	1.785	1.488	0.94	0.97	0.94	0.97
11	16,251	17,500	16,875	2.21	1.71	11	14,001	15,000	14,500	14,375	15,625	0.100	1.905	1.540	1.00	1.00	1.00	1.00
12	17,501	18,750	18,125	2.41	1.76	12	15,001	16,250	15,313	14,375	15,625	0.750	2.003	1.605	1.05	1.04	1.05	1.04
13	18,751	20,000	19,375	2.59	1.83	13	15,626	16,250	15,938	15,625	16,875	0.250	2.083	1.650	1.09	1.07	1.09	1.07
14	20,001	22,000	21,000	2.80	1.95	14	16,251	16,875	16,563	15,625	16,875	0.750	2.168	1.690	1.14	1.10	1.14	1.10
15	22,001	24,000	23,000	3.08	2.05	15	16,876	17,500	17,188	16,875	18,125	0.250	2.260	1.723	1.19	1.12	1.19	1.12
16	24,001	26,000	25,000	3.39	2.13	16	17,501	18,125	17,813	16,875	18,125	0.750	2.360	1.748	1.24	1.13	1.24	1.13
17	26,001	28,000	27,000	3.74	2.21	17	18,126	18,750	18,438	18,125	19,375	0.250	2.455	1.778	1.29	1.15	1.29	1.15
18	28,001	30,000	29,000	4.09	2.33	18	18,751	19,375	19,063	18,125	19,375	0.750	2.545	1.813	1.34	1.18	1.34	1.18
19	30,001	33,000	31,500	4.46	2.43	19	19,376	20,000	19,688	19,375	21,000	0.193	2.630	1.853	1.38	1.20	1.38	1.20
20	33,001	36,000	34,500	4.94	2.51	20	20,001	20,625	20,313	19,375	21,000	0.577	2.711	1.899	1.42	1.23	1.42	1.23
21	36,001	40,000	38,000	5.49	2.61	21	20,626	21,250	20,938	19,375	21,000	0.962	2.792	1.945	1.47	1.26	1.47	1.26
						22	21,251	21,875	21,563	21,000	23,000	0.282	2.879	1.978	1.51	1.28	1.51	1.28
						23	21,876	22,500	22,188	21,000	23,000	0.594	2.966	2.009	1.56	1.30	1.56	1.30
						24	22,501	23,125	22,813	21,000	23,000	0.907	3.054	2.041	1.60	1.33	1.60	1.33
						25	23,126	23,750	23,438	23,000	25,000	0.219	3.148	2.068	1.65	1.34	1.65	1.34
						26	23,751	24,375	24,063	23,000	25,000	0.532	3.245	2.093	1.70	1.36	1.70	1.36
						27	24,376	25,000	24,688	23,000	25,000	0.844	3.342	2.118	1.75	1.38	1.75	1.38
						28	25,001	25,625	25,313	25,000	27,000	0.157	3.445	2.143	1.81	1.39	1.81	1.39
						29	25,626	26,250	25,938	25,000	27,000	0.469	3.554	2.168	1.87	1.41	1.87	1.41
						30	26,251	26,875	26,563	25,000	27,000	0.782	3.664	2.193	1.92	1.42	1.92	1.42
						31	26,876	27,500	27,188	27,000	29,000	0.094	3.773	2.221	1.98	1.44	1.98	1.44
						32	27,501	28,125	27,813	27,000	29,000	0.407	3.882	2.259	2.04	1.47	2.04	1.47
						33	28,126	28,750	28,438	27,000	29,000	0.719	3.992	2.296	2.10	1.49	2.10	1.49
						34	28,751	29,375	29,063	29,000	31,500	0.025	4.099	2.333	2.15	1.51	2.15	1.51
						35	29,376	30,000	29,688	29,000	31,500	0.275	4.192	2.358	2.20	1.53	2.20	1.53
						36	30,001	31,000	30,500	29,000	31,500	0.600	4.312	2.390	2.26	1.55	2.26	1.55
						37	31,001	32,000	31,500	31,500	34,500	0.000	4.460	2.430	2.34	1.58	2.34	1.58
						38	32,001	33,000	32,500	31,500	34,500	0.333	4.620	2.457	2.43	1.60	2.43	1.60
						39	33,001	34,000	33,500	31,500	34,500	0.667	4.780	2.483	2.51	1.61	2.51	1.61
						40	34,001	35,000	34,500	34,500	38,000	0.000	4.940	2.510	2.59	1.63	2.59	1.63
						41	35,001	36,000	35,500	34,500	38,000	0.286	5.097	2.539	2.68	1.65	2.68	1.65
						42	36,001	37,000	36,500	34,500	38,000	0.571	5.254	2.567	2.76	1.67	2.76	1.67
						43	37,001	38,000	37,500	34,500	38,000	0.857	5.411	2.596	2.84	1.69	2.84	1.69
						44	38,001	39,000	38,500	38,000	42,500	0.111	5.568	2.626	2.92	1.70	2.92	1.70
						45	39,001	40,000	39,500	38,000	42,500	0.333	5.723	2.657	3.00	1.73	3.00	1.73

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Present Symbol	Present Lower Bound	Present Upper Bound	Present Midpoint	Present Comprehensive Relativity	Present Collision Relativity	Revised Symbol	Revised Lower Bound	Revised Upper Bound	Revised Midpoint	Closest	Closest	(10)-(11)	(13)x(5) <sub>h2</sub> <sup>+</sup>	(13)x(6) <sub>h2</sub> <sup>+</sup>	(14)/(14) <sub>h1</sub>	(15)/(15) <sub>h1</sub>	Selected Comprehensive Relativity	Selected Collision Relativity
										27-Symbol Table Midpoint, Lower	27-Symbol Table Midpoint, Upper	Weight To Upper	Indicated Comprehensive Relativity	Indicated Collision Relativity	Re-Indexed Comprehensive Relativity	Re-Indexed Collision Relativity		
22	40,001	45,000	42,500	6.19	2.75	46	40,001	41,250	40,625	38,000	42,500	0.583	5.898	2.692	3.10	1.75	3.10	1.75
						47	41,251	42,500	41,875	38,000	42,500	0.861	6.093	2.731	3.20	1.77	3.20	1.77
						48	42,501	43,750	43,125	42,500	47,500	0.125	6.283	2.764	3.30	1.79	3.30	1.79
						49	43,751	45,000	44,375	42,500	47,500	0.375	6.468	2.791	3.40	1.81	3.40	1.81
23	45,001	50,000	47,500	6.93	2.86	50	45,001	46,250	45,625	42,500	47,500	0.625	6.653	2.819	3.49	1.83	3.49	1.83
						51	46,251	47,500	46,875	42,500	47,500	0.875	6.838	2.846	3.59	1.85	3.59	1.85
						52	47,501	48,750	48,125	47,500	55,000	0.083	7.022	2.871	3.69	1.86	3.69	1.86
						53	48,751	50,000	49,375	47,500	55,000	0.250	7.205	2.893	3.78	1.88	3.78	1.88
24	50,001	60,000	55,000	8.03	2.99	54	50,001	52,500	51,250	47,500	55,000	0.500	7.480	2.925	3.93	1.90	3.93	1.90
						55	52,501	55,000	53,750	47,500	55,000	0.833	7.847	2.968	4.12	1.93	4.12	1.93
						56	55,001	57,500	56,250	55,000	65,000	0.125	8.261	3.020	4.34	1.96	4.34	1.96
						57	57,501	60,000	58,750	55,000	65,000	0.375	8.724	3.080	4.58	2.00	4.58	2.00
25	60,001	70,000	65,000	9.88	3.23	58	60,001	65,000	62,500	55,000	65,000	0.750	9.418	3.170	4.94	2.06	4.94	2.06
						59	65,001	70,000	67,500	65,000	75,000	0.250	10.443	3.298	5.48	2.14	5.48	2.14
26	70,001	80,000	75,000	12.13	3.50	60	70,001	75,000	72,500	65,000	75,000	0.750	11.568	3.433	6.07	2.23	6.07	2.23
						61	75,001	80,000	77,500	75,000	85,000	0.250	12.630	3.538	6.63	2.30	6.63	2.30
(a)	80,001	90,000	85,000	14.13	3.65	62	80,001	85,000	82,500	75,000	85,000	0.750	13.630	3.613	7.15	2.35	7.15	2.35
						63	85,001	90,000	87,500	85,000	95,000	0.250	14.630	3.688	7.68	2.39	7.68	2.39
(a)	90,001	100,000	95,000	16.13	3.80	64	90,001	95,000	92,500	85,000	95,000	0.750	15.630	3.763	8.20	2.44	8.20	2.44
						65	95,001	100,000	97,500	95,000	105,000	0.250	16.630	3.838	8.73	2.49	8.73	2.49
(a)	100,001	110,000	105,000	18.13	3.95	66	100,001	110,000	105,000	105,000	115,000	0.000	18.130	3.950	9.52	2.56	9.52	2.56
(a)	110,001	120,000	115,000	20.13	4.10	67	110,001	120,000	115,000	115,000	125,000	0.000	20.130	4.100	10.57	2.66	10.57	2.66
(a)	120,001	130,000	125,000	22.13	4.25	68	120,001	130,000	125,000	125,000	135,000	0.000	22.130	4.250	11.62	2.76	11.62	2.76
(a)	130,001	140,000	135,000	24.13	4.40	69	130,001	140,000	135,000	135,000	145,000	0.000	24.130	4.400	12.67	2.86	12.67	2.86
(a)	140,001	150,000	145,000	26.13	4.55	70	140,001	150,000	145,000	145,000	155,000	0.000	26.130	4.550	13.72	2.95	13.72	2.96 (d)
(a)	150,001	160,000	155,000	28.13	4.70	71	(b)	(b)	155,000	155,000	165,000	0.000	28.130	4.700	14.77	3.05	14.77	3.06 (d)
(a)	160,001	170,000	165,000	30.13	4.85	72	(b)	(b)	165,000	165,000	175,000	0.000	30.130	4.850	15.82	3.15	15.82	3.16 (d)
(a)	170,001	180,000	175,000	32.13	5.00	73	(b)	(b)	175,000	175,000	185,000	0.000	32.130	5.000	16.87	3.25	16.87	3.26 (d)
(a)	180,001	190,000	185,000	34.13	5.15	74	(b)	(b)	185,000	185,000	195,000	0.000	34.130	5.150	17.92	3.34	17.92	3.36 (d)
(a)	190,001	200,000	195,000	36.13	5.30	75	(b)	(b)	195,000	195,000	205,000	0.000	36.130	5.300	18.97	3.44	18.97	3.46 (d)

K-19

- (a) No symbols or relativities for these price ranges on 27-symbol table; Column (5) and (6) relativities calculated according to PVM Rule.
- (b) These ranges will not have price ranges associated, but correspond to the midpoints in Column (10).
- (c) Selected using actuarial judgment; no vehicles have these rating symbols in recent model years.
- (d) Selected for consistency with Manual Rule 12.

NORTH CAROLINA  
 REVISED SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COMPREHENSIVE

Model Year

Symbol	2011	Symbol	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001-1990
1	0.32											
2	0.42											
3	0.53	1	0.38	0.37	0.36	0.35	0.35	0.33	0.33	0.32	0.31	0.29
4	0.61	2	0.53	0.52	0.50	0.49	0.48	0.47	0.46	0.45	0.43	0.40
5	0.68	3	0.60	0.59	0.57	0.56	0.55	0.53	0.52	0.50	0.49	0.46
6	0.75	4	0.66	0.65	0.63	0.61	0.60	0.58	0.57	0.55	0.54	0.50
7	0.83	5	0.75	0.74	0.71	0.70	0.68	0.66	0.65	0.63	0.62	0.57
8	0.90	6	0.84	0.82	0.80	0.78	0.76	0.74	0.72	0.71	0.69	0.64
10	0.97	7	0.92	0.90	0.87	0.86	0.84	0.81	0.79	0.77	0.75	0.70
11	1.03	8	1.00	0.98	0.95	0.93	0.91	0.88	0.86	0.84	0.82	0.76
12	1.08	10	1.08	1.06	1.03	1.00	0.98	0.95	0.93	0.91	0.89	0.82
13	1.12	11	1.17	1.15	1.11	1.09	1.06	1.03	1.01	0.98	0.96	0.89
14	1.17	12	1.28	1.25	1.22	1.19	1.16	1.13	1.10	1.08	1.05	0.97
15	1.23	13	1.37	1.34	1.30	1.27	1.25	1.21	1.18	1.15	1.12	1.04
16	1.28	14	1.48	1.45	1.41	1.38	1.35	1.30	1.27	1.24	1.21	1.12
17	1.33	15	1.63	1.60	1.55	1.52	1.48	1.43	1.40	1.37	1.34	1.24
18	1.38	16	1.79	1.75	1.70	1.66	1.63	1.58	1.54	1.50	1.47	1.36
19	1.42	17	1.98	1.94	1.88	1.84	1.80	1.74	1.70	1.66	1.62	1.50
20	1.46	18	2.16	2.12	2.05	2.01	1.97	1.90	1.86	1.81	1.77	1.64
21	1.51	19	2.36	2.31	2.24	2.19	2.15	2.08	2.03	1.98	1.94	1.79
22	1.56	20	2.61	2.56	2.48	2.43	2.38	2.30	2.24	2.19	2.14	1.98
23	1.61	21	2.90	2.84	2.76	2.70	2.64	2.55	2.49	2.44	2.38	2.20
24	1.65	22	3.28	3.21	3.12	3.05	2.98	2.89	2.82	2.76	2.69	2.49
25	1.70	23	3.67	3.60	3.49	3.41	3.34	3.23	3.16	3.08	3.01	2.79
26	1.75	24	4.25	4.17	4.04	3.95	3.87	3.74	3.66	3.57	3.49	3.23
27	1.80	25	5.23	5.13	4.97	4.86	4.76	4.60	4.50	4.39	4.29	3.97
28	1.86	26	6.42	6.29	6.10	5.97	5.84	5.65	5.52	5.39	5.26	4.88
29	1.93											
30	1.98											
31	2.04											
32	2.10											
33	2.16											
34	2.21											
35	2.27											
36	2.33											
37	2.41											
38	2.50											
39	2.59											
40	2.67											
41	2.76											
42	2.84											
43	2.93											
44	3.01											
45	3.09											
46	3.19											
47	3.30											
48	3.40											
49	3.50											
50	3.59											
51	3.70											
52	3.80											
53	3.89											
54	4.05											
55	4.24											
56	4.47											
57	4.72											
58	5.09											
59	5.64											
60	6.25											
61	6.83											
62	7.36											
63	7.91											
64	8.45											
65	8.99											
66	9.81											
67	10.89											
68	11.97											
69	13.05											
70	14.13											
71	15.21											
72	16.29											
73	17.38											
74	18.46											
75	19.54											

1989  
 Symbol & Prior

1	0.11
2	0.13
3	0.18
4	0.21
5	0.25
6	0.33
7	0.40
8	0.47
10	0.60
11	0.73
12	0.85
13	1.00
14	1.18
15	1.42
16	1.73
17	2.07
18	2.47
19	2.96
20	3.50
21	4.85

NORTH CAROLINA  
 REVISED SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COLLISION

Model Year

Symbol	2011	Symbol	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001-1990
1	0.47											
2	0.63											
3	0.68	1	0.58	0.54	0.50	0.47	0.44	0.41	0.38	0.35	0.33	0.27
4	0.80	2	0.65	0.60	0.57	0.53	0.49	0.46	0.43	0.40	0.37	0.31
5	0.88	3	0.76	0.71	0.66	0.62	0.57	0.53	0.50	0.46	0.43	0.36
6	0.92	4	0.82	0.76	0.71	0.66	0.62	0.57	0.54	0.50	0.47	0.39
7	0.96	5	0.88	0.82	0.77	0.71	0.66	0.62	0.58	0.54	0.50	0.41
8	1.01	6	0.92	0.86	0.80	0.75	0.69	0.64	0.61	0.56	0.52	0.43
10	1.04	7	0.96	0.89	0.84	0.78	0.72	0.67	0.63	0.59	0.55	0.45
11	1.07	8	1.00	0.93	0.87	0.81	0.75	0.70	0.66	0.61	0.57	0.47
12	1.11	10	1.07	1.00	0.93	0.87	0.80	0.75	0.71	0.65	0.61	0.50
13	1.14	11	1.12	1.04	0.97	0.91	0.84	0.78	0.74	0.68	0.64	0.53
14	1.18	12	1.15	1.07	1.00	0.93	0.86	0.81	0.76	0.70	0.66	0.54
15	1.20	13	1.20	1.12	1.04	0.97	0.90	0.84	0.79	0.73	0.68	0.56
16	1.21	14	1.27	1.18	1.10	1.03	0.95	0.89	0.84	0.77	0.72	0.60
17	1.23	15	1.34	1.25	1.17	1.09	1.01	0.94	0.88	0.82	0.76	0.63
18	1.26	16	1.39	1.29	1.21	1.13	1.04	0.97	0.92	0.85	0.79	0.65
19	1.28	17	1.44	1.34	1.25	1.17	1.08	1.01	0.95	0.88	0.82	0.68
20	1.32	18	1.52	1.41	1.32	1.23	1.14	1.06	1.00	0.93	0.87	0.71
21	1.35	19	1.59	1.48	1.38	1.29	1.19	1.11	1.05	0.97	0.91	0.75
22	1.37	20	1.64	1.53	1.43	1.33	1.23	1.15	1.08	1.00	0.93	0.77
23	1.39	21	1.71	1.59	1.49	1.39	1.28	1.20	1.13	1.04	0.97	0.80
24	1.42	22	1.80	1.67	1.57	1.46	1.35	1.26	1.19	1.10	1.03	0.85
25	1.43	23	1.87	1.74	1.63	1.51	1.40	1.31	1.23	1.14	1.07	0.88
26	1.46	24	1.95	1.81	1.70	1.58	1.46	1.37	1.29	1.19	1.11	0.92
27	1.48	25	2.11	1.96	1.84	1.71	1.58	1.48	1.39	1.29	1.20	0.99
28	1.49	26	2.29	2.13	1.99	1.85	1.72	1.60	1.51	1.40	1.31	1.08
29	1.51											
30	1.52											
31	1.54											
32	1.57											
33	1.59											
34	1.62											
35	1.64											
36	1.66											
37	1.69											
38	1.71											
39	1.72											
40	1.74											
41	1.77											
42	1.79											
43	1.81											
44	1.82											
45	1.85											
46	1.87											
47	1.89											
48	1.92											
49	1.94											
50	1.96											
51	1.98											
52	1.99											
53	2.01											
54	2.03											
55	2.07											
56	2.10											
57	2.14											
58	2.20											
59	2.29											
60	2.39											
61	2.46											
62	2.51											
63	2.56											
64	2.61											
65	2.66											
66	2.74											
67	2.85											
68	2.95											
69	3.06											
70	3.17											
71	3.27											
72	3.38											
73	3.49											
74	3.60											
75	3.70											

1989  
 Symbol & Prior

1	0.13
2	0.16
3	0.20
4	0.22
5	0.26
6	0.28
7	0.31
8	0.37
10	0.43
11	0.47
12	0.52
13	0.56
14	0.62
15	0.67
16	0.74
17	0.78
18	0.85
19	0.90
20	0.96
21	1.09

**INSURANCE SERVICES OFFICE, INC.  
NORTH CAROLINA RATE BUREAU**

**NOTICE TO MANUALHOLDERS**

**PERSONAL AUTO MANUAL – NORTH CAROLINA  
NOTICE 2009-001**

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**CAUTION**

**Manualholders should determine from company instructions whether a company has adopted this revision.**

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**INSTRUCTIONS TO MANUALHOLDERS**

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

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**EFFECTIVE DATE**

These changes are applicable to all new and renewal policies effective on or after January 1, 2009. No policy effective prior to January 1, 2009 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 January 1, 2009.

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**CHANGE(S)**

This Notice provides revisions related to the following NCRB Circular Letters:

- NCRB Circular Letter A-08-5, which provides:
  - revisions to Rule 14. Miscellaneous Coverages due to the passing of North Carolina H.B. 738, which amends N.C. Gen. Stat. § 20-279.21 to make UM/UIM mandatory coverages on all policies that are not:
    - Fleet policies; or
    - Policies issued on commercial vehicles as defined by N.C. Gen. Stat. § 20-4.01(d).

In addition, the statute requires every insurer to give reasonable notice to any named insured, when the policy is issued and renewed, that the named insured may purchase uninsured motorist bodily injury coverage and, if applicable, underinsured motorist coverage with limits up to one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident.

- NCRB Circular Letter A-08-8, which provides:
  - rate level changes, due to implementation of a rate level change by the North Carolina Rate Bureau, for bodily injury, property damage liability, medical payments, UM/UIM Motorists coverage, total liability, comprehensive, collision and total physical damage insurance for non fleet private passenger automobiles and liability insurance for motorcycles.

◆ Bodily Injury	+ 11.0 %
◆ Property Damage	+ 11.8
◆ Medical Payment Coverage	+ 5.7
◆ Uninsured Motorists	- 8.0
◆ Underinsured Motorists	+ 100.6
◆ Total Liability	+ 12.8
◆ Comprehensive	- 4.1
◆ Collision	+ 7.9
◆ Physical Damage Sub-Total	+ 4.0

◆ Total	+ 9.4
◆ Motorcycle liability	0.0

- Revised bodily injury and property damage liability increased limit factors in Rule 18. Increased Limits.
- Revised factors in Rule 19. for Bodily Injury and Property Damage liability and Medical Payments coverage for motorcycles, motorscooters, motorbikes, mopeds and other similar motor vehicles not used for commercial purposes.
- That the Rate Bureau is advised by the North Carolina Reinsurance Facility as follows with respect to private passenger automobile insurance ceded to the Facility:
  - the changes in the increased limits factors described above also apply to private passenger automobile insurance ceded to the Facility;
  - concurrent with the changes in these factors, the base rates for "other than clean risk" business ceded to the Facility are revised to be consistent with the revised factors;
  - the base rates for "clean risks" ceded to the Facility are revised to be equal to the base rates implemented by the Rate Bureau for "clean risks" not reinsured in the Facility as described above; and
  - the rates for uninsured and combined uninsured/underinsured motorists coverages ceded to the Facility are revised to be equal to the uninsured and combined uninsured/underinsured motorists coverages rates implemented by the Rate Bureau.

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## REVISED PAGE(S)

NC-GR-23 thru NC-GR-25, NC-GR-30, NC-GR-33  
PA-R-1 thru PA-R-21

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## PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

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## REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- A-08-5 (09/08/2008) NCRB Circular Letter
- A-08-8 (09/29/2008) NCRB Circular Letter

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- If you have **not** received the correct quantity.
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**PERSONAL AUTO MANUAL  
PAGE CHECKLIST – NORTH CAROLINA**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST STATE PAGE INFORMATION AS OF **1-09**.  
NO MULTISTATE APPLIES.

**NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.**

IF YOUR MANUAL PAGES DO NOT COINCIDE WITH THIS LISTING, CONTACT CUSTOMER SERVICE FOR THE NECESSARY MATERIAL TO UPDATE YOUR MANUAL.

PAGE NUMBER	EDITION		PAGE NUMBER	EDITION	
	NUMBER	DATE		NUMBER	DATE
Notice No. 2009-001	–	1-09	NC-GR-21	12th	7-03
Rule Numbers and Subjects	First Reprint	Eff.	NC-GR-22	10th	7-03
		7-1-82	NC-GR-23	23rd	1-09
			NC-GR-24	22nd	1-09
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**NORTH CAROLINA STATISTICAL  
CODING SHEET**

**PRIMARY CLASSIFICATION CODES\***

**No Inexperienced Operators**

Vehicle Use	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Pleasure	1141	1142
Work – Less Than 10	1161	1162
Work – 10 or More	1171	1172
Business	1181	1182
Farm	1191	1192

**Inexperienced Operators**

Years of Driving Experience	Vehicle Use	Principal Operator		Occasional Operator	
		Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Less Than 1 Year	Pleasure	1241	1242	1341	1342
	Work – Less Than 10	1261	1262	1361	1362
	Work – 10 or More	1271	1272	1371	1372
	Business	1281	1282	1381	1382
	Farm	1291	1292	1391	1392
Less Than 2 Year	Pleasure	1441	1442	1541	1542
	Work – Less Than 10	1461	1462	1561	1562
	Work – 10 or More	1471	1472	1571	1572
	Business	1481	1482	1581	1582
	Farm	1491	1492	1591	1592
Less Than 3 Years	Pleasure	1641	1642	1741	1742
	Work – Less Than 10	1661	1662	1761	1762
	Work – 10 or More	1671	1672	1771	1772
	Business	1681	1682	1781	1782
	Farm	1691	1692	1791	1792

\* Each code must have as the fifth and sixth digits the applicable Safe Driver Insurance Plan code.  
For complete coding requirements, refer to the Statistical Plan.

**1. DEFINITIONS**

- A. 1.** A private passenger auto is a four wheel motor vehicle, other than a truck type or van, owned or leased under contract for a continuous period of at least six months, and
- Not used as a public or livery conveyance for passengers.
  - Not rented to others.
- 2.** A motor vehicle that is a pickup truck or van shall be considered a private passenger auto, if it:
- Is owned by an individual or by a husband and wife or individuals who are residents of the same household,
  - Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
  - Is not used for the delivery or transportation of goods or materials unless such use is:
    - Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
    - For farming or ranching.
- A pickup truck or van used in the business of the United States Government, by an employee of the Government, shall be considered a private passenger auto only if:
- It meets the conditions in **a.**, **b.** and **c.** above; and
  - Coverage is limited in accordance with the federal employees using autos in government business endorsement.
- 3.** A motor vehicle owned by a farm family co-partnership, or farm family corporation shall be considered a private passenger auto owned by an individual, if:
- It is principally garaged on a farm or ranch, and
  - It otherwise meets the definitions in Paragraphs **1.** and **2.** above.
- B.** AUTO as used in this manual refers to a private passenger auto or a vehicle considered as a private passenger auto.
- C.** LIABILITY as used in this manual refers only to Bodily Injury and Property Damage Coverages.
- D.** COMPREHENSIVE COVERAGE as used in this manual refers to other than collision damage to a motor vehicle.
- E.** OWNED as used in this manual includes an auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the applicable endorsement.
- F.** REFER TO COMPANY means that North Carolina Risks shall be referred by the company to the North Carolina Rate Bureau.

**2. PERSONAL AUTO POLICY – ELIGIBILITY**

- A.** A Personal Auto Policy shall be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule 1., if:
- They are written on a specified auto basis, and
  - They are owned by an individual or by a husband and wife who are residents in the same household.
- B.** A Personal Auto Policy shall be used to afford coverage to private passenger autos that are owned jointly by two or more individuals other than husband and wife, if:
- They are written on a specified auto basis, and
  - Coverage is limited in accordance with the Joint Ownership Endorsement.
- C.** A Personal Auto Policy shall be used to afford coverage to motorcycles, golfcarts or other similar type vehicles and snowmobiles not used for commercial purposes, if:
- They are written on a specified vehicle basis, and
  - Coverage is limited in accordance with the Miscellaneous Type Vehicle Endorsement.
- D.** A Personal Auto Policy shall be used to afford coverage to a named individual who does not own an auto. The applicable endorsement must be attached.
- E.** A Personal Auto Policy may be used to afford coverage to private passenger autos not owned by a natural person and not rated as part of a fleet if:
- they are written on a specified auto basis, and
  - coverage is limited in accordance with the Business Named Insured Endorsement.
- The Business Named Insured Endorsement allows a person to be named as a "designee" to provide that person and resident family members Liability Coverage and Coverage for Damage To our Auto for the use of non-owned autos. Only persons who meet all of the requirements below should be listed as a "designee." These are persons who:
- are principals of the named insured's business;
  - have custody or control of a vehicle shown in the Declarations;
  - are not named insureds on another Personal Auto Policy; and
  - are not family members of either another "designee" or another person who is a named insured on another Personal Auto Policy since non-owned coverage is already provided.

## 2. PERSONAL AUTO POLICY – ELIGIBILITY (Cont'd)

F. A Personal Auto Policy may be used to afford coverage to five or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household if the autos are not used for business use, other than farming or ranching.

### Exceptions

Exposures in **A.**, **B.** or **C.** above may be written under a commercial auto policy when combined with a commercial risk.

Exposures in **E.** or **F.** above may be written under a commercial auto policy.

### Note

Non-fleet private passenger motor vehicles must be rated out of the Personal Auto Manual and must be coded as non-fleet private passenger for statistical reporting purposes whether written on a personal auto policy or a commercial auto policy

## 3. PREMIUM DETERMINATION

A. For 1971-1982 model year sports cars identified in the Symbol Section as "s", the applicable symbol shall be one less than that shown.

B. Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision premiums are determined as follows:

1. Refer to the Classification Rule to determine the applicable Primary Classification, Rating Factor and the Single or Multi-Car and Inexperienced Operator Rating Factor and Statistical Codes.

Add these rating factors to determine the Combined Rating Factor applicable to each auto.

2. Refer to the Safe Driver Insurance Plan Rule to determine the Driving Record Surcharge Premium applicable to each coverage for each auto.

For autos not eligible for SDIP:

Add +0.10 to the Combined Rating Factor determined above.

Use statistical code 95.

3. Model Year and Symbol Determination

a. Refer to the Model Year Rule and Symbol and Identification Section for the appropriate model year and symbol.

If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

b. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol.

(1) If the S&I Section displays a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.

(2) If the S&I Section does NOT display a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.

4. Refer to Territory Definitions to determine the territorial schedule code number for the location where the auto is principally garaged.

5. Refer to the state rate pages to determine base rates for the desired coverage for the appropriate territory.

### Note

Clean Risks Ceded to the North Carolina Reinsurance Facility (Statistical Code 02).

The rates charged for "clean risks" ceded to the North Carolina Reinsurance Facility shall not exceed the rates charged "clean risks" not ceded to the Reinsurance Facility. The rates for "clean risks" ceded to the North Carolina Reinsurance Facility are set forth on the state rate page showing rates for Voluntary Business and "Clean Risks" Ceded to the North Carolina Reinsurance Facility.

For the purpose of this rule, a "clean risk" shall be any owner of a motor vehicle that is classified as a private passenger auto if the owner and the principal operator and each licensed operator in the owner's household:

- a. Have two years driving experience as a licensed driver, which experience is determined in the manner provided in Rule 4.G.1., and
- b. Have **not** been assigned any Safe Driver Insurance Plan points during the three year period immediately preceding the date of application for motor vehicle insurance or the date of preparation for a renewal motor vehicle insurance policy.

6. The premium for each coverage is determined by multiplying the base rate by the Combined Rating Factor, then adding the Driving Record Surcharge Premium applicable to the coverage for each auto.



**4. CLASSIFICATIONS**

The provisions of this rule apply separately to the premiums for Bodily Injury and Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

**A.** Autos owned by an individual or owned jointly by two or more individuals are classified as follows:

Refer to Section **C.** below for definitions of terms used in this rule.

Code	Class	Definitions
114	1A	There is no BUSINESS USE of the auto and the auto is not DRIVEN TO OR FROM WORK OR SCHOOL.
116	1B	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of less than 10 road miles one way.
117	1C	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of 10 or more road miles one way.
118	3	The auto is used for BUSINESS USE.
119	1AF	The auto is a FARM AUTO.

**B.** Private passenger autos owned by corporations, co-partnerships, or unincorporated associations shall be rated as Class **3**.

**Exceptions**

**1.** For corporations, co-partnerships or unincorporated associations owning less than five motor vehicles:

An owned private passenger auto principally furnished to a specified individual shall be classified and rated as if owned by that individual, in accordance with Rule **4.A.**, provided the auto is not used for business purposes.

**2.** For Farm family co-partnerships or Farm family corporations:

An owned private passenger auto principally garaged on a farm or ranch shall be rated as Class 1AF provided the vehicle is:

- a.** Not used in any occupation other than farming or ranching, or
- b.** Not customarily used in going to or from work other than farming or ranching.

**C. Definitions**

- 1.** BUSINESS USE means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.
- 2.** FARM AUTO means the auto is principally garaged on a farm or ranch, and
  - a.** It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
  - b.** It is not customarily used in any occupation other than farming or ranching.
- 3.** DRIVEN TO OR FROM WORK OR SCHOOL means the auto is customarily used in the course of driving to or from work or school and shall include:
  - a.** The use of the auto in a car pool or other share the ride arrangement.
  - b.** Driving part way to or from work or school whether or not the auto is parked at a depot during the day.

**Note**

If an auto is driven to or from work or school on less than a daily basis, the classification used in rating the auto shall be subject to the following:

- (1)** If otherwise in Class 1B, the auto shall be classified as 1A if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.
- (2)** If otherwise in Class 1C the auto shall be classified as 1B if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

Refer to company for certification form.

**4.** RESIDENT means anyone residing in the same household as the applicant and shall include an individual absent from the household while attending school. An individual in active military service with the armed forces of the United States of America shall **not** be included as resident in the same household unless such individual customarily operates the auto.

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**4. CLASSIFICATIONS (Cont'd)**


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**D. Single and Multi-Car Risks**

The applicable Multi-Car Rating Factor shall apply if two or more four wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household are insured in the same policy.

**Exception**

If a company's procedure does not permit insuring all vehicles in the same policy, the applicable Multi-Car Rating Factor shall apply only if the company insures two or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household.

This discount does not apply to antique autos as defined in the Miscellaneous Types Rule.

**LIABILITY COVERAGES ONLY**

- E.** An auto subject to Class 3 rates because of use in the business of the United States Government by one of its employees may be classified and rated as Class 1A, 1B, or 1C when the applicable endorsement is used to limit coverage.

**F. Inexperienced Operator****LIABILITY, MEDICAL PAYMENTS AND COLLISION**

1. The appropriate Inexperienced Operator Surcharge shall be applied for each owner or resident operator of the auto who has less than three years driving experience as a licensed driver.
  - a. The insurer shall obtain a verifiable motor vehicle record on each owner or resident operator from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records and shall determine the number of years of driving experience as a licensed driver for each owner or resident operator of the auto from such motor vehicle records to the extent possible.
  - b. If a verifiable motor vehicle record obtained by the insurer does not show conclusively the number of years of driving experience for each owner or resident operator of the auto, the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.
  - c. If a verifiable motor vehicle record cannot be obtained from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records, then the owner or resident operator shall be rated as inexperienced.

Exception: If the insurer is unable to obtain a verifiable motor vehicle record because such records are no longer available and the owner or resident operator has a drivers' license that continues to be valid by virtue of a military extension, then the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.

Insurers shall maintain in their files for at least three years from the inception of the policy the information upon which the number of years driving experience was determined.

Only driving experience in the United States of America, Canada or Puerto Rico may be used to determine the number of years of driving experience as a licensed driver.

The surcharge shall not be applied for more than three years regardless of policy term or effective date.

**Note**

A driver who holds a learner's permit only shall not be deemed a licensed driver for the purpose of determining the inexperienced operator premium surcharge.

2. If there are two or more autos in the same household as the applicant, the inexperienced operator rates shall be applied separately to the number of autos equal to the number of inexperienced operators. Inexperienced operator rates shall not be used in rating such autos in excess of the number of inexperienced operators.

The inexperienced operator surcharge(s) shall be applied to the auto(s) which the inexperienced operator principally operates. In the case of an occasional operator, the surcharge shall be applied to the auto most frequently operated by the inexperienced operator.

**G. Airbag Discount**

The following discounts apply to Medical Payments Coverage Only. To qualify, the private passenger auto must be equipped with a factory installed airbag(s) which conforms to the federal crash protection requirements, and meets the criteria of either Paragraph 1. or 2. below:

1. 20% discount shall be afforded when the airbag is installed in the driver-side-only position.
2. 30% discount shall be afforded when the airbags are installed in both front outboard seat positions.

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#### 4. CLASSIFICATIONS (Cont'd)

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##### H. Optional Rating Characteristics

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed classifications to determine rates by coverage, as long as applicable legal requirements are satisfied. The resulting premium by coverage shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor by coverage for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium by coverage does not exceed the Bureau premium by coverage.

1. Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; number of drivers; number of vehicles; payment history; payment options; prior insurance; and new and renewal status.
2. Driver characteristics not otherwise recognized in this manual. Examples include: years of driving experience; convictions, accidents, claims or incidents; accident-free experience; accident forgiveness; annual mileage; cell phone type and usage; credit information; defensive driving course; good student; home ownership; marital status; and military status.
3. Vehicle characteristics not otherwise recognized in this manual. Examples include: airbags; customization; electronic monitoring or safety devices; engine characteristics; safety features or engineering; theft deterrence/recovery devices; place and type of garaging; type of fuel used; vehicle age, make, model and model year; and vehicle use.
4. Affinity group or other group not otherwise recognized in this manual.
5. Any other rating characteristic or combination of characteristics if filed by a company and approved by the Commissioner.

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#### 5. SAFE DRIVER INSURANCE PLAN (SDIP)

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The provisions of this Rule apply separately to premiums for Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

##### A. Eligibility

The Plan shall be applied in rating all eligible autos.

An auto is eligible for rating under this Plan if it is owned by an individual or owned jointly by two or more individuals resident in the same household provided such auto is:

1. A four wheel auto of the private passenger or station wagon type, or

2. A motor vehicle that is a pickup truck or van, if it:
  - a. Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
  - b. Is not used for the delivery or transportation of goods or materials unless such use is:
    - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
    - (2) For farming or ranching, or
3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

##### Exception

The SDIP applies to policies written for a term in excess of 12 months. Such policy must provide for an annual adjustment of premium.

##### B. Definitions

###### 1. Driving Record Points

###### a. Convictions

Records of convictions for moving traffic violations to be considered under this Plan shall be obtained at least annually from the Division of Motor Vehicles for the applicant and any currently resident operator.

Points shall be assigned for convictions during the experience period for moving traffic violations of the applicant or any currently resident operator, based on date of conviction, as follows:

- (1) Twelve points shall be assigned for a conviction for:
  - (a) Manslaughter (or negligent homicide) resulting from the operation of a motor vehicle;
  - (b) Prearranged highway racing or knowingly lending a motor vehicle to be used in a prearranged highway race; or
  - (c) Failing to stop and render aid when involved in an accident resulting in bodily injury or death (hit-and-run driving);

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**5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)**


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- (d) Impaired driving, including driving a vehicle while under the influence of an impairing substance; driving a vehicle with an alcohol concentration of 0.08 or more; and driving a commercial vehicle with an alcohol concentration of 0.04 or more; and

**Note**

There shall be no premium surcharge or assessment of points against an insured where (i) the insured's driver's license has been revoked under G.S.20-16.5; and (ii) the insured is subsequently acquitted of the offense involving impaired driving, as defined in G.S.20-4.01(24a), that is related to the revocation, or the charge for that offense is dismissed.

- (e) Transportation for the purpose of sale of illegal intoxicating liquors by motor vehicle.
- (2) Ten points shall be assigned for a conviction for:
- (a) Highway racing or knowingly lending a motor vehicle to be used in a highway race; or
- (b) Speeding to elude arrest.
- (3) Eight points shall be assigned for a conviction for:
- (a) operating during a period of revocation or suspension of license or registration.
- (b) aggressive driving.
- (4) Four points shall be assigned for a conviction for:
- (a) Failing to stop and report when involved in a motor vehicle accident resulting in property damage only (hit-and-run-driving);
- (b) Driving a motor vehicle in a reckless manner;
- (c) Passing a stopped school bus;
- (d) Speeding in excess of 75 miles per hour when the posted speed limit is less than 70 miles per hour;
- (e) Speeding in excess of 80 miles per hour when the posted speed limit is 70 miles per hour or greater; or
- (f) Driving by a person less than 21 years old after consuming alcohol or drugs.
- (5) Two points shall be assigned for a conviction for:
- (a) Illegal passing;

- (b) Speeding more than 10 miles per hour over the posted speed limit, provided the total speed was in excess of 55 miles per hour but less than 76 miles per hour;

- (c) Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of 55 miles per hour or greater;

**Waiver**

These points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

- (d) Following too closely; or

- (e) Driving on wrong side of road.

- (6) One point shall be assigned for a violation resulting in a conviction for speeding 10 miles per hour, or less, in excess of the posted speed limit of less than 55 miles per hour.

**Waiver**

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

**Exceptions**

This **WAIVER** does **NOT** apply to convictions of speeding in a school zone in excess of posted school zone speed.

- (7) With respect to any other conviction for a moving traffic violation, one point shall be assigned for each such conviction.

**Exception**

Convictions for the following shall not be regarded as moving traffic violations:

- (a) Inadequate muffler or excess escape of exhaust products;
- (b) Improper lights or other equipment except brakes;
- (c) Failure to sign or display registration card;
- (d) Failure to display license plates;
- (e) Failure to have in possession driver's license provided there is a valid one in existence; or
- (f) Failure to display current inspection certificate.

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**5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)**


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**b. Accidents**

Points shall be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating a private passenger auto.

If an accident results both in bodily injury or death and in damage to property, points shall be assigned on the basis of the element of loss (bodily injury, death, or property damage) which generates the greatest number of points for the accident.

**ACCIDENTS RESULTING IN BODILY INJURY OR DEATH THAT OCCURRED BEFORE JANUARY 1, 2004**

- (1) One point shall be assigned for each at-fault auto accident that results in total bodily injuries to all persons of \$1,500 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
  - (i) Death or
  - (ii) Total bodily injury to all persons in excess of \$1,500.

**ACCIDENTS RESULTING IN BODILY INJURY OR DEATH THAT OCCURRED ON OR AFTER JANUARY 1, 2004**

- (1) One point shall be assigned for each at-fault auto accident that results in total bodily injuries to all persons of \$1,800 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
  - (i) Death or
  - (ii) Total bodily injury to all persons in excess of \$1,800.

**Exception**

If the insured furnishes adequate proof that incurred medical costs related to the accident were solely for diagnostic purposes and that the accident did not result in any bodily injury, no SDIP points for bodily injury will be assigned, or points for bodily injury assigned as a result of the accident will be removed as of the most recent policy effective date.

**ACCIDENTS RESULTING IN PROPERTY DAMAGE THAT OCCURRED BEFORE JANUARY 1, 2004**

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$2,500 or more.

- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,500 but less than \$2,500.

- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,500 or less.

**ACCIDENTS RESULTING IN PROPERTY DAMAGE THAT OCCURRED ON OR AFTER JANUARY 1, 2004**

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,000 or more.
- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,800 but less than \$3,000.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,800 or less.

**Exception**

No points are assigned for accidents occurring under the following circumstances:

- (a) Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
- (b) The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
- (c) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident; or
- (d) Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or
- (e) Accidents involving damage by contact with animals or fowl; or
- (f) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects.

**5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)**

- (g) Accidents occurring as a result of the operation of a firefighting, rescue squad, or law enforcement vehicle in response to an emergency if the operator of the vehicle at the time of the accident was a paid or volunteer member of any fire department, rescue squad, or any law enforcement agency. This exception does not include an accident occurring after the vehicle ceases to be used in response to the emergency and the emergency ceases to exist.

**Notes**

- (1) For the purpose of this Plan a "conviction" shall mean a plea of guilty, or of nolo contendere or the determination of guilt by a jury or by a court though no sentence has been imposed (prayer for judgment continued) or, if imposed, has been suspended (unless it is the first prayer for judgment continued for all licensed operators in the household); and it includes a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated.
- (2) For the purpose of this Plan, a "moving traffic violation" shall include an infraction as described in **G.S. 14-3.1**.
- (3) The phrase "at-fault" means "negligent". No points shall be assigned for accidents when the operator of an insured vehicle is free of negligence.
- (4) References to other operators residing in the applicant's household shall also include a principal operator who is not a resident in the applicant's household.
- (5) In the event the applicant or any current resident operator has an at-fault accident and is convicted of a moving traffic violation in connection with the accident, only the higher surcharge points between the accident and the violation shall be assigned.
- (6) For accidents that occur on or after January 1, 1992, the One Point accident surcharge in Section **B.1.b.(3)** of this rule does not apply if both of the following conditions are met:
  - (a) The operator was not convicted of a moving traffic violation in connection with the accident; and

- (b) The vehicle owner, principal operator, and all licensed operators in the owner's household have had no convictions for moving traffic violations and no other at-fault accidents during the three-year period immediately preceding the date of the application or the date of preparation of the renewal.

**2. Experience Period**

The experience period shall be the three years immediately preceding the date of application or the preparation of the renewal. SDIP points shall be applied to a policy for a period of not less nor more than three policy years.

**C. Driving Record Sub-Classification**

The driving record sub-classification shall be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12 Or More	12
Not Eligible For Plan	NE

**D. Driving Record Surcharge Premium**

**1. Single Car Risks**

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Multiply the base premium for each coverage applicable to the auto by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- c. The Driving Record Surcharge Premium for each coverage of the auto equals the SDIP Surcharge for that coverage.
- d. Add the applicable Driving Record Surcharge Premium for each coverage to the otherwise applicable premium for each coverage of the auto.

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**5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)**


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**2. Multi-Car Risks**

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Select the auto with the highest Total Base Premium for all coverages combined.

TOTAL BASE PREMIUM is the sum of the base premiums for Bodily Injury and Property Damage Liability, Medical Payments, Comprehensive (or Fire, Theft and Combined Additional Coverage) and Collision coverages that apply to the auto.

- c. For each coverage applicable to the auto with the highest Total Base Premium for all coverages combined.

Multiply the base premium for each coverage by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.

- d. The Driving Record Surcharge Premium is determined separately by coverage for each auto that is insured for that coverage and eligible for SDIP rating.

- (1) Determine the number of eligible autos insured for each coverage.
- (2) The Driving Record Surcharge Premium for each coverage of each auto equals the SDIP Surcharge for that coverage divided by the number of eligible autos insured for that coverage.
- (3) If the above calculation results in a fractional dollar amount for each auto then:

determine the remainder dollar amount and add it to the Driving Record Surcharge Premium for one of the insured autos and disregard the fractional dollar amounts.

**Note**

The Whole Dollar Premium Rule does not apply in this instance.

- (4) If an auto is insured for a coverage not applicable to the auto with the highest Total Base Premium for all coverages combined, then no surcharge applies to that coverage.

- e. Add the applicable Driving Record Surcharge Premium for each coverage of each auto to the otherwise applicable premium for each coverage of each auto.

**3. Statistical Coding**

- a. Single Car Risks – Assign the Driving Record Sub-Classification Statistical Code, reflecting the number of points, to the auto.

- b. Multi-Car Risks – Assign the Driving Record Sub-Classification Statistical Code reflecting:

- (1) The number of driving record points, to the auto with the highest Total Base Premium.
- (2) Zero driving record points, to each other auto insured on the policy.

**E. Cancellations and Changes****1. Policies for Terms Not Exceeding One Year**

No policy shall be endorsed in term to effect a change of Driving Record Sub-Classification except to recognize the addition or deletion of an operator.

**2. Policies for Terms Exceeding One Year**

No policy shall be endorsed to effect a change of Driving Record Sub-Classification until the next annual anniversary of the inception of the policy except to recognize the addition or deletion of an operator.

**PRIMARY CLASSIFICATION RATING FACTORS\***

Coverage	Pleasure Use	Drive to or from Work		Business Use	Farm Use
	(1A)	Less than 10 Miles (1B)	10 or More Miles (1C)	(3)	(1AF)
B.I., P.D., Med. Pay	1.00	1.05	1.05	1.05	.80
Collision	1.00	1.10	1.10	1.10	.80
Comprehensive Fire, Theft, C.A.C.	1.00	1.20	1.20	1.20	.80

**SINGLE OR MULTI-CAR RISKS AND INEXPERIENCED OPERATOR\***  
Add the following rating factors to the Primary Rating Factor:

No Inexperienced Operator			
Single or Multi-Car Risks	BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.30	Factor -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	<b>Principal Operator Licensed For:</b>			
	Less than One Year	Factor +3.50	Factor +3.40	Factor +0.70
	Less than Two Years	Factor +1.75	Factor +1.90	Factor +0.55
	Less than Three Years	Factor +1.30	Factor +1.65	Factor +0.55
	<b>Occasional Operator Licensed For:</b>			
	Less than One Year	Factor +1.90	Factor +2.10	Factor +0.25
	Less than Two Years	Factor +0.90	Factor +1.10	Factor +0.10
Multi-Car	<b>Principal Operator Licensed For:</b>			
	Less than One Year	Factor +3.15	Factor +3.10	Factor +0.60
	Less than Two Years	Factor +1.40	Factor +1.60	Factor +0.45
	Less than Three Years	Factor +0.95	Factor +1.35	Factor +0.45
	<b>Occasional Operator Licensed For:</b>			
	Less than One Year	Factor +1.55	Factor +1.80	Factor +0.15
	Less than Two Years	Factor +0.55	Factor +0.80	Factor +0.00
Less than Three Years	Factor +0.25	Factor +0.55	Factor -0.10	

\* For Statistical Coding Requirements – Refer to page NC-E-Coding.



**PRIMARY CLASSIFICATION RATING FACTORS**  
(Cont'd)

<b>SAFE DRIVER INSURANCE PLAN FACTORS AND CODES</b>			
Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.			
Use the statistical code indicated for the Driving Record Sub-Classification.			
<b>Number of Driving Record Points</b>	<b>Driving Record Sub-Classification</b>	<b>Statistical Code</b>	<b>SDIP Rating Factor</b>
0	0	00	0.00
1	1	01	0.25
2	2	02	0.45
3	3	03	0.60
4	4	04	0.80
5	5	05	1.05
6	6	06	1.30
7	7	07	1.60
8	8	08	1.90
9	9	09	2.25
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
<b>Vehicles Not Eligible For SDIP</b> – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.			
<b>Not Eligible</b>	NE	95	+0.10

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**6. MODEL YEAR FOR FIRE, THEFT, COMBINED  
ADDITIONAL COVERAGE, COMPREHENSIVE  
AND COLLISION COVERAGES**

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**A. Model Year Rating**

1. The model year of the auto is the year assigned by the auto manufacturer.
2. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.
3. If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

**B. Coding**

Policies effective July 1, 1982 and subsequent:

Code the two digits of the model year, for example, code 1982 vehicles as 82, 1983 as 83, etc.

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**7. MINIMUM PREMIUM RULE**

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The minimum annual premium charge is \$10 for each policy, certificate, declaration or binder covering one or more of the following perils:

Comprehensive

Fire, Theft, Windstorm, Combined Additional Coverage, Collision

Bodily Injury Liability, or

Property Damage Liability

Premium for other coverages which may also be included in the policy shall be in addition to the minimum annual premium.

The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge shall be adjusted on a pro rata or short rate basis, as the conditions require.

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**8. POLICY PERIOD**

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- A.** No policy may be written for a period longer than 12 months for Liability Coverage or 48 months for Physical Damage Coverage.
- B.** Premium charged for policy terms not exceeding 12 months is as follows:
1. Twelve Month Policies –  
Charge the annual premium or minimum premium whichever applies.

**2. Three and Six Month Policies –**

- a. For a specified 3 or 6 month period the premium charge is 25% or 50% respectively, of the annual or minimum annual premium whichever applies.
- b. Policies issued for a 3 or 6 month period with an effective date on the 29th, 30th, and 31st of any month.

The first policy can be extended from the effective date to the first day of the calendar month following the expiration of the policy.

Premium for this extended coverage of 1 to 3 days may be waived.

**3. Other Short Policies written for less than 12 months and other than 3 or 6 months.**

Such policies shall be written short rate with premiums computed in accordance with the One Year Short Rate Table in the Cancellation Rule.

**Exceptions:**

The premium is computed Pro Rata:

1. When coverage is written to secure a common policy date with other coverages or lines of insurance.
  2. When a policy is issued on a short term basis to replace an outstanding policy of a company in liquidation, provided the new policy is based upon the rules and rates in effect at the time replacement is made and shall be in effect for a period equal to the unexpired term of the outstanding policy.
  3. When a statutory policy is required by a state or municipality to expire on a fixed date and the policy is written to expire on such date.
- C. Long Term Physical Damage Policies written for a term in excess of 12 months – Determine premium as follows:**
1. 1st 12 months:  
Charge the first year premium or minimum premium, whichever applies.
  2. 2nd 12 months:  
In addition to the above, charge the second year premium or minimum whichever applies.  
If the term is more than 12 months but less than 24 months, charge pro rata of such second year premium or minimum whichever is larger for the period in excess of 12 months.

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**8. POLICY PERIOD (Cont'd)**

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**3. 3rd 12 months:**

In addition to the premium for the 1st and 2nd 12 month periods, charge the third year premium or minimum premium whichever applies.

If the term is more than 24 months but less than 36 months charge the pro rata of such third year premium or minimum premium, whichever is larger, for the period in excess of 24 months.

**4. 4th 12 months:**

In addition to the premium for the 1st, 2nd and 3rd 12 month periods, charge the fourth year premium or minimum premium whichever applies.

If the term is more than 36 months but less than 48 months, charge pro rata of such fourth year premium or minimum premium, whichever is larger, for the period in excess of 36 months.

**Note:**

Calculation of the premium for the 2nd, 3rd and 4th 12 month periods, or pro rata part thereof shall recognize:

1. Any change in the model year of the insured auto, during a previous 12 month period;
2. Any change in sub-classification under the Safe Driver Insurance Plan.
3. A change in symbol assignment based on a review of loss experience.

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**9. CHANGES**

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- A.** If an auto or form of coverage is added during the term of a policy and the additional insurance is written to expire concurrently with the original insurance, the premium for such additional insurance shall be computed pro-rata, at the rates in effect at the time the addition is made.

If the policy has been written for less than one year on a short rate basis, the premium for the additional insurance shall be pro rata of the short rate charge for the policy period.

If an auto or a form of coverage that was cancelled from a policy at the request of the insured is reinstated within 30 days, the premium shall be the same as the amount that was returned at the time of cancellation.

**PHYSICAL DAMAGE COVERAGES ONLY**

- B.** If coverage is transferred during the policy term from one auto to another, the premium shall be computed pro rata on the basis of the rates and rules in effect at the inception of the policy or at the time the change is made.

**LIABILITY COVERAGES ONLY**

- C.** If coverage is transferred during the policy term from one auto to another, premium shall be computed pro rata on the basis of the rules and rates in effect at the inception of the policy.
- D.** If an auto is transferred from one rating territory to another or if an auto is temporarily transferred from one rating territory to another for a period of not less than 30 consecutive days, the premium for the balance of the policy period may be adjusted by endorsement at the time the change is made. The company shall charge on a pro rata basis the rate or rates for the territories in which the auto is garaged during the remainder of the policy period. The premium adjustment shall be made on the basis of the rates and rules in effect at the inception of the policy or at the time the change is made.
- E.** If the liability limits or deductible amounts are changed during the policy period, the premium adjustment for such change shall be made on the basis of the rates in effect at the inception date of the policy.
- F. Premium Adjustment**

1. As respects A, B, C and D above, if an outstanding policy is amended and results in a premium adjustment of \$2 or less, the amount:
  - a. may be waived, or
  - b. may be made subject to a minimum of \$2.  
except that the actual return premium shall be returned at the request of the insured.
2. Minimum premium of \$2 applies if an insured requests the following during the policy period.
  - a. additional coverage,
  - b. an increase in the limits of liability,
  - c. a reduced deductible.
3. Companies need not refund a return premium of less than \$2 if the insured requests the following:
  - a. cancellation of coverage,
  - b. reduction in limits of liability,
  - c. increase in deductible,except that the actual return premium shall be returned at the request of the insured.

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**9. CHANGES (Cont'd)**

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4. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges. If \$2 or less, it may be charged or waived.
5. As respects A, B, C and D above, if an outstanding policy is amended and results in a premium adjustment
  - a. within 30 days prior to the expiration of a 6-month policy period, or
  - b. within 60 days prior to the expiration of a policy period longer than 6 months, companies need not charge or refund a premium, except that actual refunds shall be made at the request of the insured.

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**10. CANCELLATION**

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- A. Cancellation of a policy, vehicle or form of coverage:**
1. If the insured requests cancellation, compute return premium on a Short Rate Basis.

**Exceptions**

Compute return premium on a Pro Rata basis in the following cases:

1. If the insured has disposed of a vehicle then takes out a new policy in the same company on another vehicle, to become effective within thirty days of the date of cancellation.
2. If the insured vehicle is repossessed under terms of a financing agreement.
3. In a multi-car situation:
  - a. If one vehicle is cancelled from the policy and the policy remains in force on other vehicles, or
  - b. If a policy is cancelled but there remains in force with the same company and in the name of insured or spouse, if resident in the same household, a concurrent policy covering another vehicle.
4. If the insured enters the armed forces of the United States of America.

5. If the insured vehicle is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured (a) within 30 days following the date the auto is stolen or destroyed, or (b) within 15 days of the time the auto was determined by the company (1) to be unrecoverable or stolen, or (2) to be a total or constructive loss. The return premium for all coverages (including the premium for the coverage under which the loss was paid) shall be calculated from the day following the date of the loss.
6. If an insured who has been ceded to the Reinsurance Facility at rates higher than the insurer's voluntary rates obtains insurance through another insurer who elects not to cede the policy to the Facility and the insured cancels the ceded policy within 45 days of the effective date of the ceded policy.

**Exception:**

This pro rata cancellation shall not apply to a cancellation by any insurance premium finance company.

2. If the company cancels, the return premium is computed pro rata.
3. If a policy written at short rate is cancelled, the earned premium for the time the policy has been in force shall be computed pro rata of the original short rate premium.
4. The following provisions apply to policies exceeding 12 months:
  - a. If a policy has been in force less than 1 year, the earned premium is computed in accordance with the provisions of this Rule for the first year's premium.
  - b. If a policy has been in force more than 12 months but less than 24 months, the earned premium shall be the first 12 months premium plus pro rata of the annual premium for the second 12 months.
  - c. If a policy has been in force for more than 24 months but less than 36 months, the earned premium shall be the first 24 months' premium plus pro rata of the annual premium for the third 12 months.
  - d. If a policy has been in force more than 36 months but less than 48 months, the earned premium shall be the first 36 months' premium plus pro rata of the annual premium for the fourth 12 months.

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**10. CANCELLATION (Cont'd)**

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**B. Instructions for Use of Short Rate Tables.**

1. The "Three Month Short Rate Table" shall apply only to a policy written for a specified period of 3 months.
2. The "Six Month Short Rate Table" shall apply only to a policy written for a specified period of 6 months.
3. The "One Year Short Rate Table" shall apply to:
  - a. a policy written for a specified period of less than one year, other than a policy written for a specified period of 3 months or 6 months.
  - b. a policy written for a specified period of one year or more.

**C. Instructions for Use of PRO RATA TABLES**

1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g. March 7, 1976 is designated as 1976.181.
2. In like manner, express the effective date of the policy year and decimal part of a year and subject from the cancellation date.
3. The difference in the case of 1 year policies, represents the percentage of the annual premium which is to be retained by the carrier.

4. For 6 Month Term Policies, the difference between cancellation date and effective date multiplied by two represents the percentage of the semi-annual term premium which is to be retained by the carrier.
5. For 3 Month Term Policies, the difference between cancellation date and effective date multiplied by four represents the percentage of the quarter-annual term premium which is to be retained by the carrier.

**Example:**

Cancellation date May 19, 1976.....	1976.381
Effective date March 2, 1976.....	<u>1976.167</u>
	.214

Earned premium for a 1 Year Term Policy will therefore be .214 times the annual premium.

For a 6 Month Term Policy: Multiply .214 by 2. (.214 x 2 = .428). Earned premium will be .428 times the semi-annual term premium.

For a 3 Month Term Policy: Multiply .214 by 4. (.214 x 4 = .856). Earned premium will be .856 times the quarter-annual term premium.

**Note:**

As it is not customary to charge for the extra day (February 29th) which occurs one year in every four years this table shall also be used for each such year.

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**PRO RATA TABLE**

January			February			March			April			May			June		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	.003	1	32	.088	1	60	.164	1	91	.249	1	121	.332	1	152	.416
2	2	.005	2	33	.090	2	61	.167	2	92	.252	2	122	.334	2	153	.419
3	3	.008	3	34	.093	3	62	.170	3	93	.255	3	123	.337	3	154	.422
4	4	.011	4	35	.096	4	63	.173	4	94	.258	4	124	.340	4	155	.425
5	5	.014	5	36	.099	5	64	.175	5	95	.260	5	125	.342	5	156	.427
6	6	.016	6	37	.101	6	65	.178	6	96	.263	6	126	.345	6	157	.430
7	7	.019	7	38	.104	7	66	.181	7	97	.266	7	127	.348	7	158	.433
8	8	.022	8	39	.107	8	67	.184	8	98	.268	8	128	.351	8	159	.436
9	9	.025	9	40	.110	9	68	.186	9	99	.271	9	129	.353	9	160	.438
10	10	.027	10	41	.112	10	69	.189	10	100	.274	10	130	.356	10	161	.441
11	11	.030	11	42	.115	11	70	.192	11	101	.277	11	131	.359	11	162	.444
12	12	.033	12	43	.118	12	71	.195	12	102	.279	12	132	.362	12	163	.447
13	13	.036	13	44	.121	13	72	.197	13	103	.282	13	133	.364	13	164	.449
14	14	.038	14	45	.123	14	73	.200	14	104	.285	14	134	.367	14	165	.452
15	15	.041	15	46	.126	15	74	.203	15	105	.288	15	135	.370	15	166	.455
16	16	.044	16	47	.129	16	75	.205	16	106	.290	16	136	.373	16	167	.458
17	17	.047	17	48	.132	17	76	.208	17	107	.293	17	137	.375	17	168	.460
18	18	.049	18	49	.134	18	77	.211	18	108	.296	18	138	.378	18	169	.463
19	19	.052	19	50	.137	19	78	.214	19	109	.299	19	139	.381	19	170	.466
20	20	.055	20	51	.140	20	79	.216	20	110	.301	20	140	.384	20	171	.468
21	21	.058	21	52	.142	21	80	.219	21	111	.304	21	141	.386	21	172	.471
22	22	.060	22	53	.145	22	81	.222	22	112	.307	22	142	.389	22	173	.474
23	23	.063	23	54	.148	23	82	.225	23	113	.310	23	143	.392	23	174	.477
24	24	.066	24	55	.151	24	83	.227	24	114	.312	24	144	.395	24	175	.479
25	25	.068	25	56	.153	25	84	.230	25	115	.315	25	145	.397	25	176	.482
26	26	.071	26	57	.156	26	85	.233	26	116	.318	26	146	.400	26	177	.485
27	27	.074	27	58	.159	27	86	.236	27	117	.321	27	147	.403	27	178	.488
28	28	.077	28	59	.162	28	87	.238	28	118	.323	28	148	.405	28	179	.490
29	29	.079				29	88	.241	29	119	.326	29	149	.408	29	180	.493
30	30	.082				30	89	.244	30	120	.329	30	150	.411	30	181	.496
31	31	.085				31	90	.247				31	151	.414			

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**PRO RATA TABLE**

July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	.499	1	213	.584	1	244	.668	1	274	.751	1	305	.836	1	335	.918
2	183	.501	2	214	.586	2	245	.671	2	275	.753	2	306	.838	2	336	.921
3	184	.504	3	215	.589	3	246	.674	3	276	.756	3	307	.841	3	337	.923
4	185	.507	4	216	.592	4	247	.677	4	277	.759	4	308	.844	4	338	.926
5	186	.510	5	217	.595	5	248	.679	5	278	.762	5	309	.847	5	339	.929
6	187	.512	6	218	.597	6	249	.682	6	279	.764	6	310	.849	6	340	.932
7	188	.515	7	219	.600	7	250	.685	7	280	.767	7	311	.852	7	341	.934
8	189	.518	8	220	.603	8	251	.688	8	281	.770	8	312	.855	8	342	.937
9	190	.521	9	221	.605	9	252	.690	9	282	.773	9	313	.858	9	343	.940
10	191	.523	10	222	.608	10	253	.693	10	283	.775	10	314	.860	10	344	.942
11	192	.526	11	223	.611	11	254	.696	11	284	.778	11	315	.863	11	345	.945
12	193	.529	12	224	.614	12	255	.699	12	285	.781	12	316	.866	12	346	.948
13	194	.532	13	225	.616	13	256	.701	13	286	.784	13	317	.868	13	347	.951
14	195	.534	14	226	.619	14	257	.704	14	287	.786	14	318	.871	14	348	.953
15	196	.537	15	227	.622	15	258	.707	15	288	.789	15	319	.874	15	349	.956
16	197	.540	16	228	.625	16	259	.710	16	289	.792	16	320	.877	16	350	.959
17	198	.542	17	229	.627	17	260	.712	17	290	.795	17	321	.879	17	351	.962
18	199	.545	18	230	.630	18	261	.715	18	291	.797	18	322	.882	18	352	.964
19	200	.548	19	231	.633	19	262	.718	19	292	.800	19	323	.885	19	353	.967
20	201	.551	20	232	.636	20	263	.721	20	293	.803	20	324	.888	20	354	.970
21	202	.553	21	233	.638	21	264	.723	21	294	.805	21	325	.890	21	355	.973
22	203	.556	22	234	.641	22	265	.726	22	295	.808	22	326	.893	22	356	.975
23	204	.559	23	235	.644	23	266	.729	23	296	.811	23	327	.896	23	357	.978
24	205	.562	24	236	.647	24	267	.732	24	297	.814	24	328	.899	24	358	.981
25	206	.564	25	237	.649	25	268	.734	25	298	.816	25	329	.901	25	359	.984
26	207	.567	26	238	.652	26	269	.737	26	299	.819	26	330	.904	26	360	.986
27	208	.570	27	239	.655	27	270	.740	27	300	.822	27	331	.907	27	361	.989
28	209	.573	28	240	.658	28	271	.742	28	301	.825	28	332	.910	28	362	.992
29	210	.575	29	241	.660	29	272	.745	29	302	.827	29	333	.912	29	363	.995
30	211	.578	30	242	.663	30	273	.748	30	303	.830	30	334	.915	30	364	.997
31	212	.581	31	243	.666				31	304	.833				31	365	1.000

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**ONE YEAR SHORT RATE TABLE**

<b>Days Policy in Force</b>	<b>Per Cent of One Year Premium</b>	<b>Days Policy in Force</b>	<b>Per Cent of One Year Premium</b>	<b>Days Policy in Force</b>	<b>Per Cent of One Year Premium</b>
1 .....	5%	95 - 98 .....	37%	219 - 223 .....	69%
2 .....	6	99 - 102 .....	38	224 - 228 .....	70
3 - 4 .....	7	103 - 105 .....	39	229 - 232 .....	71
5 - 6 .....	8	106 - 109 .....	40	233 - 237 .....	72
7 - 8 .....	9	110 - 113 .....	41	238 - 241 .....	73
9 - 10 .....	10	114 - 116 .....	42	242 - 246 .....	74
11 - 12 .....	11	117 - 120 .....	43	247 - 250 .....	75
13 - 14 .....	12	121 - 124 .....	44	251 - 255 .....	76
15 - 16 .....	13	125 - 127 .....	45	256 - 260 .....	77
17 - 18 .....	14	128 - 131 .....	46	261 - 264 .....	78
19 - 20 .....	15	132 - 135 .....	47	265 - 269 .....	79
21 - 22 .....	16	136 - 138 .....	48	270 - 273 .....	80
23 - 25 .....	17	139 - 142 .....	49	274 - 278 .....	81
26 - 29 .....	18	143 - 146 .....	50	279 - 282 .....	82
30 - 32 .....	19	147 - 149 .....	51	283 - 287 .....	83
33 - 36 .....	20	150 - 153 .....	52	288 - 291 .....	84
37 - 40 .....	21	154 - 156 .....	53	292 - 296 .....	85
41 - 43 .....	22	157 - 160 .....	54	297 - 301 .....	86
44 - 47 .....	23	161 - 164 .....	55	302 - 305 .....	87
48 - 51 .....	24	165 - 167 .....	56	306 - 310 .....	88
52 - 54 .....	25	168 - 171 .....	57	311 - 314 .....	89
55 - 58 .....	26	172 - 175 .....	58	315 - 319 .....	90
59 - 62 .....	27	176 - 178 .....	59	320 - 323 .....	91
63 - 65 .....	28	179 - 182 .....	60	324 - 328 .....	92
66 - 69 .....	29	183 - 187 .....	61	329 - 332 .....	93
70 - 73 .....	30	188 - 191 .....	62	333 - 337 .....	94
74 - 76 .....	31	192 - 196 .....	63	338 - 342 .....	95
77 - 80 .....	32	197 - 200 .....	64	343 - 346 .....	96
81 - 83 .....	33	201 - 205 .....	65	347 - 351 .....	97
84 - 87 .....	34	206 - 209 .....	66	352 - 355 .....	98
88 - 91 .....	35	210 - 214 .....	67	356 - 360 .....	99
92 - 94 .....	36	215 - 218 .....	68	361 - 365 .....	100



**PERSONAL AUTO MANUAL  
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**THREE MONTH SHORT RATE TABLE**

Days Policy in Force	Per Cent of 3 Mos. Premium	Days Policy in Force	Per Cent of 3 Mos. Premium	Days Policy in Force	Per Cent of 3 Mos. Premium
1	6%	28	41%	58	71%
2	7	29	42	59	73
3	9	30	43	60 - 61	74
4	12	31	44	62	75
5	16	32	46	63	76
6	17	33	47	64	77
7	18	34	48	65 - 66	78
8	19	35	49	67	79
9	20	36	50	68	81
10	21	37	51	69 - 70	82
11	22	38	52	71	83
12	23	39	53	72	84
13	24	40	54	73	85
14	26	41	56	74 - 75	86
15	27	42	57	76	87
16	28	43	58	77	89
17	29	44	59	78 - 79	90
18	30	45	60	80	91
19	31	46	61	81	92
20	32	47 - 48	62	82	93
21	33	49	63	83 - 84	94
22	34	50	65	85	95
23	36	51 - 52	66	86	97
24	37	53	67	87 - 88	98
25	38	54	68	89	99
26	39	55	69	90 - 92	100
27	40	56 - 57	70		

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**SIX MONTH SHORT RATE TABLE**

<b>Days Policy in Force</b>	<b>Per Cent of 6 Mos. Premium</b>	<b>Days Policy in Force</b>	<b>Per Cent of 6 Mos. Premium</b>	<b>Days Policy in Force</b>	<b>Per Cent of 6 Mos. Premium</b>
1	6%	50 - 51	38%	112 - 114	70%
2	7	52	39	115 - 116	71
3	8	53 - 54	40	117 - 118	72
4	9	55 - 56	41	119 - 120	73
5	10	57 - 58	42	121 - 123	74
6	11	59 - 60	43	124 - 125	75
7	12	61 - 62	44	126 - 127	76
8	13	63	45	128 - 130	77
9	14	64 - 65	46	131 - 132	78
10	15	66 - 67	47	133 - 134	79
11	16	68 - 69	48	135 - 136	80
12	17	70 - 71	49	137 - 139	81
13 - 14	18	72 - 73	50	140 - 141	82
15 - 16	19	74	51	142 - 143	83
17 - 18	20	75 - 76	52	144 - 145	84
19 - 20	21	77 - 78	53	146 - 148	85
21	22	79 - 80	54	149 - 150	86
22 - 23	23	81 - 82	55	151 - 152	87
24 - 25	24	83	56	153 - 155	88
26 - 27	25	84 - 85	57	156 - 157	89
28 - 29	26	86 - 87	58	158 - 159	90
30 - 31	27	88 - 89	59	160 - 161	91
32	28	90 - 91	60	162 - 164	92
33 - 34	29	92 - 93	61	165 - 166	93
35 - 36	30	94 - 95	62	167 - 168	94
37 - 38	31	96 - 98	63	169 - 171	95
39 - 40	32	99 - 100	64	172 - 173	96
41	33	101 - 102	65	174 - 175	97
42 - 43	34	103 - 104	66	176 - 177	98
44 - 45	35	105 - 107	67	178 - 180	99
46 - 47	36	108 - 109	68	181 - 184	100
48 - 49	37	110 - 111	69		

**11. WHOLE DOLLAR PREMIUM**

This rule applies only to Fire, Theft, Combined Additional Coverage, Comprehensive and Collision coverages.

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$.50 or more shall be rounded to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellations by the company, the return premium may be carried to the next higher whole dollar.

The phrase "each exposure" as used herein shall mean each premium developed (after the application of all applicable adjustments) for (1) each auto, if written on a per car basis, and (2) for all other business.

**12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES**

**A. Other Than Collision**

**1. 1990 and Subsequent Model Year Vehicles**

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
1	01	0.72
19	19	4.46
20	20	4.94
21	21	5.49
22	22	6.19
23	23	6.93
24	24	8.03
25	25	9.88
26	26	12.13
27	27	+

+ Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +2.00 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

**2. 1989 and Prior Model Year Vehicles**

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior* Model Years
1	01	0.28
2	02	0.34
3	03	0.44
4	04	0.53
5	05	0.63
6	06	0.84
15	15	3.56
16	16	4.34
17	17	5.19
18	18	6.19
19	19	7.38
20	20	8.75
21	21	12.13

**1982 and Prior Model Years**

Deleted: \*

**a. 1976-1982 Symbol 14 Vehicles**

Apply the factor 3.19 to the Symbol 7 Base Rate.

**b. 1975 and Prior Vehicles above \$10,000**

Increase the Symbol 7 Base Rate by 20% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

**B. Collision**

**1. 1990 and Subsequent Model Year Vehicles**

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
1	01	0.88
19	19	2.43
20	20	2.51
21	21	2.64
22	22	2.75
23	23	2.86
24	24	2.99
25	25	3.23
26	26	3.50
27	27	+

+ Develop the Collision Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +.15 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

**Note:** Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

**12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES (Cont'd)**

**2. 1989 and Prior Model Year Vehicles**

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior <sup>2</sup> Model Years
1	01	0.42
2	02	0.50
3	03	0.63
4	04	0.71
5	05	0.83
6	06	0.92
15	15	2.17
16	16	2.38
17	17	2.54
18	18	2.75
19	19	2.92
20	20	3.08
21	21	3.50

▼ 1982 and Prior Model Years

**a. 1976-1982 Symbol 14 Vehicles**

Apply the factor 2.29 to the Symbol 7 Base Rate.

**b. 1975 and Prior Vehicles above \$10,000**

Increase the Symbol 7 Base Rate by 5% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

**Note:** Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

**C. Original Cost means:**

1. Original F.O.B. List Price for autos built in U.S.
2. Original Cost New in U.S. for specially built autos.
3. Original Cost New in U.S. for imported autos.

**13. SUSPENSION**

- A. Under any policy providing just Physical Damage Coverage, only Collision may be suspended.
- B. Liability Coverages may not be suspended for risks for which a financial responsibility filing is in effect.
- C. Insurance may be suspended by endorsement in accordance with the following provisions provided the period of suspension is at least thirty (30) consecutive days.
  1. Insurance may be reinstated upon the named insured's request effective not earlier than receipt of such request by the company or any of its authorized representatives.
  2. The reinstatement endorsement shall not extend the policy beyond its original expiration date.

**LIABILITY AND COLLISION COVERAGES ONLY**

3. Pro rata premium credit for the period of suspension shall be granted upon reinstatement subject to a minimum retention by the company of sixty days premium calculated on a short rate basis. The minimum premium retention by the company shall not apply to suspensions under Section F. of this rule.
4. If the policy expires during the period of suspension, the named insured shall be entitled to a pro rata return premium in accordance with the foregoing provisions of this rule.
5. If a policy written for less than one year is suspended but subsequently reinstated and extended for the remainder of such year, or any part thereof, or if such policy expires during the suspension period, pro rata premium credit shall be granted for the period of suspension in accordance with the foregoing provisions of the Policy Period Rule for extension of a short term policy.
- D. If collision or liability coverages are suspended on **all** owned autos, coverage for which separate premiums apply – including Uninsured Motorists Coverage, Underinsured Motorists Coverage, auto death indemnity, total disability, and specific disability benefits coverage, medical payments coverage, non-owned auto or extended liability coverage provided under the use of other autos provisions – may be continued in force without premium adjustment for these coverages.

Deleted: \*

**13. SUSPENSION (Cont'd)**

- E. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage for liability only, afforded without separate premium charge may be continued in force. 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.
- F. Insurance covering a private passenger auto which is withdrawn from service for a period of at least thirty (30) consecutive days because of a strike, may be suspended. Pro rata return premium on such vehicles shall be granted in accordance with Section (C) provided the insured furnishes the company with a letter requesting the return premium. The letter shall be written on the insured's letterhead, signed by an executive of the company and shall include the following:
  - 1. A description of each auto.
  - 2. The dates between which it was laid up because of the strike.
  - 3. A statement by the insured that he agrees to reimburse the company for any payment made by the company on account of any accident, claim or suit involving a coverage for an auto described in the letter for which return premium has been allowed by the company.

**14. MISCELLANEOUS COVERAGES**

**A. Uninsured Motorists Coverage ONLY**

- 1. Owners – (Class Code – Refer to Statistical Plan)  
 Bodily Injury and Property Damage Uninsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

**Exceptions**

This coverage shall not apply when a named insured has purchased a policy with Bodily Injury Liability Coverage limits greater than \$30,000/\$60,000.

Uninsured Motorist Coverage Only is available only if the insured has purchased Bodily Injury Liability limits of \$30,000/60,000. The limits of Uninsured Motorist Bodily Injury Coverage shall be \$30,000/\$60,000 unless the insured purchases a higher limit of Uninsured Motorist Bodily Injury Coverage. The limit of Uninsured Motorist Property Damage Coverage shall equal the highest limit of liability for Property Damage Liability Coverage for any one vehicle insured under the policy.

The insurer shall notify the named insured of his right to purchase Uninsured Motorist Bodily Injury Coverage with limits up to \$1,000,000 per person and \$1,000,000 per accident when a policy is issued and when it is renewed. The insurer shall be deemed to have given reasonable notice if it includes Form NC 03 40 01 09-Notice Of Right To Purchase Higher Limits of UM/UIM or substantially similar language as a notice accompanying the original and renewal declarations page or if it includes the same language as the language in said form, or substantially similar language, on the policy's original and renewal declarations page. The language of such Notice shall be in at least 10 point type regardless of the manner provided.

**a. Rates**

The per policy rates for Uninsured Motorists Coverage are as follows:

**B.I. UM Coverage**

	<b>Single Vehicle* Policy</b>	<b>Multi-Vehicle* Policy</b>
\$ 30/60	\$ 13	\$ 31
50/100	14	33
100/200	16	38
100/300	18	42
300/300	21	50
250/500	23	54
500/500	24	57
500/1,000	26	61
1,000/1,000	28	66

**P.D. UM Coverage**

	<b>Single Vehicle* Policy</b>	<b>Multi-Vehicle* Policy</b>
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

\* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

\* These rates are not subject to modification under the provisions of any rating plan or other manual rule.

**14. MISCELLANEOUS COVERAGES (Cont'd)**

**b. Additional Persons**

Bodily Injury Uninsured Motorists Coverage Only may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

**2. Non-Owners – (Class Code 990000)**

**a.** A Named Non-Owner Liability Policy may be extended to provide Uninsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

**b.** Bodily Injury Uninsured Motorists Coverage Only may be afforded to any person who does not own an auto and who is not otherwise afforded Uninsured Motorists Coverage.

Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:

Policy Term	Factor
One Year	3.50
Three Years	5.50

**B. Combined Uninsured/Underinsured Motorists Coverage**

**1. Owners – (Class Code – Refer to Statistical Plan)**

Combined Uninsured/Underinsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

**Exceptions**

This coverage shall not apply when a named insured has purchased a policy with Bodily Injury Liability Coverage limits not greater than \$30,000/\$60,000.

The limits of Uninsured/Underinsured Motorist Bodily Injury Coverage shall equal the highest limits of liability for Bodily Injury Liability Coverage for any one vehicle insured under the policy unless the insured purchases a higher limit of Uninsured/Underinsured Motorist Bodily Injury Coverage. The limit of Uninsured/Underinsured Motorist Property Damage Coverage, which is available only on an Uninsured Motorists basis, shall equal the highest limit of liability for Property Damage Liability Coverage for any one vehicle insured under the policy.

The insurer shall notify the named insured of his right to purchase Combined Uninsured/Underinsured Motorist Bodily Injury Coverage with limits up to \$1,000,000 per person and \$1,000,000 per accident when a policy is issued and when it is renewed. The insurer shall be deemed to have given reasonable notice if it includes Form NC 03 40 01 09-Notice Of Right To Purchase Higher Limits of UM/UIM or substantially similar language as a notice accompanying the original and renewal declarations page or if it includes the same language as the language in said form, or substantially similar language, on the policy's original and renewal declarations page. The language of such Notice shall be in at least 10 point type regardless of the manner provided.

**2. Rates**

The per policy rates for Combined Uninsured/Underinsured Motorists Coverage are as follows:

**B.I. UM/UIM Coverage**

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ 24	\$ 57
100/200	52	123
100/300	68	160
300/300	98	232
250/500	118	278
500/500	169	399
500/1,000	191	450
1,000/1,000	219	517

**P.D. UM/UIM Coverage**

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

\* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

These total rates are not subject to modification under the provisions of any rating plan or other manual rule.

**14. MISCELLANEOUS COVERAGES (Cont'd)**

**C. Deductible Insurance**

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this Manual.

2. Collision Deductibles for Which No Premiums Are Shown

- \$ 25 Deduct. (071) – Charge 150% of the \$50 Deduct. Collision Premium
- \$ 50 Deduct. (072) – Charge 102% of the \$100 Deduct. Collision Premium
- \$ 200 Deduct. (073) – Charge 97% of the \$100 Deduct. Collision Premium
- \$ 250 Deduct. (076) – Charge 95% of the \$100 Deduct. Collision Premium
- \$ 500 Deduct. (077) – Charge 88% of the \$100 Deduct. Collision Premium
- \$ \$1,000 Deduct. (078) – Charge 77% of the \$100 Deduct. Collision Premium

3. Comprehensive Deductibles for Which No Premiums Are Shown

- \$ 50 Deduct. (003) – Charge 95% of the Full Coverage Comprehensive Premium
- \$ 100 Deduct. (010) – Charge 90% of the Full Coverage Comprehensive Premium
- \$ 250 Deduct. (055) – Charge 77% of the Full Coverage Comprehensive Premium
- \$ 500 Deduct. (726) – Charge 60% of the Full Coverage Comprehensive Premium
- \$ 1,000 Deduct. (727) – Charge 50% of the Full Coverage Comprehensive Premium

4. Theft – \$50 Deductible – Charge 75% of the Full Coverage Theft Rate.

**D. Extended Transportation Expenses Coverage**

1. Eligibility

Only policies providing Comprehensive Coverage may be afforded either Extended Transportation Expenses Coverage or Increased Limits Transportation Expenses Coverage.

2. Rating

The rates for this coverage are not subject to classification rating or modification by any rating plan.

Coverage	Annual Rate Per Auto
\$15/\$450 Extended Transportation Expenses Coverage (Cov. Code 704)	\$10
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	\$20
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	\$32

3. Endorsement

Attach the extended transportation expenses coverage endorsement to the policy.

**E. Towing and Labor Costs**

1. This coverage may be written only for Private Passenger Autos.

2. The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	\$2
50	4
100	6
None (subject to coverage provisions)	13

3. Attach applicable endorsement.

**14. MISCELLANEOUS COVERAGES (Cont'd)**

**F. Coverage For Damage To Your Auto – Coverage For Audio, Visual And Data Electronic Equipment**

**1. Coverage**

Electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by the vehicle's manufacturer are automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disk players or recorders;
- d. Citizens band radios;
- e. Telephones;
- f. Two-way mobile radios;
- g. Scanning monitor receivers;
- h. Television monitor receivers;
- i. Video cassette players or recorders;
- j. Audio cassette players or recorders;
- k. Personal computers; or
- l. Digital videodisk players or recorders.

However, electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by **other than** the vehicle's manufacturer are subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits with the premiums per auto shown in the table below. Permanently installed means installed by bolts, brackets, or welding in a location in accordance with applicable laws and regulations for the installation of such equipment or device.

Coverage is not available for loss to:

- equipment designed or used to detect or deter radar, laser, or other speed monitoring equipment whether or not permanently installed; or
- tapes, records, discs or other media.

**2. Rating**

The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

Maximum Limit Of Liability For Electronic Equipment	Premium Per Auto
\$ 1,500	\$ 30
2,000	60
2,500	90
3,000	120
3,500	150
4,000	180
4,500	210
5,000	240

For limits in excess of \$5,000, charge an additional \$30 per \$500 of coverage.

**3. Endorsement**

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

**G. Auto Death Indemnity Or Benefits, Specific Disability Benefits And Total Disability Benefits Rates**

1. Automobile Death Indemnity or Benefit, Specific Disability Benefits and Total Disability Benefits are available to any person under a policy affording auto bodily injury liability insurance with respect to an auto classified or rated as a private passenger auto.

2. Annual rates per person insured:

- a. Coverage **A** – Auto Death Indemnity or Benefit (Class Code 904000)

Principal Sum	Annual Rate
\$ 5,000	\$2
10,000	4



**14. MISCELLANEOUS COVERAGES (Cont'd)**

- b. Coverages A and B – Auto Death Indemnity or Benefit and Specific Disability Benefits

Dismemberment and Loss of Sight and Fractures and Dislocations. (Class Code 907000)

Principal Sum	Annual Rate
\$ 5,000	\$3
10,000	5

- c. Coverage C – Total Disability Benefits – (Class Code 903000)

Weekly Indemnity	Annual Rate
\$25	\$3
35	3
50	6

- d. Coverage D – Total Disability Benefits – Maximum 200 weeks. (Class Code 905000)

Weekly Indemnity	Annual Rate
\$25	\$2
35	3
50	5

- 3. For the addition of one or more of the coverages to outstanding policies, charges per month, or fraction thereof, of 10% of the applicable annual rates shall be made. These charges shall be subject to a minimum total charge of \$2 per policy or endorsement, and to a maximum total charge of the total of the annual rates for the coverages afforded.

**H. Repair or Replacement Coverages**

**1. Five Year Coverage**

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST for losses caused by other than fire, theft, larceny, malicious mischief or vandalism.

- b. Repair or Replacement Coverage is available:

- (1) Only for autos purchased new.
- (2) Only if this coverage is added within 60 days after purchase of the new auto. If the coverage is added after the date of purchase of the new auto, coverage does not become effective until the date of purchase of this coverage.
- (3) Only if this coverage is maintained continuously on the auto.
- (4) If the auto is not more than 5 years old. The age of the auto shall be determined by subtracting the year the endorsement was first added to the policy for that auto from the year of inception of the current annual period of the policy.
- (5) Only if the collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 15% of the combined collision and other than collision premiums.

- d. Attach Endorsement **NC 03 11**.

**2. One Year Coverage**

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST.

- b. Replacement Cost Coverage is available:

- (1) Only for autos purchased new by the policyholder or applicant with less than 150 miles on the odometer.
- (2) Only if this coverage is added within 60 days after the purchase of the new auto. If the coverage is added after the date of purchase of the new auto coverage does not become effective until the date of purchase of this coverage.
- (3) Only if this coverage is maintained continuously on the auto.
- (4) Only if collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 10% of the combined collision and other than collision premiums.

- d. Duration of Coverage

This coverage will apply until one year from the date of purchase of the new auto or an odometer reading of 15,000 miles, whichever comes first.

- e. Attach Endorsement **NC 03 12**.

**I. Coverage for Rented Vehicles**

- 1. Insurers may offer coverage for rented vehicles with every motor vehicle policy covering a motor vehicle registered in North Carolina. Attach the Coverage for Rented Vehicles endorsement to the policy.

**2. Rating**

- a. To add Coverage for Rented Vehicles, charge an annual premium of \$4 for personal auto liability policies which provide both comprehensive and collision coverages.
- b. To add Coverage for Rented Vehicles, charge an annual premium of \$16 for personal auto liability policies which do not provide both comprehensive and collision coverages.
- c. The premium for Coverage for Rented Vehicles is not subject to classification or modification by any rating plan.

**3. Cancellation**

If Coverage for Rented Vehicles is cancelled by the insured, the entire annual premium shall be fully earned by the company.

**14. MISCELLANEOUS COVERAGES (Cont'd)**

**J. Original Equipment Manufacturer (OEM) Parts Loss Settlement**

**1. Coverage**

A loss settlement Original Equipment Manufacturer (OEM) Parts coverage option may be made available when physical damage coverage is afforded under a policy. The OEM parts loss settlement option is subject to the following:

- a. If a repair results in the replacement of exterior sheet metal and/or exterior plastic parts, OEM parts shall be used if such parts are available.

If OEM parts are not available, non-OEM parts may be used.

- b. If a repair results in the replacement of any damaged parts other than exterior sheet metal and/or exterior plastic parts, the insurer may require or specify the use of non-OEM parts.

**2. Rating**

Charge 5% of the otherwise applicable premium for Comprehensive and 5% of the otherwise applicable premium for Collision coverages.

**3. Endorsement**

Attach the Loss Settlement – Original Equipment Manufacturer Parts Endorsement to the policy.

**K. Coverage For Damage To Your Auto – Customizing Equipment Coverage**

**1. Coverage**

Custom furnishings or equipment are automatically covered under the policy up to \$1,000 without additional premium charge. This limit may be increased.

Custom furnishings or equipment includes, but is not limited to:

- a. Special carpeting and insulation, furniture or bars;
- b. Facilities for cooking and sleeping;
- c. Height extending roofs or ladders;
- d. Custom windows, murals, paintings or other decals or graphics;
- e. Tool boxes and fifth wheel conversions;
- f. Side exhausts and headers;
- g. Winches and roll bars;
- h. Special wheels/tires; or

- i. Body or suspension alterations.

**Note**

The optional coverage buybacks for customized furnishings or equipment that are described in 2. below do not apply to the following:

- Camper bodies (refer to Rule 19.A.); and
- Caps, covers or bedliners.

**2. Rating**

- a. The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

- b. The \$1,000 limit for custom furnishings or equipment may be increased to any one of the limits with premiums per auto shown below.

Maximum Limit of Liability For Customizing Equipment	Premium Per Auto
\$ 2,000	\$ 70
3,000	120
4,000	170
5,000	210
6,000	240
7,000	270
8,000	300
9,000	320
10,000	340
11,000	360
12,000	380
13,000	400
14,000	420
15,000	440
16,000	460
17,000	480
18,000	500
19,000	520
20,000	540

For limits in excess of \$20,000, charge \$20 per \$1000 of coverage.

**3. Endorsement**

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

**15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS**

For risks not eligible for rating under the Safe Driver Insurance Plan, a surcharge of 35% shall be applied in addition to the surcharge of 50%, 25% or 5% applicable under this Rule.

**15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS (Cont'd)**

For risks rated under the Safe Driver Insurance Plan, the additional charge for each risk shall be \$4 for the period of coverage. The \$4 charge shall not be subject to modification under the provisions of any rating plan or other manual rate.

**A. Surcharges**

1. Surcharges apply to Liability coverages only.
2. The appropriate charges shown below shall be applied to the final premium for the affected coverages for the period of time the certificate is required but not more than three years (after 3 years of 5% surcharge applies) as follows:
  - a. 50% for driving a motor vehicle while intoxicated, or failing to stop and report when involved in an accident, or homicide or assault arising out of the operation of a motor vehicle.
  - b. 25% for driving a motor vehicle at an excessive rate of speed or in a reckless manner, where an injury to person or damage to property actually results therefrom.
  - c. 5% for any reason requiring filing.

**B. Owners**

1. If an owner is required to file evidence of financial responsibility for owned autos and for the operation of autos which he does not own, the additional premium shall be computed by applying the proper surcharge to the sum of the premium for the highest rated auto owned by the insured and the total nonownership liability premium, modified in accordance with any applicable rating plan.
2. In all other cases, the additional premium shall be computed by applying the proper surcharge to the premium for the highest rated auto owned by the insured modified in accordance with any applicable rating plan.

**C. Non-Owners**

1. If a policy is written to insure a named individual, the additional premium shall be computed by applying the proper surcharge to the premium for the policy.
2. If coverage is provided under a policy which has been extended to cover a named individual in accordance with Rule 17. – Extended Non-Owned Liability Coverage, the additional premium shall be computed by applying the proper surcharge to:
  - a. The rates for the highest rated auto insured under the policy for the rating territory in which the named individual is located, or
  - b. If there is no auto at such location, 170% of the private passenger Base Rates for the territory in which the named individual is located.

**16. NAMED NON-OWNER POLICY**

(For individuals who do not own an auto)

- A. Liability and Medical Payments Coverage**  
Charge 90% of the premium that would apply if such individual owned an auto.
- B. Uninsured Motorists Insurance and Underinsured Motorists Insurance**  
Refer to Rule 14.
- C. Attach the named non-owner coverage endorsement.**

**17. EXTENDED NON-OWNED LIABILITY COVERAGE (PERSONAL AUTO POLICY ONLY)**

**A. Liability Coverage**

Liability coverage may be extended to an individual described below:

1. The insured named in the policy, including the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use but is NOT employed by a garage:
  - a. When no Primary Liability insurance is in effect on the auto, charge 50% of the liability premium which would apply if the furnished auto were being specifically insured as an owned auto by the individual.
  - b. When there is Primary Liability insurance in effect on the auto or if the auto is used in the business of the United States Government, charge the premiums per person shown in the table below:

Person Named	Bodily Injury \$30/60	Property Damage \$25,000
Insured Named and Spouse	\$3	\$1
Relative	6	2

2. The insured named in the policy, including the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use and is employed by a garage:
  - a. When garage has no liability insurance charge 170% of Base Rate for Liability
  - b. When garage has liability insurance, refer to Company.
3. In all other situations, charge the premiums per person shown in the table below:

Person Named	Bodily Injury \$30/60	Property Damage \$25,000
Insured Named and Spouse	\$3	\$1
Relative	6	2

**17. EXTENDED NON-OWNED LIABILITY COVERAGE (PERSONAL AUTO POLICY ONLY) (Cont'd)**

**B. Medical Payments**

Medical Payments coverage is available only if Bodily Injury and Property Damage coverages are extended. Medical Payments shall be provided at the same limits as the Medical Payments limit of policy to which attached. Premiums per person are displayed below.

Medical Payments Limits of Policy to Which Attached	Auto Furnished for Regular Use	Auto Not Furnished For Regular Use
\$ 500	\$ 4	\$ 2

Use the factors in Rule 18.D. to determine premiums for Medical Payments limits above \$500.

**18. INCREASED LIMITS**

A. The tables in Sections B. and C. below contain the factors to be applied to the appropriate basic limits rates for Bodily Injury or Property Damage Liability.

Refer to company for limits not displayed in these tables.

**B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table**

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor
\$ 30/60	1.00
50/100	1.21
100/100	1.37
100/200	1.46
100/300	1.48
300/300	1.74
250/500	1.79
500/1,000	2.01
1,000/1,000	2.14
1,000/2,000	2.21

**C. \$25,000 Property Damage Liability Increased Limits Table**

Applicable to \$25,000 Property Damage Liability Rates Only:

Limit	Factor	Limit	Factor
25,000	1.000	250,000	1.035
35,000	1.003	500,000	1.068
50,000	1.006	750,000	1.092
100,000	1.018	1,000,000	1.121

**D. Medical Payments Increased Limits**

Applicable to \$500 Medical Payments Rates Only:

Total Medical Payments Limits	Factor
\$ 750	1.33
1,000	1.60
2,000	2.34
5,000	3.38
10,000	3.86
25,000	4.53
50,000	5.13
75,000	5.39
100,000	5.50

**E. Single Limit Coverages**

The premium for single limit liability coverages shall be calculated as follows:

1. Apply a single discount of 3% to both the Bodily Injury and the Property Damage normal factors for separate limits equal to the desired single limit.
2. Calculate the separate Bodily Injury and Property Damage premiums, the sum of which is the combined premium.

**19. MISCELLANEOUS TYPES**

**A. Trailers Designed for Use with Private Passenger Autos**

Coverage may be provided for:

**1. Recreational Trailers**

Non-self-propelled units equipped as living quarters (including cooking, dining, plumbing or refrigeration facilities).

To be eligible for coverage, insured must maintain a separate and permanent residence other than the recreational trailer.

**Note**

1. Camper trailers shall be rated as Recreational Trailers.
2. A portable camper body used with a pickup truck shall be rated as a Recreational Trailer. The pickup truck shall be rated in accordance with Rule 4.F.

**19. MISCELLANEOUS TYPES (Cont'd)**

**2. Other Trailers**

All non-self-propelled units not included above.

**Liability and Medical Payments Coverages**

A Personal Auto Policy affording Liability and Medical Payments Coverage also covers trailers as described above for these coverages without additional premium charge and without specific description of the trailers when used with a private passenger auto.

Other Policies affording Liability and Medical Payments Coverage will also provide this coverage for trailers without additional premium charge and without specific description of the trailer except when the trailer is used with any auto owned or hired by the insured and not covered by like insurance in the company.

Refer to company for rates applicable to a trailer described above if:

1. Used with any auto owned or hired by the insured and not covered by like insurance in the company, or
2. No auto is owned by the insured.

**Medical Payments Insurance**

Medical payments insurance is available for a home trailer, office trailer, store trailer or display trailer, if used with a private passenger auto.

The rate shall be three times the medical payments rate for the applicable private passenger classification for the territory in which the risk is located.

Farm Wagons and Farm Implements:

Coverage is afforded without additional charge for farm wagons or farm implements when attached to private passenger type autos.

**Physical Damage Coverages Only**

Trailers are to be insured as separate items with separate premiums shown for each unit. If deductible coverage is written, the deductible shall apply separately to each unit.

**1. Recreational Trailers – All Classes – Entire State**

**a. Contents**

- (1) Auto Home Contents Coverage for Fire and Lightning and Combined Additional Coverage (including or excluding malicious mischief and vandalism) may be added.

Fire – Charge fire rate applicable to Mobilehome Insured.

Combined Additional Coverage Including Malicious Mischief and Vandalism – 25 cents per \$100.

Combined Additional Coverage Excluding Malicious Mischief and Vandalism – 20 cents per \$100.

Apply to company for endorsement.

- (2) Auto Home Coverage for TV antennas, awnings, and cabanas or equipment designed to create additional living facilities may be added.

Covered Property Coverage – \$50 Deductible – (Coverage Code 069) Charge \$1.45.

Coverage Property Coverage – \$100 Deductible – (Coverage Code 069) Charge \$1.15.

Attach Applicable Endorsement.

- b. Fire Rate – (new & old) – \$0.45
- c. Theft Rate – (new & old) – \$0.10
- d. Windstorm Rate – (new & old) – \$0.05
- e. Combined Additional Coverage without Malicious Mischief and Vandalism Rate – (new & old) – \$0.10
- f. Combined Additional Coverage with Malicious Mischief and Vandalism Rate – (new & old) – \$0.15
- g. Comprehensive
 

Full Coverage	(Cov. Code 01)	– \$1.45
\$ 50 Deductible	(Cov. Code 03)	– 1.25
\$ 100 Deductible	(Cov. Code 10)	– 1.10
\$ 250 Deductible	(Cov. Code 055)	– 0.95
\$ 500 Deductible	(Cov. Code 726)	– 0.75
\$1,000 Deductible	(Cov. Code 727)	– 0.50

**19. MISCELLANEOUS TYPES (Cont'd)**

**h. Collision Premiums – All Classes – Entire State**

Original Cost	Deductibles											
	\$50		\$100		\$200		\$250		\$500		\$1000	
	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old
<b>0 – 600</b>	\$ 24	\$ 19	\$ 10	\$ 8	\$ 9	\$ 7	\$ 7	\$ 6	\$ 6	\$ 5	\$ 5	\$ 4
<b>601 – 800</b>	26	21	12	9	11	9	8	6	7	6	6	5
<b>801 – 1,050</b>	29	23	13	10	12	10	9	7	8	6	7	6
<b>1,051 – 1,300</b>	31	25	15	12	14	11	10	8	9	7	8	6
<b>1,301 – 1,600</b>	34	27	18	14	16	13	13	10	11	9	9	7
<b>1,601 – 1,900</b>	37	30	20	16	18	14	15	12	12	10	10	8
<b>1,901 – 2,400</b>	42	34	23	18	21	17	18	14	14	11	12	10
<b>2,401 – 3,000</b>	47	38	28	22	25	20	21	17	17	14	14	11
<b>3,001 – 4,000</b>	56	45	34	27	31	25	25	20	20	16	17	14
<b>4,001 – 5,000</b>	66	53	42	34	38	30	30	24	25	20	21	17
<b>5,001 – 6,000</b>	77	62	50	40	45	36	35	28	30	24	25	20
<b>6,001 – 7,000</b>	87	70	58	46	52	42	41	33	35	28	29	23
<b>7,001 – 8,000</b>	98	78	66	53	59	47	46	37	40	32	33	26
<b>8,001 – 9,000</b>	108	86	74	59	67	54	52	42	44	35	37	30
<b>9,001 – 10,000</b>	119	95	82	66	74	59	57	46	49	39	41	33

(1) "New" means purchased new not more than 18 months prior to date insurance attaches.

"Old" – All Others

(2) For Recreational Trailers having a cost exceeding \$10,000, the indicated premiums for the \$9,001 to \$10,000 group shall be increased 10% per \$1,000 or fractions thereof in excess of \$10,000.

(3) The premiums shown above are subject to a retained Minimum Premium equal to 25% of the annual premium applicable.

**2. All Other Trailers – All Classes – Entire State**

**All Non-Self-Propelled Units Not Included in Paragraph 1. Above.**

**Rates Per \$100 of Insurance**

Coverage	Rates
Fire	\$0.10
Theft	0.05
Windstorm	0.05
Combined Additional Coverage without Malicious Mischief & Vandalism	0.10
Combined Additional Coverage with Malicious Mischief & Vandalism	0.15
Comprehensive – Full Coverage – (Cov. Code 01)	0.55
Comprehensive – \$50 Deductible – (Cov. Code 03)	0.37

**COLLISION PREMIUMS – ALL CLASSES – ENTIRE STATE**

Original Cost New at Factory	\$25 Deduct.	\$50 Deduct.	\$100 Deduct.
<b>\$ 0 – \$ 400</b>	\$ 7	\$ 4	\$ 3
<b>401 – 600</b>	9	6	5
<b>601 – 800</b>	12	8	6
<b>801 – 1,000</b>	15	10	8
<b>1,001 – 1,500</b>	23	15	12
<b>1,501 – 2,000</b>	29	19	15
<b>2,001 – 2,500</b>	35	23	18
<b>2,501 – 3,000</b>	41	27	22
<b>Each Additional \$500 Over \$3,000</b>	5	4	3

**19. MISCELLANEOUS TYPES (Cont'd)**

**B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes**

**Liability Coverages Only**

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage and medical payments\* rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage	Medical Payments*
0 - 499	0.15	0.36
500 - 1249	0.24	0.36
1250 - 1499	0.33	0.36
1500 - up	0.44	0.36

\* Note: Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage
0 - 499	0.15
500 - 1249	0.24
1250 - 1499	0.33
1500 - up	0.43

**Physical Damage Coverages Only**

All Motorcycles and Motorscooters with three wheel chassis shall be rated as Commercial Types. Motorcycles with side-car attachment used for transportation or delivery of goods or merchandise shall be rated as Commercial Types.

	MOTOR-CYCLES (Except COMMERCIAL TYPES)	MOTOR-SCOOTERS (Except COMMERCIAL TYPES)	COMMERCIAL TYPES (Motorcycles and Motorscooters)
<b>RATES PER \$100 OF INSURANCE</b>			
Fire Rates -	\$ .50	\$.50	\$.50
Theft Rates -	1.14	.88	.50

**Combined Additional Coverage without Malicious Mischief & Vandalism** - 17 cents per \$100 of insurance.

**Combined Additional Coverage with Malicious Mischief & Vandalism** - 22 cents per \$100 of insurance.

**Collision** - MOTORCYCLES AND MOTORSCOOTERS (Except Commercial Types):

1989 and Prior Model Years

Charge the following Percentages of the Symbol 7 Private Passenger Collision Rate for the applicable model year:

1990 and Subsequent Model Years

Charge the following Percentages of the Symbol 2 Private Passenger Collision Rate for the applicable model year:

Engine Size Cubic Centimeters (cc)	Percentage
0 - 100	29%
101 - 200	48%
201 - 300	66%
301 - 450	106%
451 - 600	115%
601 - 750	161%
751 - 900	220%
901 - 1,000	286%
Over 1,000	353%

**Collision** - COMMERCIAL TYPES (Motorcycles and Motorscooters):

Charge 75% of the Collision premiums for symbols determined in accordance with the table above.

**Note**

The Classification and Sub-Classification Rating Plans are applicable in rating all vehicles under this rule for all coverages. (See Rule 4. and Rule 5.)

**C. SNOWMOBILES** and similar vehicles equipped for travel over ice and snow, used principally off public roads, shall be rated as follows:

**Liability Coverages Only**

(Class Code 967000) - Excluding Passenger Hazard

(Class Code 959000) - Including Passenger Hazard

1. Bodily Injury (excluding the passenger hazard) - \$20, \$30,000/60,000 limits.  
Bodily Injury (including the passenger hazard) - \$60, \$30,000/60,000 limits.
2. Property Damage - \$10, \$25,000 limits
3. Medical Payments - \$10, \$500 per person (no other limits).
4. Uninsured Motorists Coverage  
Charge rates shown in Rule 14.
5. All rates apply for the period of coverage.
6. The applicable endorsement shall be attached to the policy.

**19. MISCELLANEOUS TYPES (Cont'd)**

**Physical Damage Coverages Only**  
(Class Code 959000)

- 7. Comprehensive  
\$100 Deductible – \$2.00 per \$100.
- 8. Collision  
\$100 Deductible – \$2.00 per \$100.

**Note**

- a. Only Stated Amount Coverage is available.
  - b. A snowmobile and trailer designed to be towed by the snowmobile shall be considered one unit for determining the deductible amount to any loss, provided said trailer is described in the schedule on the endorsement.
9. The applicable endorsement shall be attached to the policy.
10. All rates apply for the period of coverage.

**D. Golfmobiles**

Vehicles commonly known as Golfmobiles, used principally off public roads, not used for commercial purposes, with capacity to carry one or more persons.

**Note**

Vehicles of this type not meeting the above qualifications, rate as a motorcycle.

**Liability Coverages Only**

- 1. Charge 25% of the applicable private passenger Base Premiums. (Class Code 943500)
- 2. All rates apply for the period of coverage.

**Physical Damage Coverages Only**

**Fire** – \$.60 per \$100 of Insurance.  
**Theft** – \$.20 per \$100 of Insurance.

**Collision –**

Original Cost New	\$25 Ded.	\$50 Ded.	\$100 Ded.
\$ 0 – 750	\$16	\$10	\$ 8
751 & Over	24	15	10

**E. Antique Autos**

An antique auto is a motor vehicle of the private passenger type which is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.

**Liability Coverages Only**

Charge 40% of the private passenger base premiums. (Class Code 962000)

**Physical Damage Coverages Only**

These vehicles are to be insured on Stated Amount basis only. The rates are as shown below (Class Code 962000).

**Rate Per \$100 of Insurance**

Deductible	Comprehensive	Collision	Fire	Theft
\$ 50	\$1.25	\$1.50	\$.35	\$.35
100	1.10	1.25	.31	.31
250	.96	1.00	.27	.27
500	.74	.75	.21	.21

**F. Classic Autos**

A classic auto is a motor vehicle of the private passenger type which is 10 or more years old and may be used on a regular basis. Its value is significantly higher than the average value of other autos of the same make and model year.

**Liability, Medical Payments, Uninsured and Underinsured Motorists**

Classify and rate as a private passenger auto.

**Physical Damage**

Attach the coverage for damage to your auto (stated amount maximum limit of liability) endorsement.

- 1. Determine the stated amount of coverage applicable to the vehicle.
- 2. Assign a symbol based on the stated amount, from the table for 1990 and subsequent model years on Page 1. of the Symbol and Identification Section.

**Note**

Prior to October 1, 1989, the table for 1981-1989 model years in the Symbol and Identification Section should be used for symbol assignment.

- 3. Classify and rate as a private passenger auto using the base rate for the current model year.

**20. FINANCED AUTOS**

Financed autos shall be written at manual rates and minimum charges except for single interest coverages.

For single interest rates, rules and forms, refer to company.



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## 21. STATE RATE, TERRITORY SHEETS

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- A. The state rate sheets show rates by territory.
- B. The territory sheets contain the definitions of the territorial divisions into which the state is divided and show for each territory the statistical code and the number of the rate schedule on the state rate sheets to be used.
  - 1. Each territory as defined embraces a certain area, usually a city and its surroundings. In many cases the area so defined includes several smaller cities, towns, and villages. The following provisions are applicable in this connection:
    - a. Any city, town, or village not specifically mentioned as included within a defined territory but which is inside of the boundary of the area so defined, shall take the territory schedule for that defined territory.
    - b. If a city, town, or village extends into more than one defined territory, the territory schedule for the higher rated territory applies to the entire city, town, or village.
    - c. Unless otherwise indicated, if a street, avenue or other public way serves as a dividing line between two territories, except when the public way serves as a boundary line of any political subdivision (state, county, township, city, town, village, etc.), the rates applicable to the lower rated of the two territories shall apply to autos principally garaged on either side of such street or avenue.
  - 2. The territory sheets also contain a list of Important Cities and Towns in a state indicating the counties in which such towns are located and the territories to which they are assigned. The rate territory for a town not listed should be determined as follows:
    - a. Ascertain the county in which the town is located.
    - b. If the name of the county is included in the list of territory definitions for the state as divided into two or more rate territories, it will be necessary to refer to a map to determine in which of the rate territories the town belongs.
    - c. If the county is not so listed, then the entire county and all towns in it take the rates for the Remainder of State schedule.

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## 22. INSTALLMENT PAYMENTS

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The total premium for an auto policy is due and payable at the beginning of the policy period, unless the policy is issued on an installment payment basis in accordance with the following rules:

- A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B. An additional charge of \$3.00 shall be made for each installment.
- C. The premium paid to the company exclusive of the total installment payment charge shall never be less than the pro rata charge from the effective date of the policy to the due date of the next installment, where additional installments are to be paid, or to expiration of the policy where no further installments are due.
- D. Flat cancellation shall be accepted on business written on an installment basis only if there has been no coverage under the policy and the policy is returned to the company within thirty days. In all other cases, a pro rata earned premium shall be due to the company.
- E. This rule does not preclude the use of an installment payment plan which provides for deferring the due date of installment if the insurance is under suspension on the original due date.

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## 23. EXCESS INDEMNITY POLICY

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Bodily injury and property damage liability limits over primary limits may be afforded under an Excess Indemnity Policy with respect to an automobile classified and rated as a private passenger automobile. Primary insurance must be in force with respect to the automobile and the risk unable to obtain higher limits. If the company providing the excess limits coverage also provides the primary coverage to a risk, a letter of consent, signed by the insured, shall be secured and retained in the company's files. Refer to company for rating.

Bodily injury and property damage excess limits may be afforded separately or in conjunction with Medical Payments Insurance, Medical Payments Coverage is available on a \$100 deductible basis only. Refer to company for rating.

**PERSONAL AUTO MANUAL  
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**NORTH CAROLINA (32)**

**VOLUNTARY BUSINESS\***

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	300/300	25,000	50,000	100,000	500	750	1,000	2,000	5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	1	4	5	6	1	2	3	4	6
11	\$138	\$167	\$204	\$240	\$182	\$183	\$185	\$17	\$23	\$27	\$40	\$57
13	203	246	300	353	215	216	219	24	32	38	56	81
14	193	234	286	336	205	206	209	23	31	37	54	78
15	211	255	312	367	200	201	204	25	33	40	59	85
16	187	226	277	325	212	213	216	22	29	35	51	74
17	218	264	323	379	221	222	225	26	35	42	61	88
18	176	213	260	306	188	189	191	21	28	34	49	71
24	158	191	234	275	163	164	166	19	25	30	44	64
25	216	261	320	376	203	204	207	26	35	42	61	88
26	249	301	369	433	179	180	182	30	40	48	70	101
31	197	238	292	343	190	191	193	24	32	38	56	81
32	162	196	240	282	176	177	179	19	25	30	44	64
33	197	238	292	343	163	164	166	24	32	38	56	81
40	256	310	379	445	226	227	230	31	41	50	73	105
41	198	240	293	345	208	209	212	24	32	38	56	81
43	191	231	283	332	171	172	174	23	31	37	54	78
47	204	247	302	355	167	168	170	25	33	40	59	85
51	156	189	231	271	199	200	203	19	25	30	44	64
52	220	266	326	383	226	227	230	26	35	42	61	88

\* Including "clean risks" ceded to the North Carolina Reinsurance Facility.  
See Premium Determination Rule for the definition of "clean risks".

CEDED BUSINESS\*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	250/500	25,000	50,000	100,000	500	750	1,000	2,000	5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	7	4	5	6	1	2	3	4	6
11	\$185	\$224	\$274	\$331	\$218	\$219	\$222	\$19	\$25	\$30	\$44	\$64
13	271	328	401	485	252	254	257	28	37	45	66	95
14	258	312	382	462	241	242	245	27	36	43	63	91
15	293	355	434	524	237	238	241	31	41	50	73	105
16	262	317	388	469	256	258	261	28	37	45	66	95
17	296	358	438	530	270	272	275	31	41	50	73	105
18	249	301	369	446	230	231	234	26	35	42	61	88
24	216	261	320	387	193	194	196	23	31	37	54	78
25	316	382	468	566	255	257	260	33	44	53	77	112
26	350	424	518	627	215	216	219	37	49	59	87	125
31	264	319	391	473	227	228	231	28	37	45	66	95
32	221	267	327	396	208	209	212	23	31	37	54	78
33	262	317	388	469	195	196	199	28	37	45	66	95
40	347	420	514	621	268	270	273	36	48	58	84	122
41	258	312	382	462	255	257	260	27	36	43	63	91
43	252	305	373	451	206	207	210	26	35	42	61	88
47	287	347	425	514	200	201	204	30	40	48	70	101
51	211	255	312	378	241	242	245	22	29	35	51	74
52	305	369	451	546	272	274	277	32	43	51	75	108

\* Excluding "clean risks" as defined under the Premium Determination Rule.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	216	207	197	186	176	165	148	136	125	113	101	1	49
2	247	235	223	212	200	186	169	155	141	127	115	2	59
3	287	273	259	244	233	216	197	181	165	148	134	3	73
4	310	296	282	266	251	235	214	195	179	160	146	4	82
5	331	315	298	284	268	249	226	207	188	169	155	5	96
6	348	331	315	298	282	261	240	219	200	179	162	6	106
7	362	345	329	310	294	273	249	228	207	186	169	7	115
8	378	360	341	324	306	284	259	237	216	195	176	8	139
10	402	383	364	345	327	303	275	254	230	207	188	10	160
11	423	402	381	362	341	317	289	266	242	216	197	11	174
12	435	414	392	371	353	327	298	273	249	223	202	12	193
13	451	430	409	388	367	341	310	284	259	233	212	13	207
14	482	458	435	414	390	362	329	303	275	247	226	14	230
15	505	482	458	435	409	381	348	317	289	261	235	15	249
16	526	501	475	451	425	395	360	331	301	270	244	16	275
17	545	519	494	468	442	411	374	343	313	280	254	17	291
18	576	548	519	494	465	432	395	362	329	296	268	18	317
19	599	571	543	515	486	451	411	376	343	308	280	19	336
20	620	590	559	531	501	465	425	390	355	320	289	20	355
21	644	613	583	552	522	484	442	404	369	331	301	21	404
22	679	646	613	583	550	510	465	428	388	350	317		
23	705	672	639	604	571	531	484	444	404	362	329		
24	738	703	667	632	597	555	505	463	421	378	345		
25	797	759	721	684	646	599	548	501	456	409	371		
26	865	823	783	740	700	651	592	543	494	444	404		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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TERRITORY 13

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
1	40	37	35	34	32	30	28	26	24	22	20	1	8
2	55	52	49	47	44	42	39	36	33	31	28	2	9
3	62	59	56	53	50	47	44	41	37	35	32	3	12
4	68	65	62	59	55	52	49	45	42	38	35	4	15
5	77	73	70	66	62	59	55	50	47	43	40	5	18
6	87	83	79	74	70	66	62	57	53	49	45	6	23
7	95	90	86	82	77	72	68	62	58	54	49	7	28
8	103	98	94	88	84	79	74	68	63	58	53	8	33
10	111	106	101	96	90	85	80	73	68	62	57	10	42
11	121	115	109	103	98	92	86	79	73	68	62	11	51
12	132	125	119	113	107	100	94	86	80	74	68	12	60
13	141	135	128	121	114	108	101	93	86	80	73	13	70
14	153	146	138	131	124	116	109	100	93	86	79	14	83
15	168	160	152	144	136	128	120	111	102	95	86	15	100
16	185	176	167	159	150	141	132	122	113	104	95	16	121
17	204	194	185	175	165	155	146	134	124	115	105	17	146
18	223	213	202	191	181	170	160	147	136	125	115	18	174
19	243	232	220	209	197	186	174	160	148	137	125	19	207
20	270	257	244	231	218	205	193	177	164	151	139	20	246
21	300	285	271	257	243	228	214	197	183	168	154	21	341
22	338	322	306	290	274	257	241	222	206	190	174		
23	379	360	342	324	306	288	270	249	231	213	194		
24	438	418	397	376	355	334	313	288	267	246	226		
25	539	514	488	462	437	411	385	355	329	303	278		
26	662	631	599	568	536	504	473	435	404	372	341		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
1	229	219	209	197	187	174	157	144	132	120	107	1	52
2	261	249	237	224	212	197	179	164	149	134	122	2	62
3	304	289	274	259	247	229	209	192	174	157	142	3	77
4	329	314	299	281	266	249	227	207	189	169	154	4	87
5	351	334	316	301	284	264	239	219	199	179	164	5	102
6	369	351	334	316	299	276	254	232	212	189	172	6	112
7	383	366	349	329	311	289	264	242	219	197	179	7	122
8	401	381	361	344	324	301	274	251	229	207	187	8	147
10	426	406	386	366	346	321	291	269	244	219	199	10	169
11	448	426	403	383	361	336	306	281	256	229	209	11	184
12	461	438	416	393	374	346	316	289	264	237	214	12	204
13	478	456	433	411	388	361	329	301	274	247	224	13	219
14	510	486	461	438	413	383	349	321	291	261	239	14	244
15	535	510	486	461	433	403	369	336	306	276	249	15	264
16	558	530	503	478	451	418	381	351	319	286	259	16	291
17	578	550	523	496	468	436	396	364	331	296	269	17	309
18	610	580	550	523	493	458	418	383	349	314	284	18	336
19	635	605	575	545	515	478	436	398	364	326	296	19	356
20	657	625	593	563	530	493	451	413	376	339	306	20	376
21	682	650	618	585	553	513	468	428	391	351	319	21	428
22	720	685	650	618	583	540	493	453	411	371	336		
23	747	712	677	640	605	563	513	471	428	383	349		
24	782	745	707	670	632	588	535	491	446	401	366		
25	844	804	764	725	685	635	580	530	483	433	393		
26	916	872	829	784	742	690	627	575	523	471	428		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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TERRITORY 14**

**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	33	32	30	29	27	26	24	22	20	18	17	1	7
2	46	44	42	40	37	35	33	30	28	26	24	2	7
3	52	50	47	45	42	40	37	34	32	29	27	3	11
4	58	55	52	50	47	44	41	38	35	33	30	4	13
5	65	62	59	56	53	50	47	43	40	37	33	5	15
6	73	70	66	63	59	56	52	48	45	41	38	6	19
7	81	77	73	69	65	61	58	53	49	45	41	7	24
8	87	83	79	75	71	66	62	57	53	49	45	8	28
10	94	90	85	81	76	72	67	62	58	53	48	10	36
11	102	97	92	88	83	78	73	67	62	57	52	11	43
12	111	106	101	95	90	85	80	73	68	62	57	12	51
13	120	114	108	103	97	91	85	79	73	67	62	13	59
14	129	123	117	111	105	99	92	85	79	73	66	14	70
15	142	136	129	122	115	108	102	94	87	80	73	15	84
16	157	149	142	134	127	119	112	103	95	88	81	16	103
17	173	165	156	148	140	132	124	114	105	97	89	17	123
18	189	180	171	162	153	144	135	124	115	106	97	18	147
19	206	196	187	176	167	157	147	136	125	116	106	19	176
20	228	217	206	196	185	174	163	150	139	128	117	20	208
21	253	242	230	217	205	193	181	167	154	143	130	21	288
22	286	272	259	245	231	218	204	188	174	161	147		
23	320	305	290	275	259	244	229	210	195	180	165		
24	371	353	336	318	301	282	265	244	226	209	191		
25	456	435	413	391	370	348	326	300	278	257	235		
26	561	534	507	480	454	427	400	368	341	315	288		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	220	210	201	189	179	167	151	139	127	115	103	1	50
2	251	239	227	215	203	189	172	158	143	129	117	2	60
3	292	277	263	249	237	220	201	184	167	151	136	3	74
4	315	301	287	270	256	239	217	198	182	163	148	4	84
5	337	320	304	289	272	253	229	210	191	172	158	5	98
6	354	337	320	304	287	265	244	222	203	182	165	6	108
7	368	351	335	315	299	277	253	232	210	189	172	7	117
8	385	366	347	330	311	289	263	241	220	198	179	8	141
10	409	390	370	351	332	308	280	258	234	210	191	10	163
11	430	409	387	368	347	323	294	270	246	220	201	11	177
12	442	421	399	378	359	332	304	277	253	227	206	12	196
13	459	437	416	394	373	347	315	289	263	237	215	13	210
14	490	466	442	421	397	368	335	308	280	251	229	14	234
15	514	490	466	442	416	387	354	323	294	265	239	15	253
16	535	509	483	459	433	402	366	337	306	275	249	16	280
17	554	528	502	476	449	418	380	349	318	284	258	17	296
18	586	557	528	502	473	440	402	368	335	301	272	18	323
19	609	581	552	523	495	459	418	382	349	313	284	19	342
20	631	600	569	540	509	473	433	397	361	325	294	20	361
21	655	624	593	562	531	492	449	411	375	337	306	21	411
22	691	657	624	593	559	519	473	435	394	356	323		
23	717	684	650	614	581	540	492	452	411	368	335		
24	750	715	679	643	607	564	514	471	428	385	351		
25	810	772	734	695	657	609	557	509	464	416	378		
26	880	837	796	753	712	662	602	552	502	452	411		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	33	32	30	29	27	26	24	22	20	18	17	1	7
2	46	44	42	40	37	35	33	30	28	26	24	2	7
3	52	50	47	45	42	40	37	34	32	29	27	3	11
4	58	55	52	50	47	44	41	38	35	33	30	4	13
5	65	62	59	56	53	50	47	43	40	37	33	5	15
6	73	70	66	63	59	56	52	48	45	41	38	6	19
7	81	77	73	69	65	61	58	53	49	45	41	7	24
8	87	83	79	75	71	66	62	57	53	49	45	8	28
10	94	90	85	81	76	72	67	62	58	53	48	10	36
11	102	97	92	88	83	78	73	67	62	57	52	11	43
12	111	106	101	95	90	85	80	73	68	62	57	12	51
13	120	114	108	103	97	91	85	79	73	67	62	13	59
14	129	123	117	111	105	99	92	85	79	73	66	14	70
15	142	136	129	122	115	108	102	94	87	80	73	15	84
16	157	149	142	134	127	119	112	103	95	88	81	16	103
17	173	165	156	148	140	132	124	114	105	97	89	17	123
18	189	180	171	162	153	144	135	124	115	106	97	18	147
19	206	196	187	176	167	157	147	136	125	116	106	19	176
20	228	217	206	196	185	174	163	150	139	128	117	20	208
21	253	242	230	217	205	193	181	167	154	143	130	21	288
22	286	272	259	245	231	218	204	188	174	161	147		
23	320	305	290	275	259	244	229	210	195	180	165		
24	371	353	336	318	301	282	265	244	226	209	191		
25	456	435	413	391	370	348	326	300	278	257	235		
26	561	534	507	480	454	427	400	368	341	315	288		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	216	207	197	186	176	165	148	136	125	113	101	1	49
2	247	235	223	212	200	186	169	155	141	127	115	2	59
3	287	273	259	244	233	216	197	181	165	148	134	3	73
4	310	296	282	266	251	235	214	195	179	160	146	4	82
5	331	315	298	284	268	249	226	207	188	169	155	5	96
6	348	331	315	298	282	261	240	219	200	179	162	6	106
7	362	345	329	310	294	273	249	228	207	186	169	7	115
8	378	360	341	324	306	284	259	237	216	195	176	8	139
10	402	383	364	345	327	303	275	254	230	207	188	10	160
11	423	402	381	362	341	317	289	266	242	216	197	11	174
12	435	414	392	371	353	327	298	273	249	223	202	12	193
13	451	430	409	388	367	341	310	284	259	233	212	13	207
14	482	458	435	414	390	362	329	303	275	247	226	14	230
15	505	482	458	435	409	381	348	317	289	261	235	15	249
16	526	501	475	451	425	395	360	331	301	270	244	16	275
17	545	519	494	468	442	411	374	343	313	280	254	17	291
18	576	548	519	494	465	432	395	362	329	296	268	18	317
19	599	571	543	515	486	451	411	376	343	308	280	19	336
20	620	590	559	531	501	465	425	390	355	320	289	20	355
21	644	613	583	552	522	484	442	404	369	331	301	21	404
22	679	646	613	583	550	510	465	428	388	350	317		
23	705	672	639	604	571	531	484	444	404	362	329		
24	738	703	667	632	597	555	505	463	421	378	345		
25	797	759	721	684	646	599	548	501	456	409	371		
26	865	823	783	740	700	651	592	543	494	444	404		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	213	203	194	182	173	162	146	134	122	111	99	1	49
2	243	231	219	208	196	182	166	152	139	125	113	2	58
3	282	268	254	240	229	213	194	178	162	146	132	3	72
4	305	291	277	261	247	231	210	192	176	157	143	4	81
5	326	310	293	280	263	245	222	203	185	166	152	5	95
6	342	326	310	293	277	256	236	215	196	176	159	6	104
7	356	340	323	305	289	268	245	224	203	182	166	7	113
8	372	353	335	319	300	280	254	233	213	192	173	8	136
10	395	377	358	340	321	298	270	249	226	203	185	10	157
11	416	395	374	356	335	312	284	261	238	213	194	11	171
12	427	407	386	365	347	321	293	268	245	219	199	12	189
13	444	423	402	381	360	335	305	280	254	229	208	13	203
14	474	450	427	407	383	356	323	298	270	243	222	14	226
15	497	474	450	427	402	374	342	312	284	256	231	15	245
16	517	492	467	444	418	388	353	326	296	266	240	16	270
17	536	511	485	460	434	404	367	337	307	275	249	17	286
18	566	538	511	485	457	425	388	356	323	291	263	18	312
19	589	561	534	506	478	444	404	370	337	303	275	19	330
20	610	580	550	522	492	457	418	383	349	314	284	20	349
21	633	603	573	543	513	476	434	397	363	326	296	21	397
22	668	635	603	573	541	501	457	420	381	344	312		
23	693	661	628	594	561	522	476	437	397	356	323		
24	725	691	656	621	587	545	497	455	413	372	340		
25	783	746	709	672	635	589	538	492	448	402	365		
26	850	809	769	728	688	640	582	534	485	437	397		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.



FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	224	215	205	193	183	171	154	142	129	117	105	1	51
2	256	244	232	220	207	193	176	161	146	132	120	2	61
3	298	283	268	254	242	224	205	188	171	154	139	3	76
4	322	307	293	276	261	244	222	203	185	166	151	4	85
5	344	327	310	295	278	259	234	215	195	176	161	5	100
6	361	344	327	310	293	271	249	227	207	185	168	6	110
7	376	359	342	322	305	283	259	237	215	193	176	7	120
8	393	373	354	337	317	295	268	246	224	203	183	8	144
10	417	398	378	359	339	315	285	264	239	215	195	10	166
11	439	417	395	376	354	329	300	276	251	224	205	11	181
12	451	429	407	386	366	339	310	283	259	232	210	12	200
13	468	447	425	403	381	354	322	295	268	242	220	13	215
14	500	476	451	429	405	376	342	315	285	256	234	14	239
15	525	500	476	451	425	395	361	329	300	271	244	15	259
16	547	520	493	468	442	410	373	344	312	281	254	16	285
17	566	539	512	486	459	427	388	356	325	290	264	17	303
18	598	569	539	512	483	449	410	376	342	307	278	18	329
19	622	593	564	534	505	468	427	390	356	320	290	19	349
20	644	612	581	551	520	483	442	405	368	332	300	20	368
21	669	637	605	573	542	503	459	420	383	344	312	21	420
22	705	671	637	605	571	529	483	444	403	364	329		
23	732	698	664	627	593	551	503	461	420	376	342		
24	766	730	693	656	620	576	525	481	437	393	359		
25	827	788	749	710	671	622	569	520	473	425	386		
26	898	854	813	769	727	676	615	564	512	461	420		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	33	32	30	29	27	26	24	22	20	18	17	1	7
2	46	44	42	40	37	35	33	30	28	26	24	2	7
3	52	50	47	45	42	40	37	34	32	29	27	3	11
4	58	55	52	50	47	44	41	38	35	33	30	4	13
5	65	62	59	56	53	50	47	43	40	37	33	5	15
6	73	70	66	63	59	56	52	48	45	41	38	6	19
7	81	77	73	69	65	61	58	53	49	45	41	7	24
8	87	83	79	75	71	66	62	57	53	49	45	8	28
10	94	90	85	81	76	72	67	62	58	53	48	10	36
11	102	97	92	88	83	78	73	67	62	57	52	11	43
12	111	106	101	95	90	85	80	73	68	62	57	12	51
13	120	114	108	103	97	91	85	79	73	67	62	13	59
14	129	123	117	111	105	99	92	85	79	73	66	14	70
15	142	136	129	122	115	108	102	94	87	80	73	15	84
16	157	149	142	134	127	119	112	103	95	88	81	16	103
17	173	165	156	148	140	132	124	114	105	97	89	17	123
18	189	180	171	162	153	144	135	124	115	106	97	18	147
19	206	196	187	176	167	157	147	136	125	116	106	19	176
20	228	217	206	196	185	174	163	150	139	128	117	20	208
21	253	242	230	217	205	193	181	167	154	143	130	21	288
22	286	272	259	245	231	218	204	188	174	161	147		
23	320	305	290	275	259	244	229	210	195	180	165		
24	371	353	336	318	301	282	265	244	226	209	191		
25	456	435	413	391	370	348	326	300	278	257	235		
26	561	534	507	480	454	427	400	368	341	315	288		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	211	202	192	181	172	160	144	133	121	110	98	1	48
2	240	229	218	206	195	181	165	151	137	124	112	2	57
3	279	266	252	238	227	211	192	176	160	144	131	3	71
4	302	289	275	259	245	229	208	190	174	156	142	4	80
5	323	307	291	277	261	243	220	202	183	165	151	5	94
6	339	323	307	291	275	254	234	213	195	174	158	6	103
7	353	337	321	302	286	266	243	222	202	181	165	7	112
8	369	350	332	316	298	277	252	231	211	190	172	8	135
10	392	373	355	337	318	295	268	247	224	202	183	10	156
11	412	392	371	353	332	309	282	259	236	211	192	11	169
12	424	403	382	362	344	318	291	266	243	218	197	12	188
13	440	419	398	378	357	332	302	277	252	227	206	13	202
14	469	447	424	403	380	353	321	295	268	240	220	14	224
15	492	469	447	424	398	371	339	309	282	254	229	15	243
16	513	488	463	440	414	385	350	323	293	263	238	16	268
17	531	506	481	456	431	401	364	334	305	273	247	17	284
18	561	534	506	481	453	421	385	353	321	289	261	18	309
19	584	556	529	502	474	440	401	366	334	300	273	19	327
20	605	575	545	518	488	453	414	380	346	311	282	20	346
21	627	598	568	538	508	472	431	394	360	323	293	21	394
22	662	630	598	568	536	497	453	417	378	341	309		
23	687	655	623	589	556	518	472	433	394	353	321		
24	719	685	650	616	582	540	492	451	410	369	337		
25	776	740	703	666	630	584	534	488	444	398	362		
26	843	802	763	721	682	634	577	529	481	433	394		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	43	41	39	37	35	33	31	29	26	24	22	1	9
2	60	57	54	51	48	46	43	39	36	34	31	2	10
3	68	64	61	58	55	51	48	44	41	38	35	3	14
4	75	71	68	64	60	57	54	49	46	42	39	4	17
5	84	80	76	72	68	64	60	55	51	47	43	5	19
6	95	91	86	82	77	72	68	63	58	54	49	6	25
7	104	99	94	89	84	79	75	68	63	59	54	7	31
8	113	108	103	97	92	86	81	74	69	64	58	8	36
10	122	116	111	105	99	93	87	80	75	68	63	10	46
11	132	126	120	113	107	101	95	87	80	74	68	11	56
12	144	137	131	124	117	110	103	95	88	81	74	12	66
13	155	148	140	133	125	118	111	102	95	87	80	13	77
14	168	160	152	144	136	128	120	110	102	94	86	14	91
15	184	176	167	158	149	140	132	121	112	104	95	15	109
16	203	193	184	174	164	154	145	133	124	114	104	16	133
17	224	213	202	192	181	170	160	147	136	126	115	17	160
18	245	233	222	210	198	186	175	161	149	137	126	18	190
19	267	254	242	229	216	203	191	176	162	150	137	19	227
20	296	282	267	254	239	225	211	194	180	166	152	20	270
21	328	313	298	282	266	250	235	216	200	185	169	21	373
22	371	353	335	317	300	282	264	243	226	208	190		
23	415	395	375	356	336	316	296	272	253	233	213		
24	481	458	435	412	389	366	343	316	293	270	247		
25	591	563	535	507	479	450	422	389	360	332	304		
26	726	691	657	622	588	553	519	477	442	408	373		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	217	208	198	186	177	165	149	137	125	113	101	1	50
2	248	236	224	212	201	186	170	156	142	127	116	2	59
3	288	274	260	245	234	217	198	182	165	149	135	3	73
4	312	297	283	267	253	236	215	196	179	160	146	4	83
5	333	316	300	286	269	250	227	208	189	170	156	5	97
6	349	333	316	300	283	262	241	219	201	179	163	6	106
7	363	347	330	312	295	274	250	229	208	186	170	7	116
8	380	361	342	326	307	286	260	238	217	196	177	8	139
10	404	385	366	347	328	304	276	255	231	208	189	10	160
11	425	404	382	363	342	319	290	267	243	217	198	11	175
12	437	415	394	373	354	328	300	274	250	224	203	12	194
13	453	432	411	389	368	342	312	286	260	234	212	13	208
14	484	460	437	415	392	363	330	304	276	248	227	14	231
15	507	484	460	437	411	382	349	319	290	262	236	15	250
16	529	503	477	453	427	396	361	333	302	271	245	16	276
17	548	522	496	470	444	413	375	345	314	281	255	17	293
18	578	550	522	496	467	434	396	363	330	297	269	18	319
19	602	573	545	517	489	453	413	378	345	309	281	19	337
20	623	592	562	533	503	467	427	392	356	321	290	20	356
21	647	616	585	555	524	486	444	406	371	333	302	21	406
22	682	649	616	585	552	512	467	430	389	352	319		
23	708	675	642	607	573	533	486	446	406	363	330		
24	741	706	670	635	599	557	507	465	422	380	347		
25	800	762	725	687	649	602	550	503	458	411	373		
26	868	826	786	743	703	654	595	545	496	446	406		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	36	34	32	31	29	27	25	24	22	20	18	1	7
2	49	47	45	42	40	38	35	32	30	28	25	2	8
3	56	53	50	48	45	42	40	37	34	31	29	3	11
4	62	59	56	53	50	47	44	40	38	35	32	4	14
5	70	66	63	60	56	53	50	46	42	39	36	5	16
6	78	75	71	67	63	60	56	52	48	44	40	6	21
7	86	82	78	74	70	65	62	56	52	48	44	7	25
8	93	89	85	80	76	71	67	61	57	53	48	8	30
10	101	96	91	86	81	77	72	66	62	56	52	10	38
11	109	104	99	94	88	83	78	71	66	61	56	11	46
12	119	113	108	102	96	91	85	78	72	67	61	12	54
13	128	122	116	110	103	97	91	84	78	72	66	13	63
14	138	132	125	118	112	105	99	91	84	78	71	14	75
15	152	145	138	130	123	116	109	100	93	86	78	15	90
16	167	159	151	143	135	127	119	110	102	94	86	16	110
17	185	176	167	158	149	141	132	121	112	104	95	17	132
18	202	192	183	173	164	154	144	133	123	113	104	18	157
19	220	210	199	188	178	168	157	145	134	124	113	19	188
20	244	232	220	209	197	186	174	160	149	137	125	20	222
21	271	258	245	232	219	206	194	178	165	152	139	21	308
22	306	291	276	262	247	233	218	201	186	172	157		
23	342	326	309	293	277	260	244	225	209	192	176		
24	396	377	359	340	321	302	283	260	242	223	204		
25	487	464	441	418	395	371	348	321	297	274	251		
26	599	570	541	513	485	456	428	393	365	337	308		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	228	218	208	196	186	174	156	144	131	119	107	1	52
2	260	248	236	223	211	196	179	164	149	134	122	2	62
3	303	288	273	258	246	228	208	191	174	156	141	3	77
4	327	312	298	280	265	248	226	206	188	169	154	4	87
5	350	332	315	300	283	263	238	218	198	179	164	5	102
6	367	350	332	315	298	275	253	231	211	188	171	6	112
7	382	365	347	327	310	288	263	241	218	196	179	7	122
8	399	379	360	342	322	300	273	250	228	206	186	8	146
10	424	404	384	365	345	320	290	268	243	218	198	10	169
11	446	424	402	382	360	335	305	280	255	228	208	11	184
12	459	436	414	392	372	345	315	288	263	236	213	12	203
13	476	454	432	409	387	360	327	300	273	246	223	13	218
14	508	484	459	436	412	382	347	320	290	260	238	14	243
15	533	508	484	459	432	402	367	335	305	275	248	15	263
16	556	528	501	476	449	417	379	350	317	285	258	16	290
17	575	548	521	494	466	434	394	362	330	295	268	17	308
18	608	578	548	521	491	456	417	382	347	312	283	18	335
19	632	603	573	543	513	476	434	397	362	325	295	19	355
20	655	622	590	560	528	491	449	412	374	337	305	20	374
21	680	647	615	583	551	511	466	427	389	350	317	21	427
22	717	682	647	615	580	538	491	451	409	370	335		
23	744	709	675	637	603	560	511	469	427	382	347		
24	779	742	704	667	630	585	533	489	444	399	365		
25	841	801	761	722	682	632	578	528	481	432	392		
26	913	868	826	781	739	687	625	573	521	469	427		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	52	50	47	45	42	40	37	35	32	29	27	1	10
2	72	69	66	62	59	55	52	48	44	41	37	2	12
3	82	78	74	70	66	62	59	54	50	46	42	3	17
4	90	86	82	78	73	69	65	59	55	51	47	4	20
5	102	97	92	88	83	78	73	67	62	57	52	5	23
6	115	110	104	99	93	88	82	76	70	65	59	6	30
7	126	120	114	108	102	96	90	83	77	71	65	7	37
8	137	130	124	117	111	104	98	90	83	77	70	8	44
10	148	141	134	127	119	112	106	97	90	83	76	10	56
11	160	152	145	137	130	122	115	105	97	90	82	11	68
12	175	166	158	150	141	133	125	115	106	98	90	12	79
13	188	179	170	161	152	143	134	124	115	106	97	13	93
14	203	193	184	174	164	155	145	133	124	114	104	14	110
15	223	213	202	191	181	170	159	147	136	126	115	15	132
16	246	234	222	210	199	187	175	161	150	138	126	16	161
17	271	258	245	233	219	206	194	178	165	152	139	17	193
18	296	282	268	254	240	226	212	195	181	166	152	18	230
19	323	308	293	277	262	246	231	213	197	181	166	19	275
20	358	341	324	307	290	273	256	235	218	201	184	20	326
21	397	379	360	341	322	303	284	262	242	224	204	21	452
22	449	427	406	384	363	342	320	295	273	252	230		
23	502	478	454	431	406	382	359	330	306	282	258		
24	582	554	526	499	471	443	415	382	355	327	299		
25	716	682	648	613	580	545	511	471	436	402	368		
26	879	837	795	753	711	669	628	578	535	494	452		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	236	225	215	202	192	179	161	148	136	123	110	1	54
2	269	256	243	230	218	202	184	169	154	138	125	2	64
3	312	297	282	266	253	236	215	197	179	161	146	3	79
4	338	323	307	289	274	256	233	212	195	174	159	4	90
5	361	343	325	310	292	271	246	225	205	184	169	5	105
6	379	361	343	325	307	284	261	238	218	195	177	6	115
7	394	376	358	338	320	297	271	248	225	202	184	7	125
8	412	392	371	353	333	310	282	259	236	212	192	8	151
10	438	417	397	376	356	330	300	276	251	225	205	10	174
11	461	438	415	394	371	346	315	289	264	236	215	11	189
12	474	451	428	404	384	356	325	297	271	243	220	12	210
13	492	468	445	422	399	371	338	310	282	253	230	13	225
14	525	499	474	451	425	394	358	330	300	269	246	14	251
15	550	525	499	474	445	415	379	346	315	284	256	15	271
16	573	545	517	492	463	430	392	361	328	294	266	16	300
17	594	566	538	509	481	448	407	374	340	305	276	17	317
18	627	596	566	538	507	471	430	394	358	323	292	18	346
19	653	622	591	561	530	492	448	410	374	335	305	19	366
20	676	643	609	579	545	507	463	425	387	348	315	20	387
21	701	668	635	602	568	527	481	440	402	361	328	21	440
22	740	704	668	635	599	556	507	466	422	381	346		
23	768	732	696	658	622	579	527	484	440	394	358		
24	804	765	727	689	650	604	550	504	458	412	376		
25	868	827	786	745	704	653	596	545	497	445	404		
26	942	896	852	806	763	709	645	591	538	484	440		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	40	38	36	34	32	31	29	27	24	22	21	1	8
2	56	53	50	48	45	42	40	37	34	31	29	2	9
3	63	60	57	54	51	48	45	41	38	36	32	3	13
4	69	66	63	60	56	53	50	46	42	39	36	4	15
5	78	75	71	67	64	60	56	51	48	44	40	5	18
6	89	84	80	76	72	67	63	58	54	50	46	6	23
7	97	92	87	83	78	74	69	64	59	55	50	7	29
8	105	100	95	90	85	80	75	69	64	59	54	8	34
10	113	108	103	98	92	86	81	75	69	64	58	10	43
11	123	117	111	105	100	94	88	81	75	69	63	11	52
12	134	128	121	115	109	102	96	88	82	75	69	12	61
13	144	137	130	123	117	110	103	95	88	81	74	13	72
14	156	148	141	134	126	119	111	102	95	87	80	14	84
15	171	163	155	147	139	130	122	113	104	96	88	15	102
16	189	180	171	162	153	144	135	124	115	106	97	16	123
17	208	198	188	179	169	158	149	137	127	117	107	17	148
18	227	217	206	195	184	173	163	149	139	128	117	18	177
19	248	236	225	213	201	189	178	163	151	139	128	19	211
20	275	262	249	236	223	209	197	181	167	154	142	20	251
21	305	291	277	262	248	233	218	201	186	172	157	21	347
22	345	328	312	295	279	262	246	226	210	193	177		
23	386	367	349	331	312	294	276	253	235	217	198		
24	447	426	404	383	362	340	319	294	272	251	230		
25	550	524	498	471	445	419	393	361	335	309	283		
26	675	643	611	579	546	514	482	444	411	379	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	213	204	195	183	174	162	146	135	123	111	100	1	49
2	244	232	220	209	197	183	167	153	139	125	114	2	58
3	283	269	255	241	230	213	195	179	162	146	132	3	72
4	306	292	278	262	248	232	211	193	176	158	144	4	81
5	327	311	295	281	264	246	223	204	186	167	153	5	95
6	343	327	311	295	278	258	237	216	197	176	160	6	104
7	357	341	325	306	290	269	246	225	204	183	167	7	114
8	374	355	336	320	302	281	255	234	213	193	174	8	137
10	397	378	360	341	322	299	271	251	227	204	186	10	158
11	418	397	376	357	336	313	285	262	239	213	195	11	172
12	429	408	387	367	348	322	295	269	246	220	200	12	190
13	445	425	404	383	362	336	306	281	255	230	209	13	204
14	476	452	429	408	385	357	325	299	271	244	223	14	227
15	499	476	452	429	404	376	343	313	285	258	232	15	246
16	520	494	469	445	420	390	355	327	297	267	241	16	271
17	538	513	487	462	436	406	369	339	309	276	251	17	288
18	568	541	513	487	459	427	390	357	325	292	264	18	313
19	592	564	536	508	480	445	406	371	339	304	276	19	332
20	612	582	552	524	494	459	420	385	350	316	285	20	350
21	636	606	575	545	515	478	436	399	364	327	297	21	399
22	670	638	606	575	543	503	459	422	383	346	313		
23	696	664	631	596	564	524	478	438	399	357	325		
24	728	694	659	624	589	548	499	457	415	374	341		
25	786	749	712	675	638	592	541	494	450	404	367		
26	854	812	773	731	691	643	585	536	487	438	399		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	37	35	33	32	30	28	26	25	23	21	19	1	7
2	51	49	47	44	42	39	37	34	31	29	26	2	8
3	58	55	52	50	47	44	42	38	35	33	30	3	12
4	64	61	58	55	52	49	46	42	39	36	33	4	14
5	73	69	66	62	59	55	52	48	44	41	37	5	17
6	82	78	74	70	66	62	58	54	50	46	42	6	22
7	90	85	81	77	73	68	64	59	54	50	46	7	26
8	97	93	88	83	79	74	70	64	59	55	50	8	31
10	105	100	95	90	85	80	75	69	64	59	54	10	40
11	114	108	103	98	92	87	81	74	69	64	58	11	48
12	124	118	112	106	100	95	89	81	75	70	64	12	56
13	133	127	121	114	108	101	95	88	81	75	69	13	66
14	144	137	130	123	117	110	103	95	88	81	74	14	78
15	158	151	144	136	128	121	113	104	97	89	81	15	94
16	174	166	158	149	141	133	124	115	106	98	90	16	114
17	193	183	174	165	156	147	138	126	117	108	99	17	137
18	210	200	191	180	171	160	150	138	128	118	108	18	164
19	229	219	208	196	186	175	164	151	140	129	118	19	196
20	254	242	230	218	206	194	182	167	155	143	131	20	232
21	282	269	256	242	229	215	202	186	172	159	145	21	321
22	319	303	288	273	258	243	227	209	194	179	164		
23	357	340	322	306	289	271	255	234	218	200	183		
24	413	393	374	354	335	315	295	271	252	232	213		
25	508	484	460	436	412	387	363	334	310	286	262		
26	624	594	564	535	505	475	446	410	380	351	321		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	208	199	190	179	170	158	142	131	120	108	97	1	47
2	237	226	215	203	192	179	163	149	136	122	111	2	57
3	276	262	249	235	224	208	190	174	158	142	129	3	70
4	298	285	271	255	242	226	206	188	172	154	140	4	79
5	319	303	287	273	258	240	217	199	181	163	149	5	93
6	334	319	303	287	271	251	231	210	192	172	156	6	102
7	348	332	316	298	283	262	240	219	199	179	163	7	111
8	364	346	328	312	294	273	249	228	208	188	170	8	133
10	386	368	350	332	314	292	264	244	221	199	181	10	154
11	407	386	366	348	328	305	278	255	233	208	190	11	167
12	418	398	377	357	339	314	287	262	240	215	194	12	185
13	434	414	393	373	353	328	298	273	249	224	203	13	199
14	463	441	418	398	375	348	316	292	264	237	217	14	221
15	486	463	441	418	393	366	334	305	278	251	226	15	240
16	506	481	457	434	409	380	346	319	289	260	235	16	264
17	524	499	475	450	425	396	359	330	301	269	244	17	280
18	554	527	499	475	447	416	380	348	316	285	258	18	305
19	576	549	522	495	468	434	396	362	330	296	269	19	323
20	597	567	538	511	481	447	409	375	341	307	278	20	341
21	619	590	560	531	502	466	425	389	355	319	289	21	389
22	653	622	590	560	529	490	447	411	373	337	305		
23	678	646	615	581	549	511	466	427	389	348	316		
24	710	676	642	608	574	533	486	445	405	364	332		
25	766	730	694	658	622	576	527	481	438	393	357		
26	832	791	753	712	673	626	570	522	475	427	389		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	60	57	54	51	48	46	43	40	36	33	31	1	12
2	83	79	75	71	67	63	59	55	51	47	43	2	13
3	94	89	85	81	76	71	67	62	57	53	48	3	19
4	103	99	94	89	84	79	74	68	63	58	54	4	23
5	117	111	106	100	95	89	84	77	71	66	60	5	27
6	132	126	119	113	107	100	94	87	81	74	68	6	35
7	145	137	130	124	117	110	103	95	88	81	74	7	43
8	156	149	142	134	127	119	112	103	96	88	81	8	51
10	169	161	153	145	137	129	121	111	103	95	87	10	64
11	183	175	166	157	149	140	131	120	111	103	94	11	77
12	200	190	181	171	162	152	143	131	122	112	103	12	91
13	215	205	194	184	174	164	153	141	131	121	111	13	107
14	232	221	210	199	188	177	166	152	141	130	119	14	126
15	255	243	231	219	207	194	182	168	156	144	131	15	152
16	281	268	254	241	228	214	201	185	171	158	145	16	184
17	310	295	280	266	251	236	222	204	189	175	160	17	221
18	339	323	307	291	275	258	243	223	207	190	175	18	264
19	370	352	335	317	299	282	265	243	225	208	190	19	315
20	410	390	371	352	332	312	293	269	250	230	211	20	374
21	455	434	412	390	369	347	325	299	277	256	234	21	517
22	514	489	465	440	416	391	367	337	313	288	264		
23	575	547	520	493	465	438	411	378	351	323	295		
24	666	634	603	571	540	507	476	438	406	374	343		
25	819	781	742	702	664	624	585	539	499	461	422		
26	1006	958	910	863	814	766	719	661	613	566	517		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	224	214	204	192	182	170	153	141	129	117	104	1	51
2	255	243	231	219	207	192	175	160	146	131	119	2	61
3	296	282	267	253	241	224	204	187	170	153	139	3	75
4	321	306	292	275	260	243	221	202	185	165	151	4	85
5	343	326	309	294	277	258	233	214	194	175	160	5	100
6	360	343	326	309	292	270	248	226	207	185	168	6	109
7	374	357	340	321	304	282	258	236	214	192	175	7	119
8	391	372	352	335	316	294	267	245	224	202	182	8	143
10	416	396	377	357	338	313	284	262	238	214	194	10	165
11	437	416	394	374	352	328	299	275	250	224	204	11	180
12	450	428	406	384	365	338	309	282	258	231	209	12	199
13	467	445	423	401	379	352	321	294	267	241	219	13	214
14	498	474	450	428	403	374	340	313	284	255	233	14	238
15	522	498	474	450	423	394	360	328	299	270	243	15	258
16	544	518	491	467	440	408	372	343	311	279	253	16	284
17	564	537	510	484	457	425	386	355	323	289	262	17	301
18	595	566	537	510	481	447	408	374	340	306	277	18	328
19	620	590	561	532	503	467	425	389	355	318	289	19	347
20	642	610	578	549	518	481	440	403	367	330	299	20	367
21	666	634	603	571	539	501	457	418	382	343	311	21	418
22	702	668	634	603	569	527	481	442	401	362	328		
23	729	695	661	625	590	549	501	459	418	374	340		
24	763	727	690	654	617	573	522	479	435	391	357		
25	824	785	746	707	668	620	566	518	471	423	384		
26	894	851	809	765	724	673	612	561	510	459	418		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.



FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	41	39	37	35	33	31	29	27	25	23	21	1	8
2	57	54	51	49	46	43	41	37	35	32	29	2	9
3	64	61	58	55	52	49	46	42	39	36	33	3	13
4	71	68	64	61	57	54	51	46	43	40	37	4	16
5	80	76	72	69	65	61	57	52	49	45	41	5	18
6	90	86	82	77	73	69	64	59	55	51	46	6	24
7	99	94	89	85	80	75	71	65	60	56	51	7	29
8	107	102	97	92	87	82	77	70	65	60	55	8	35
10	116	110	105	99	93	88	83	76	71	65	59	10	44
11	125	119	113	107	102	96	90	82	76	70	64	11	53
12	137	130	124	117	111	104	98	90	83	77	70	12	62
13	147	140	133	126	119	112	105	97	90	83	76	13	73
14	159	151	144	136	129	121	113	104	97	89	82	14	86
15	174	166	158	150	141	133	125	115	106	98	90	15	104
16	192	183	174	165	156	146	137	126	117	108	99	16	126
17	212	202	192	182	172	161	152	139	129	119	109	17	151
18	232	221	210	199	188	177	166	152	141	130	119	18	180
19	253	241	229	217	205	193	181	166	154	142	130	19	215
20	280	267	253	240	227	213	200	184	171	157	144	20	255
21	311	296	282	267	252	237	222	205	190	175	160	21	354
22	351	334	318	301	284	267	251	231	214	197	180		
23	393	374	355	337	318	299	281	258	240	221	202		
24	455	434	412	390	369	347	325	299	278	256	234		
25	560	534	507	480	454	427	400	368	341	315	288		
26	688	655	622	590	557	524	491	452	419	387	354		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	271	260	248	233	221	207	186	171	156	142	127	1	62
2	310	295	280	266	251	233	212	195	177	159	145	2	74
3	360	342	325	307	292	271	248	227	207	186	168	3	91
4	389	372	354	333	316	295	268	245	224	201	183	4	103
5	416	395	375	357	336	313	283	260	236	212	195	5	121
6	437	416	395	375	354	327	301	274	251	224	204	6	133
7	454	434	413	389	369	342	313	286	260	233	212	7	145
8	475	451	428	407	384	357	325	298	271	245	221	8	174
10	504	481	457	434	410	381	345	319	289	260	236	10	201
11	531	504	478	454	428	398	363	333	304	271	248	11	218
12	546	519	493	466	443	410	375	342	313	280	254	12	242
13	566	540	513	487	460	428	389	357	325	292	266	13	260
14	605	575	546	519	490	454	413	381	345	310	283	14	289
15	634	605	575	546	513	478	437	398	363	327	295	15	313
16	661	628	596	566	534	496	451	416	378	339	307	16	345
17	684	652	620	587	555	516	469	431	392	351	319	17	366
18	723	687	652	620	584	543	496	454	413	372	336	18	398
19	752	717	681	646	611	566	516	472	431	386	351	19	422
20	779	740	702	667	628	584	534	490	445	401	363	20	445
21	808	770	732	693	655	608	555	507	463	416	378	21	507
22	853	811	770	732	690	640	584	537	487	440	398		
23	885	844	802	758	717	667	608	558	507	454	413		
24	926	882	838	794	749	696	634	581	528	475	434		
25	1000	953	906	858	811	752	687	628	572	513	466		
26	1086	1033	982	929	879	817	743	681	620	558	507		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990- 2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	43	41	39	37	35	33	31	29	26	24	22	1	9
2	60	57	54	51	48	46	43	39	36	34	31	2	10
3	68	64	61	58	55	51	48	44	41	38	35	3	14
4	75	71	68	64	60	57	54	49	46	42	39	4	17
5	84	80	76	72	68	64	60	55	51	47	43	5	19
6	95	91	86	82	77	72	68	63	58	54	49	6	25
7	104	99	94	89	84	79	75	68	63	59	54	7	31
8	113	108	103	97	92	86	81	74	69	64	58	8	36
10	122	116	111	105	99	93	87	80	75	68	63	10	46
11	132	126	120	113	107	101	95	87	80	74	68	11	56
12	144	137	131	124	117	110	103	95	88	81	74	12	66
13	155	148	140	133	125	118	111	102	95	87	80	13	77
14	168	160	152	144	136	128	120	110	102	94	86	14	91
15	184	176	167	158	149	140	132	121	112	104	95	15	109
16	203	193	184	174	164	154	145	133	124	114	104	16	133
17	224	213	202	192	181	170	160	147	136	126	115	17	160
18	245	233	222	210	198	186	175	161	149	137	126	18	190
19	267	254	242	229	216	203	191	176	162	150	137	19	227
20	296	282	267	254	239	225	211	194	180	166	152	20	270
21	328	313	298	282	266	250	235	216	200	185	169	21	373
22	371	353	335	317	300	282	264	243	226	208	190		
23	415	395	375	356	336	316	296	272	253	233	213		
24	481	458	435	412	389	366	343	316	293	270	247		
25	591	563	535	507	479	450	422	389	360	332	304		
26	726	691	657	622	588	553	519	477	442	408	373		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990- 2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	267	255	244	229	218	203	183	168	154	139	125	1	61
2	305	290	276	261	247	229	209	191	174	157	142	2	73
3	354	336	319	302	287	267	244	223	203	183	165	3	90
4	383	365	348	328	310	290	264	241	220	197	180	4	102
5	409	389	368	351	331	307	278	255	232	209	191	5	119
6	429	409	389	368	348	322	296	270	247	220	200	6	131
7	447	426	406	383	363	336	307	281	255	229	209	7	142
8	467	444	421	400	377	351	319	293	267	241	218	8	171
10	496	473	450	426	403	374	339	313	284	255	232	10	197
11	522	496	470	447	421	392	357	328	299	267	244	11	215
12	537	510	484	458	435	403	368	336	307	276	249	12	238
13	557	531	505	479	452	421	383	351	319	287	261	13	255
14	595	566	537	510	481	447	406	374	339	305	278	14	284
15	624	595	566	537	505	470	429	392	357	322	290	15	307
16	650	618	586	557	525	487	444	409	371	334	302	16	339
17	673	641	609	577	545	508	461	423	386	345	313	17	360
18	711	676	641	609	574	534	487	447	406	365	331	18	392
19	740	705	670	635	600	557	508	464	423	380	345	19	415
20	766	728	690	655	618	574	525	481	438	394	357	20	438
21	795	757	719	682	644	597	545	499	455	409	371	21	499
22	838	798	757	719	679	629	574	528	479	432	392		
23	870	829	789	745	705	655	597	548	499	447	406		
24	911	867	824	780	737	684	624	571	519	467	426		
25	983	937	890	844	798	740	676	618	563	505	458		
26	1067	1015	966	914	864	803	731	670	609	548	499		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	40	37	35	34	32	30	28	26	24	22	20	1	8
2	55	52	49	47	44	42	39	36	33	31	28	2	9
3	62	59	56	53	50	47	44	41	37	35	32	3	12
4	68	65	62	59	55	52	49	45	42	38	35	4	15
5	77	73	70	66	62	59	55	50	47	43	40	5	18
6	87	83	79	74	70	66	62	57	53	49	45	6	23
7	95	90	86	82	77	72	68	62	58	54	49	7	28
8	103	98	94	88	84	79	74	68	63	58	53	8	33
10	111	106	101	96	90	85	80	73	68	62	57	10	42
11	121	115	109	103	98	92	86	79	73	68	62	11	51
12	132	125	119	113	107	100	94	86	80	74	68	12	60
13	141	135	128	121	114	108	101	93	86	80	73	13	70
14	153	146	138	131	124	116	109	100	93	86	79	14	83
15	168	160	152	144	136	128	120	111	102	95	86	15	100
16	185	176	167	159	150	141	132	122	113	104	95	16	121
17	204	194	185	175	165	155	146	134	124	115	105	17	146
18	223	213	202	191	181	170	160	147	136	125	115	18	174
19	243	232	220	209	197	186	174	160	148	137	125	19	207
20	270	257	244	231	218	205	193	177	164	151	139	20	246
21	300	285	271	257	243	228	214	197	183	168	154	21	341
22	338	322	306	290	274	257	241	222	206	190	174		
23	379	360	342	324	306	288	270	249	231	213	194		
24	438	418	397	376	355	334	313	288	267	246	226		
25	539	514	488	462	437	411	385	355	329	303	278		
26	662	631	599	568	536	504	473	435	404	372	341		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	216	207	197	186	176	165	148	136	125	113	101	1	49
2	247	235	223	212	200	186	169	155	141	127	115	2	59
3	287	273	259	244	233	216	197	181	165	148	134	3	73
4	310	296	282	266	251	235	214	195	179	160	146	4	82
5	331	315	298	284	268	249	226	207	188	169	155	5	96
6	348	331	315	298	282	261	240	219	200	179	162	6	106
7	362	345	329	310	294	273	249	228	207	186	169	7	115
8	378	360	341	324	306	284	259	237	216	195	176	8	139
10	402	383	364	345	327	303	275	254	230	207	188	10	160
11	423	402	381	362	341	317	289	266	242	216	197	11	174
12	435	414	392	371	353	327	298	273	249	223	202	12	193
13	451	430	409	388	367	341	310	284	259	233	212	13	207
14	482	458	435	414	390	362	329	303	275	247	226	14	230
15	505	482	458	435	409	381	348	317	289	261	235	15	249
16	526	501	475	451	425	395	360	331	301	270	244	16	275
17	545	519	494	468	442	411	374	343	313	280	254	17	291
18	576	548	519	494	465	432	395	362	329	296	268	18	317
19	599	571	543	515	486	451	411	376	343	308	280	19	336
20	620	590	559	531	501	465	425	390	355	320	289	20	355
21	644	613	583	552	522	484	442	404	369	331	301	21	404
22	679	646	613	583	550	510	465	428	388	350	317		
23	705	672	639	604	571	531	484	444	404	362	329		
24	738	703	667	632	597	555	505	463	421	378	345		
25	797	759	721	684	646	599	548	501	456	409	371		
26	865	823	783	740	700	651	592	543	494	444	404		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	38	36	34	33	31	29	27	25	23	21	20	1	8
2	53	50	48	45	43	40	38	35	32	30	27	2	9
3	60	57	54	51	48	45	43	39	36	34	31	3	12
4	66	63	60	57	53	50	47	43	40	37	34	4	15
5	74	71	67	64	60	57	53	49	45	42	38	5	17
6	84	80	76	72	68	64	60	55	51	47	43	6	22
7	92	87	83	79	74	70	66	60	56	52	47	7	27
8	99	95	90	85	81	76	71	65	61	56	51	8	32
10	107	102	97	92	87	82	77	71	66	60	55	10	41
11	116	111	105	100	94	89	83	76	71	65	60	11	49
12	127	121	115	109	103	97	91	83	77	71	65	12	58
13	136	130	123	117	110	104	97	90	83	77	70	13	68
14	147	140	133	126	119	112	105	97	90	83	76	14	80
15	162	154	147	139	131	123	116	107	99	91	83	15	96
16	178	170	161	153	144	136	127	117	109	100	92	16	117
17	197	187	178	169	159	150	141	129	120	111	101	17	140
18	215	205	195	184	174	164	154	141	131	121	111	18	167
19	234	223	212	201	190	179	168	154	143	132	121	19	200
20	260	247	235	223	210	198	186	171	158	146	134	20	237
21	288	275	261	247	234	220	206	190	176	162	148	21	328
22	325	310	294	279	263	248	232	214	198	183	167		
23	364	347	329	312	295	277	260	239	222	205	187		
24	422	402	382	362	342	321	301	277	257	237	217		
25	519	494	470	445	420	395	371	341	316	292	267		
26	637	607	576	546	516	485	455	419	388	358	328		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	213	204	195	183	174	162	146	135	123	111	100	1	49
2	244	232	220	209	197	183	167	153	139	125	114	2	58
3	283	269	255	241	230	213	195	179	162	146	132	3	72
4	306	292	278	262	248	232	211	193	176	158	144	4	81
5	327	311	295	281	264	246	223	204	186	167	153	5	95
6	343	327	311	295	278	258	237	216	197	176	160	6	104
7	357	341	325	306	290	269	246	225	204	183	167	7	114
8	374	355	336	320	302	281	255	234	213	193	174	8	137
10	397	378	360	341	322	299	271	251	227	204	186	10	158
11	418	397	376	357	336	313	285	262	239	213	195	11	172
12	429	408	387	367	348	322	295	269	246	220	200	12	190
13	445	425	404	383	362	336	306	281	255	230	209	13	204
14	476	452	429	408	385	357	325	299	271	244	223	14	227
15	499	476	452	429	404	376	343	313	285	258	232	15	246
16	520	494	469	445	420	390	355	327	297	267	241	16	271
17	538	513	487	462	436	406	369	339	309	276	251	17	288
18	568	541	513	487	459	427	390	357	325	292	264	18	313
19	592	564	536	508	480	445	406	371	339	304	276	19	332
20	612	582	552	524	494	459	420	385	350	316	285	20	350
21	636	606	575	545	515	478	436	399	364	327	297	21	399
22	670	638	606	575	543	503	459	422	383	346	313		
23	696	664	631	596	564	524	478	438	399	357	325		
24	728	694	659	624	589	548	499	457	415	374	341		
25	786	749	712	675	638	592	541	494	450	404	367		
26	854	812	773	731	691	643	585	536	487	438	399		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	Symbol (b)	1989 & prior
1	211	202	192	181	172	160	144	133	121	110	98	1	48
2	240	229	218	206	195	181	165	151	137	124	112	2	57
3	279	266	252	238	227	211	192	176	160	144	131	3	71
4	302	289	275	259	245	229	208	190	174	156	142	4	80
5	323	307	291	277	261	243	220	202	183	165	151	5	94
6	339	323	307	291	275	254	234	213	195	174	158	6	103
7	353	337	321	302	286	266	243	222	202	181	165	7	112
8	369	350	332	316	298	277	252	231	211	190	172	8	135
10	392	373	355	337	318	295	268	247	224	202	183	10	156
11	412	392	371	353	332	309	282	259	236	211	192	11	169
12	424	403	382	362	344	318	291	266	243	218	197	12	188
13	440	419	398	378	357	332	302	277	252	227	206	13	202
14	469	447	424	403	380	353	321	295	268	240	220	14	224
15	492	469	447	424	398	371	339	309	282	254	229	15	243
16	513	488	463	440	414	385	350	323	293	263	238	16	268
17	531	506	481	456	431	401	364	334	305	273	247	17	284
18	561	534	506	481	453	421	385	353	321	289	261	18	309
19	584	556	529	502	474	440	401	366	334	300	273	19	327
20	605	575	545	518	488	453	414	380	346	311	282	20	346
21	627	598	568	538	508	472	431	394	360	323	293	21	394
22	662	630	598	568	536	497	453	417	378	341	309		
23	687	655	623	589	556	518	472	433	394	353	321		
24	719	685	650	616	582	540	492	451	410	369	337		
25	776	740	703	666	630	584	534	488	444	398	362		
26	843	802	763	721	682	634	577	529	481	433	394		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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**NORTH CAROLINA (32)**

<b>FULL COVERAGE COMPREHENSIVE (001)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	40	37	35	34	32	30	28	26	24	22	20	1	8
2	55	52	49	47	44	42	39	36	33	31	28	2	9
3	62	59	56	53	50	47	44	41	37	35	32	3	12
4	68	65	62	59	55	52	49	45	42	38	35	4	15
5	77	73	70	66	62	59	55	50	47	43	40	5	18
6	87	83	79	74	70	66	62	57	53	49	45	6	23
7	95	90	86	82	77	72	68	62	58	54	49	7	28
8	103	98	94	88	84	79	74	68	63	58	53	8	33
10	111	106	101	96	90	85	80	73	68	62	57	10	42
11	121	115	109	103	98	92	86	79	73	68	62	11	51
12	132	125	119	113	107	100	94	86	80	74	68	12	60
13	141	135	128	121	114	108	101	93	86	80	73	13	70
14	153	146	138	131	124	116	109	100	93	86	79	14	83
15	168	160	152	144	136	128	120	111	102	95	86	15	100
16	185	176	167	159	150	141	132	122	113	104	95	16	121
17	204	194	185	175	165	155	146	134	124	115	105	17	146
18	223	213	202	191	181	170	160	147	136	125	115	18	174
19	243	232	220	209	197	186	174	160	148	137	125	19	207
20	270	257	244	231	218	205	193	177	164	151	139	20	246
21	300	285	271	257	243	228	214	197	183	168	154	21	341
22	338	322	306	290	274	257	241	222	206	190	174		
23	379	360	342	324	306	288	270	249	231	213	194		
24	438	418	397	376	355	334	313	288	267	246	226		
25	539	514	488	462	437	411	385	355	329	303	278		
26	662	631	599	568	536	504	473	435	404	372	341		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

<b>COLLISION DED. AMT. \$100 (074)</b>													
<b>Symbol (a)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>1990-2000</b>	<b>Symbol (b)</b>	<b>1989 &amp; prior</b>
1	240	230	219	206	196	183	164	151	138	125	112	1	55
2	274	261	248	235	222	206	188	172	157	141	128	2	65
3	318	303	287	271	258	240	219	201	183	164	149	3	81
4	345	329	313	295	279	261	238	217	198	177	162	4	91
5	368	350	331	316	298	277	251	230	209	188	172	5	107
6	386	368	350	331	313	290	266	243	222	198	180	6	117
7	402	384	365	345	326	303	277	253	230	206	188	7	128
8	420	399	378	360	339	316	287	264	240	217	196	8	154
10	446	425	405	384	363	337	305	282	256	230	209	10	177
11	470	446	423	402	378	352	321	295	269	240	219	11	193
12	483	459	436	412	392	363	331	303	277	248	224	12	214
13	501	478	454	431	407	378	345	316	287	258	235	13	230
14	535	509	483	459	433	402	365	337	305	274	251	14	256
15	561	535	509	483	454	423	386	352	321	290	261	15	277
16	585	556	527	501	472	438	399	368	334	300	271	16	305
17	606	577	548	519	491	457	415	381	347	311	282	17	324
18	639	608	577	548	517	480	438	402	365	329	298	18	352
19	666	634	603	572	540	501	457	418	381	342	311	19	373
20	689	655	621	590	556	517	472	433	394	355	321	20	394
21	715	681	647	613	579	538	491	449	410	368	334	21	449
22	754	718	681	647	611	566	517	475	431	389	352		
23	783	746	710	671	634	590	538	493	449	402	365		
24	820	780	741	702	663	616	561	514	467	420	384		
25	885	843	801	760	718	666	608	556	506	454	412		
26	960	914	869	822	778	723	658	603	548	493	449		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.  
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

Territory	Territory
<b>ALAMANCE COUNTY</b> – See Burlington-Graham and Remainder of State.	<b>CHOWAN COUNTY</b> territory comprises all territory in Chowan County..... 33
<b>ASHEVILLE</b> territory comprises the entire city of Asheville and all territory in Buncombe County included in the townships of Asheville, Limestone and Lower Hominy, including all of the following towns, cities or places .....11	<b>COLUMBUS COUNTY</b> territory comprises all territory in Columbus County..... 26
Acton Buena Vista Luthers	<b>CONCORD-KANNAPOLIS-SALISBURY</b> territory comprises the entire cities of Concord, Kannapolis and Salisbury, all territory in Cabarrus County included in Townships 1 (Rocky River), 2 (Poplar Tent), 4 (Kannapolis), 5 (Mount Gilead), 11 (Baptist Church) and 12 (Concord), and all territory in Rowan County included in the townships of China Grove, Franklin, Litaka and Salisbury, including all of the following towns, cities or places ..... 32
Arden Busbee New Bridge	Brown- Franklin Roberta Mills
Asheville Craggy Oakley	Norcott Mills Glass Rocky Ridge
School Emma Oteen	China Grove Harrisburg Rocky River
Biltmore Enka Shiloh	Cooks Jackson Park South River
Forest Haw Creek Skyland	Crossing Landis Spencer
Boswell Hominy Woodfin	East Spencer Majolica Yadkin
<b>BEAUFORT COUNTY</b> territory comprises all territory in Beaufort County .....33	Faggarts Mount Gilead Junction
<b>BERTIE COUNTY</b> territory comprises all territory in Bertie County .....33	Crossroads Pharrs Mills Yost
<b>BLADEN COUNTY</b> territory comprises all territory in Bladen County .....33	Faith Pioneer Mills
<b>BRUNSWICK COUNTY</b> territory comprises all territory in Brunswick County not included in Wilmington territory.....26	<b>Craven County</b> territory comprises all territory in Craven County ..... 43
<b>BUNCOMBE COUNTY</b> territory comprises all territory in Buncombe County not included in Asheville territory.....32	<b>CUMBERLAND COUNTY</b> territory comprises all territory in Cumberland County not included in Fayetteville territory ..... 26
<b>BURLINGTON-GRAHAM</b> territory comprises the entire city of Burlington, the entire town of Graham, all territory in Alamance County included in Townships 3 (Boon Station), 6 (Graham), 10 (Melville), 12 (Burlington) and 13 (Haw River), the entire town of Mebane in Alamance and Orange Counties, and including all of the following towns, cities or places .....32	<b>CURRITUCK COUNTY</b> territory comprises all territory in Currituck County..... 33
Elon College Kirkpatrick Richmond	<b>DARE COUNTY</b> territory comprises all territory in Dare County..... 33
Gibsonville Heights Hill	<b>DAVIDSON COUNTY</b> – see Lexington-Thomasville and Remainder of State.
Glen Raven Lake Latham	<b>DUPLIN COUNTY</b> territory comprises all territory in Duplin County..... 33
Haw River Ossipee	<b>DURHAM</b> territory comprises the entire city of Durham and all territory in Durham County included in the townships of Durham, Oak Grove and Patterson, including all of the following towns, cities, or places..... 13
<b>CABARRUS COUNTY</b> – see Concord-Kannapolis-Salisbury and Remainder of State.	Bethesda Gorman North Durham
<b>CAMDEN COUNTY</b> territory comprises all territory in Camden County .....33	Bilboa Hope Valley Oak Grove
<b>CARTERET COUNTY</b> territory comprises all territory in Carteret County.....33	Few Joyland Redwood
<b>CHARLOTTE</b> territory comprises the entire city of Charlotte and all areas in Mecklenburg County except those areas with U.S. Postal Zip Codes 28025, 28026, 28031, 28036, 28075, 28078 and 28115.....52	<b>DURHAM COUNTY</b> territory comprises all territory in Durham County not included in Durham territory ..... 32
	<b>EDGECOMBE COUNTY</b> territory comprises all territory in Edgecombe County not included in Rocky Mount territory ..... 33

**NOTE: Refer to an atlas or map for places not listed.**

Territory	Territory
<b>FAYETTEVILLE</b> territory comprises the entire city of Fayetteville, all territory in the Fort Bragg and Pope Air Force Base Military Reservations in Cumberland County, and all territory in Cumberland County included in the townships of Carvers Creek, Cross Creek, Eastover, Manchester, Pearces Mill, Rockfish and Seventy First, including all of the following towns, cities or places.....40	<b>HERTFORD COUNTY</b> territory comprises all territory in Hertford County ..... 33
Beard	
Bonnie Doone	
Cliffdale	
Cumberland	
Fenix	
Gardners	
Chapel	
Hope Mills	
Lakedale	
Linden	
Manchester	
Milan	
Myrtle Hill	
Owens	
Roslin	
Shaws	
Slocomb	
South	
Fayetteville	
Spring Lake	
Tokay	
Victory	
Wade	
<b>FORSYTH COUNTY</b> territory comprises all territory in Forsyth County not included in Winston-Salem territory.....32	<b>HIGH POINT</b> territory comprises the entire city of High Point, the town of Westend, and all territory in Guilford County included in High Point township..... 15
<b>FRANKLIN COUNTY</b> territory comprises all territory in Franklin County.....33	<b>HOKE COUNTY</b> territory comprises all territory in Hoke County ..... 26
<b>GASTON COUNTY</b> territory comprises all territory in Gaston County.....25	<b>HYDE COUNTY</b> territory comprises all territory in Hyde County ..... 33
<b>GATES COUNTY</b> territory comprises all territory in Gates County.....33	<b>JOHNSTON COUNTY</b> territory comprises all territory in Johnston County ..... 26
<b>GREENE COUNTY</b> territory comprises all territory in Greene County.....33	<b>JONES COUNTY</b> territory comprises all territory in Jones County ..... 33
<b>GREENSBORO-HAMILTON LAKES</b> territory comprises the entire city of Greensboro, the entire town of Hamilton Lakes and all territory in Guilford County included in the townships of Morehead and Gilmer, including all of the following towns, cities and places .....14	<b>KINSTON</b> territory comprises the entire city of Kinston and all territory in Lenoir County included in Kinston townships, including the following towns, cities or places..... 31
Battle Ground	
Bessemer	
Four Mile	
Hamtown	
Hill Top	
Pomona	
<b>GREENVILLE</b> territory comprises the entire town of Greenville and all territory in Pitt County included in Greenville townships, including the following towns, cities or places.....31	Georgetown
House	
James Mill	
Staton	
<b>GUILFORD COUNTY</b> territory comprises all territory in Guilford County not included in either Greensboro-Hamilton Lakes territory or High Point territory.....32	Hines Junction
<b>HALIFAX COUNTY</b> territory comprises all territory in Halifax County.....33	<b>LEE COUNTY</b> territory comprises all territory in Lee County..... 26
<b>HARNETT COUNTY</b> territory comprises all territory in Harnett County.....26	<b>LENOIR COUNTY</b> territory comprises all territory in Lenoir County not included in Kinston territory..... 33
	<b>LEXINGTON-THOMASVILLE</b> territory comprises the entire cities of Lexington and Thomasville, all territory in Davidson County included in the townships of Lexington and Thomasville, and all territory in Randolph County included in Trinity township, including all of the following towns, cities or places ..... 32
	Archdale
	Arnold
	Cedar Lodge
	Fraziers
	Glen Anna
	Lake
	Trinity
	Welcome
	<b>MARTIN COUNTY</b> territory comprises all territory in Martin County..... 33
	<b>MECKLENBURG COUNTY</b> territory comprises all territory in Mecklenburg County not included in Charlotte territory ..... 51
	<b>NASH COUNTY</b> territory comprises all territory in Nash County not included in Rocky Mount territory .... 33
	<b>NEW HANOVER COUNTY</b> – see Wilmington.
	<b>NORTHAMPTON COUNTY</b> territory comprises all territory in Northampton County ..... 33

**NOTE: Refer to an atlas or map for places not listed.**



Territory	Territory
<b>ONCLO COUNTY</b> territory comprises all territory in Onslow County.....41	<b>ROWAN COUNTY</b> – see Concord-Kannapolis-Salisbury and Remainder of State.
<b>ORANGE COUNTY</b> – see Burlington-Graham and Remainder of State.	<b>SAMPSON COUNTY</b> territory comprises all territory in Sampson County..... 33
<b>PAMLICO COUNTY</b> territory comprises all territory in Pamlico County.....33	<b>SCOTLAND COUNTY</b> territory comprises all territory in Scotland County ..... 26
<b>PASQUOTANK COUNTY</b> territory comprises all territory in Pasquotank County.....33	<b>TYRRELL COUNTY</b> territory comprises all territory in Tyrrell County..... 33
<b>PENDER COUNTY</b> territory comprises all territory in Pender County.....33	<b>VANCE COUNTY</b> territory comprises all territory in Vance County..... 33
<b>PERQUIMANS COUNTY</b> territory comprises all territory in Perquimans County.....33	<b>WAKE COUNTY</b> territory comprises all territory in Wake County not included in Raleigh territory ..... 31
<b>PITT COUNTY</b> territory comprises all territory in Pitt County not included in Greenville territory .....33	<b>WARREN COUNTY</b> territory comprises all territory in Warren County..... 33
<b>RALEIGH</b> territory comprises the entire city of Raleigh, all territory in Wake County included in the townships of Cary, House Creek, Meredith, Neuse River, Raleigh, St. Mary's, St. Matthews and Swift Creek and the entire town of Knightdale in St. Matthews and Marks Creek townships, including all of the following towns, cities or places .....16	<b>WASHINGTON COUNTY</b> territory comprises all territory in Washington County ..... 33
Asbury                      College View              Milbrook	<b>WAYNE COUNTY</b> territory comprises all territory in Wayne County..... 47
Auburn                      Edgeton                      Neuse	<b>WILMINGTON</b> territory comprises all of New Hanover County and in addition the following towns, cities or places ..... 17
Boushell                      Fetner                      Oakdale	Belville                      Lanvale                      Navassa
Camp Polk                      Garner                      South	Clairmont                      Leland                      Woodburn
Caraleigh                      Macedonia                      Raleigh	<b>WILSON</b> territory comprises the entire town of Wilson and all territory in Wilson County included in the township of Wilson ..... 31
Carolina                      McCullers                      Westover	<b>WILSON COUNTY</b> territory comprises all territory in Wilson County not included in the Rocky Mount or Wilson territories ..... 33
Pines                      Method                      Wilders	<b>WINSTON-SALEM</b> territory comprises the entire city of Winston-Salem and all territory in Forsyth County included in the townships of Broadbay, Middle Fork, Old Town, South Fork and Winston, including all of the following towns, cities or places..... 18
Cary                      Milburnie                      Grove	Alspaugh                      Frontis                      Reynolda
<b>RANDOLPH COUNTY</b> – see Lexington-Thomasville and Remainder of State.	Atwood                      Hanes                      Tiretown
<b>ROBESON COUNTY</b> territory comprises all territory in Robeson County .....26	Daisy                      Ogburttown                      Walkertown
<b>ROCKY MOUNT</b> territory comprises the entire city of Rocky Mount, all territory in Nash County included in Rocky Mount and Stony Creek townships, all territory in Edgecombe County included in Township 12 (Rocky Mount), and the entire town of Sharpsburg in Edgecombe, Nash and Wilson Counties, including all of the following towns, cities or places .....31	Fisherville                      Oldtown
Armstrong                      Dortches                      Winsteads	<b>REMAINDER OF STATE</b> ..... 24
Brake                                           Chapel	

**NOTE: Refer to an atlas or map for places not listed.**

**LIST OF IMPORTANT CITIES AND TOWNS**

The following list contains all the more important cities, towns, boroughs, and villages in the state, together with their counties and territory and code assignments.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
<b>A</b>		<b>B</b>		<b>B</b>	
Abbey, Gaston .....	25	Bakersville, Mitchell.....	24	Brown-Norcott Mills, Cabarrus.....	32
Aberdeen, Moore .....	24	Balfours, Randolph.....	24	Bryson City, Swain .....	24
Acton, Buncombe.....	11	Bannertown, Surry .....	24	Buena Vista, Buncombe .....	11
Ahoskie, Hertford .....	33	Barker Heights, Henderson .....	24	Burgaw, Pender.....	33
Alamance, Alamance .....	24	Barnardsville, Buncombe .....	32	Burlington, Alamance .....	32
Albermarie, Stanly.....	24	Battle Ground, Guilford.....	14	Burnsville, Yancey .....	24
Alexander, Buncombe.....	32	Bayboro, Pamlico .....	33	Busbee, Buncombe .....	11
Alexanders Store, Mecklenburg.....	52	Beard, Cumberland....	40		
Alexis, Gaston.....	25	Beattie, Gaston .....	25	<b>C</b>	
Alspaugh, Forsyth.....	18	Beaufort, Carteret.....	33	Camden, Camden .....	33
Altamahaw, Alamance .....	24	Belhaven, Beaufort.....	33	Camp LeJeune, Onslow .....	41
Andrews, Cherokee .....	24	Belmont, Gaston .....	25	Camp Polk, Wake .....	16
Angier, Harnett.....	26	Belmont, Halifax .....	33	Candler, Buncombe .....	32
Apex, Wake .....	31	Belville, Brunswick .....	17	Canton, Haywood .....	24
Archdale, Randolph .....	32	Benson, Johnston .....	26	Caraleigh, Wake .....	16
Arden, Buncombe .....	11	Bessemer, Guilford .....	14	Caroleen, Rutherford .....	24
Arlington, Gaston .....	25	Bessemer City, Gaston .....	25	Carolina Beach, New Hanover .....	17
Armstrong, Edgecombe .....	31	Bethel, Pitt.....	33	Carolina Pines, Wake .....	16
Arnold, Davidson.....	32	Bethesda, Durham .....	13	Carrboro, Orange .....	24
Asbury, Wake .....	16	Bilboa, Durham .....	13	Carson, Mecklenburg .....	52
Asheboro, Randolph .....	24	Biltmore Forest, Buncombe.....	11	Carthage, Moore.....	24
Asheville, Buncombe .....	11	Biscoe, Montgomery.....	24	Cary, Wake.....	16
Asheville School, Buncombe .....	11	Black Mountain, Buncombe.....	32	Castalia, Nash .....	33
Atwood, Forsyth.....	18	Boger City, Lincoln .....	24	Cedar Falls, Randolph .....	24
Auburn, Wake .....	16	Boiling Springs, Cleveland .....	24	Cedar Lodge, Davidson .....	32
Aulander, Bertie .....	33	Bonnie Doone, Cumberland .....	40	Chadbourn, Columbus.....	26
Ayden, Pitt .....	33	Boogertown, Gaston .....	25	Chadwick-Hoskins Mills, Mecklenburg.....	52
		Boone, Watauga .....	24	Chapel Hill, Orange .....	24
<b>B</b>		Boswell, Buncombe.....	11	Charlotte, Mecklenburg .....	52
Badin, Stanly.....	24	Boushell, Wake .....	16	Cherry Point, Craven .....	43
Bailey, Nash.....	33	Brake, Edgecombe.....	31		
		Brevard, Transylvania .....	24		

**NOTE: Refer to an atlas or map for places not listed.**

**PERSONAL VEHICLE MANUAL  
TERRITORY DEFINITIONS**

**NORTH CAROLINA (32)**

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
<b>C</b>		<b>D</b>		<b>F</b>	
Cherryville, Gaston .....	25	Dellview, Gaston .....	25	Faith, Rowan .....	32
China Grove, Rowan.....	32	Denton, Davidson.....	24	Farmville, Pitt.....	33
Clairmont, Brunswick .....	17	Derita, Mecklenburg .....	52	Fayetteville, Cumberland .....	40
Clayton, Johnston .....	26	Dobson, Surry .....	24	Fenix, Cumberland .....	40
Cleveland, Rowan.....	24	Dortches, Nash .....	31	Fetner, Wake .....	16
Clifdale, Cumberland .....	40	Draper, Rockingham .....	24	Few, Durham .....	13
Cliffside, Rutherford .....	24	Duke Power Village, Gaston .....	25	Fisherville, Forsyth .....	18
Clinchfield, McDowell.....	24	Dunn, Harnett.....	26	Forest City, Rutherford .....	24
Clinton, Sampson.....	33	Durham, Durham.....	13	Fort Bragg, Cumberland .....	40
Coats, Harnett.....	26	<b>E</b>		Fountain, Pitt .....	33
Coleridge, Randolph .....	24	East Gastonia, Gaston .....	25	Four Mile, Guilford.....	14
College View, Wake.....	16	East Spencer, Rowan.....	32	Franklin, Macon.....	24
Columbia, Tyrrell.....	33	East Wilmington, New Hanover.....	17	Franklin, Rowan.....	32
Columbus, Polk.....	24	Edenton, Chowan.....	33	Franklinton, Franklin .....	33
Concord, Cabarrus.....	32	Edgeton, Wake.....	16	Franklinville, Randolph .....	24
Conover, Catawba .....	24	Elizabeth City, Pasquotank .....	33	Fraziers, Randolph .....	32
Convent, Gaston .....	25	Elizabethtown, Bladen.....	33	Freeland, Brunswick .....	26
Cooks Crossing, Cabarrus.....	32	Elkin, Surry.....	24	Fremont, Wayne .....	47
Cooleemee, Davie .....	24	Eller, Davidson .....	24	Frontis, Forsyth.....	18
Cornelius, Mecklenburg .....	51	Elm City, Wilson .....	33	Fuquay Springs, Wake .....	31
Craggy, Buncombe .....	11	Elon College, Alamance .....	32	<b>G</b>	
Cramerton, Gaston .....	25	El Paso, Brunswick .....	17	Gardners Chapel, Cumberland.....	40
Croft, Mecklenburg.....	52	Emma, Buncombe.....	11	Garner, Wake .....	16
Cross Road, Surry .....	24	Enfield, Halifax .....	33	Gaston, Northampton .....	33
Crowders, Gaston .....	25	Enka, Buncombe .....	11	Gastonia, Gaston.....	25
Cumberland, Cumberland.....	40	Erwin, Harnett .....	26	Gatesville, Gates .....	33
Currituck, Currituck .....	33	<b>F</b>		Georgetown, Lenoir .....	31
<b>D</b>		Faggarts Crossroads, Cabarrus .....	32	Gibsonville, Guilford & Alamance .....	32
Daisy, Forsyth.....	18	Fair Bluff, Columbus.....	26	Glass, Cabarrus.....	32
Dallas, Gaston .....	25	Fairmont, Robeson.....	26		
Danbury, Stokes .....	24				
Davidson, Mecklenburg .....	51				

**NOTE: Refer to an atlas or map for places not listed.**

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
<b>G</b>		<b>H</b>		<b>K</b>	
Glen Anna, Davidson .....	32	Hertford, Perquimans .....	33	Kings Mountain, Cleveland .....	24
Glen Raven, Alamance .....	32	Hickory, Catawba .....	24	Kinston, Lenoir .....	31
Goldsboro, Wayne .....	47	Hickory Grove, Mecklenburg .....	52	Kirkpatrick Heights, Alamance .....	32
Gorman, Durham .....	13	High Point, Guilford .....	15	Knightdale, Wake .....	16
Goshen, Gaston .....	25	High Shoals, Gaston .....	25	<b>L</b>	
Graham, Alamance .....	32	Hillsboro, Orange .....	24	La Grange, Lenoir .....	33
Granite Falls, Caldwell .....	24	Hill Top, Guilford .....	14	Lake, Davidson .....	32
Granite Quarry, Rowan .....	24	Hines Junction, Lenoir .....	31	Lakedale, Cumberland .....	40
Greenleaf, Wayne .....	47	Holly Ridge, Onslow .....	41	Lake Latham Alamance .....	32
Greensboro, Guilford .....	14	Holly Springs, Wake .....	31	Landis, Rowan .....	32
Greenville, Pitt .....	31	Homestead, Mecklenburg .....	52	Lanvale, Brunswick .....	17
Griffith, Mecklenburg .....	52	Hominy, Buncombe .....	11	Laurinburg, Scotland .....	26
Grifton, Pitt .....	33	Hope Mills, Cumberland .....	40	Leaksville, Rockingham .....	24
Grimesland, Pitt .....	33	Hope Valley, Durham .....	13	Leicester, Buncombe .....	32
Grovesmont, Buncombe .....	32	House, Pitt .....	31	Leland, Brunswick .....	17
Groves, Gaston .....	25	Huntersville, Mecklenburg .....	51	Lenoir, Caldwell .....	24
Guilford, Guilford .....	32	Hutchinson, Mecklenburg .....	52	Lewisville, Forsyth .....	32
Guilford College, Guilford .....	32	<b>J</b>		Lexington, Davidson .....	32
<b>H</b>		Jackson, Northampton .....	33	Liberty, Randolph .....	24
Hahn, Mecklenburg .....	52	Jackson Park, Cabarrus .....	32	Lillington, Harnett .....	26
Halifax, Halifax .....	33	Jacksons Creek, Randolph .....	24	Lincolnton, Lincoln .....	24
Hamilton Lakes, Guilford .....	14	Jacksonville, Onslow .....	41	Linden, Cumberland .....	40
Hamlet, Richmond .....	24	James Mill, Pitt .....	31	Littleton, Halifax & Warren .....	33
Hamtown, Guilford .....	14	Jamestown, Guilford .....	32	Longhurst, Person .....	24
Hanes, Forsyth .....	18	Jefferson, Ashe .....	24	Longview, Catawba .....	24
Hardins, Gaston .....	25	Jonesville, Yadkin .....	24	Longwood Park, Richmond .....	24
Harkers Island, Carteret .....	33	Joyland, Durham .....	13	Louisburg, Franklin .....	33
Harrisburg, Cabarrus .....	32	Juno, Buncombe .....	32	Lowell, Gaston .....	25
Haw Creek, Buncombe .....	11	Jupiter, Buncombe .....	32	Lucama, Wilson .....	33
Haw River, Alamance .....	32	<b>K</b>		Lucia, Gaston .....	25
Hayesville, Clay .....	24	Kannapolis, Cabarrus & Rowan .....	32	Lumberton, Robeson .....	26
Hazelwood, Haywood .....	24	Kenly, Johnston .....	26	Luthers, Buncombe .....	11
Henderson, Vance .....	33	Kernersville, Forsyth .....	32		
Hendersonville, Henderson .....	24				

**NOTE: Refer to an atlas or map for places not listed.**

**PERSONAL VEHICLE MANUAL  
TERRITORY DEFINITIONS**

**NORTH CAROLINA (32)**

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
<b>M</b>		<b>M</b>		<b>P</b>	
McAdenville, Gaston .....	25	Mount Olive, Wayne .....	47	Paw Creek, Mecklenburg .....	52
McCullers, Wake .....	16	Mount Pleasant, Cabarrus.....	24	Pembroke, Robeson .....	26
Maccliesfield, Edgecombe .....	33	Mount View, Gaston .....	25	Pharrs Mill, Cabarrus .....	32
Macedonia, Wake .....	16	Murfreesboro, Hertford .....	33	Phillipsville, Haywood .....	24
Madison, Rockingham .....	24	Murphy, Cherokee.....	24	Pikeville, Wayne .....	47
Maiden, Catawba .....	24	Myrtle Hill, Cumberland.....	40	Pilot Mountain, Surry .....	24
Majolica, Rowan.....	32	<b>N</b>		Pinehurst, Moore .....	24
Manchester, Cumberland.....	40	Nashville, Nash .....	33	Pinetops, Edgecombe .....	33
Marion, McDowell .....	24	Navassa, Brunswick.....	17	Pineville, Mecklenburg.....	52
Marshall, Madison.....	24	Neuse, Wake.....	16	Pinkney, Gaston .....	25
Mars Hill, Madison .....	24	New Bern, Craven .....	43	Pinoca, Mecklenburg .....	52
Marshville, Union .....	24	New Bridge, Buncombe.....	11	Pioneer Mills, Cabarrus .....	32
Matthews, Mecklenburg.....	52	Newel, Mecklenburg.....	52	Pittsboro, Chatham.....	24
Maxton, Robeson.....	26	Newfound, Buncombe .....	32	Pleasant Garden, Guilford .....	32
Mayodan, Rockingham .....	24	Newland, Avery .....	24	Plymouth, Washington.....	33
Mebane, Alamance & Orange.....	32	New Leaksville, Rockingham .....	24	Pomona, Guilford.....	14
Method, Wake.....	16	Newton, Catawba .....	24	Pope Air Force Base, Cumberland.....	40
Middlesex, Nash .....	33	North Belmont, Gaston.....	25	<b>R</b>	
Midway Park, Onslow .....	41	North Durham, Durham.....	13	Raeford, Hoke .....	26
Milan, Cumberland.....	40	North Wilkesboro, Wilkes .....	24	Ragan, Gaston .....	25
Milburnie, Wake .....	16	Norwood, Stanly.....	24	Raleigh, Wake .....	16
Millbrook, Wake .....	16	<b>O</b>		Ramseur, Randolph.....	24
Mocksville, Davie .....	24	Oakdale, Wake.....	16	Randleman, Randolph.....	24
Monroe, Union .....	24	Oak Grove, Durham .....	13	Ranlo, Gaston.....	25
Montreat, Buncombe.....	32	Oakhurst, Mecklenburg .....	52	Red Springs, Robeson .....	26
Mooresville, Iredell.....	24	Oakley, Buncombe.....	11	Redwood, Durham.....	13
Morehead City, Carteret.....	33	Oak Ridge, Guilford.....	32	Reidsville, Rockingham .....	24
Morganton, Burke .....	24	Ogburntown, Forsyth.....	18	Reynolda, Forsyth .....	18
Morrisville, Wake.....	31	Oldtown, Forsyth .....	18	Richmond Hill, Alamance .....	32
Mountain Island, Gaston .....	25	Ossipee, Alamance .....	32	Ridge, Gaston.....	25
Mount Airy, Surry .....	24	Oteen, Buncombe .....	11	Ridgecrest, Buncombe .....	32
Mount Gilead, Cabarrus.....	32	Owens, Cumberland.....	40	Ridgeview, Mecklenburg .....	52
Mount Gilead, Montgomery.....	24	Oxford, Grantville .....	24	Roanoke Rapids, Halifax .....	33
Mount Holly, Gaston .....	25			Robbins, Moore .....	24
				Robbinsville, Graham .....	24

**NOTE: Refer to an atlas or map for places not listed.**

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
<b>R</b>		<b>S</b>		<b>T</b>	
Robersonville, Martin .....	33	Slocomb, Cumberland.....	40	Tabor City, Columbus.....	26
Roberta Mills, Cabarrus .....	32	Smithfield, Johnston.....	26	Tarboro, Edgecombe.....	33
Rockingham, Richmond.....	24	Smyre, Gaston .....	25	Taylorsville, Alexander .....	24
Rockwell, Rowan .....	24	Snow Hill, Greene .....	33	Terra Cotta, Guilford.....	32
Rocky Mount, Edgecombe & Nash.....	31	Southern Pines, Moore.....	24	Thomasville, Davidson .....	32
Rocky Ridge, Cabarrus.....	32	South Fayetteville, Cumberland .....	40	Thrift, Mecklenburg.....	52
Rocky River, Cabarrus.....	32	South Gastonia, Gaston.....	25	Tiretown, Forsyth.....	18
Robesville, Wake .....	31	Southmont, Davidson .....	24	Toast, Surry .....	24
Roseboro, Sampson .....	33	Southport, Brunswick .....	26	Tokay, Cumberland .....	40
Roslin, Cumberland .....	40	South Raleigh, Wake.....	16	Trenton, Jones.....	33
Rougmont, Durham.....	32	South River, Rowan .....	32	Trinity, Randolph .....	32
Rowland, Robeson.....	26	South Rosemary, Halifax.....	33	Troy, Montgomery .....	24
Roxboro, Person.....	24	Sparta, Alleghany.....	24	Tryon, Polk .....	24
Rural Hall, Forsyth .....	32	Spencer, Rowan.....	32		
Rutherfordton, Rutherford .....	24	Spencer Mountain, Gaston.....	25	<b>V</b>	
		Spindale, Rutherford .....	24	Valdese, Burke .....	24
<b>S</b>		Spray, Rockingham.....	24	Valmead, Caldwell.....	24
Saint Pauls, Robeson .....	26	Spring Hope, Nash.....	33	Victory, Cumberland .....	40
Salisbury, Rowan .....	32	Spring Lake, Cumberland.....	40	Victory, Gaston.....	25
Sanford, Lee .....	26	Spruce Pine, Mitchell.....	24		
Saratoga, Wilson.....	33	Stanley, Gaston.....	25	<b>W</b>	
Saxapahaw, Alamance .....	24	Stantonsburg, Wilson .....	33	Wade, Cumberland.....	40
Scotland Neck, Halifax.....	33	Statesville, Iredell .....	24	Wadesboro, Anson .....	24
Selma, Johnston .....	26	Staton, Pitt.....	31	Wake Forest, Wake .....	31
Selwyn Park, Mecklenburg .....	52	Stedman, Cumberland .....	26	Walkertown, Forsyth.....	18
Seymour Johnson A.F.B., Wayne.....	47	Stokesdale, Guilford.....	32	Wallace, Duplin.....	33
Shallotte, Brunswick.....	26	Stony Point, Alexander.....	24	Walnut Cove, Stokes .....	24
Sharpsburg, Edgecombe, Nash & Wilson .....	31	Summerfield, Guilford.....	32	Warrenton, Warren .....	33
Shaws, Cumberland.....	40	Sunnyside, Gaston.....	25	Warsaw, Duplin .....	33
Shelby, Cleveland .....	24	Swannanoa, Buncombe .....	32	Washington, Beaufort .....	33
Shiloh, Buncombe.....	11	Swanquarter, Hyde .....	33	Waynesville, Haywood .....	24
Siler City, Chatham.....	24	Sweepsonville, Alamance .....	24	Weaverville, Buncombe.....	32
Skyland, Buncombe.....	11	Sylva, Jackson .....	24	Welcome, Davidson.....	32
				Weldon, Halifax .....	33
				Wendell, Wake .....	31
				Wentworth, Rockingham .....	24
				Westend, Guilford.....	15
				Westover, Wake .....	16

**NOTE: Refer to an atlas or map for places not listed.**

**PERSONAL VEHICLE MANUAL  
TERRITORY DEFINITIONS**

**NORTH CAROLINA (32)**

<b>City and County</b>	<b>Territory Code</b>	<b>City and County</b>	<b>Territory Code</b>	<b>City and County</b>	<b>Territory Code</b>
<b>W</b>		<b>W</b>		<b>Y</b>	
Whitakers, Edgecombe & Nash .....	33	Windsor, Bertie.....	33	Yadkin Junction, Rowan .....	32
Whiteville, Columbus .....	26	Winnabow, Brunswick .....	26	Yadkinville, Yadkin .....	24
Whitnel, Caldwell .....	24	Windsteads Chapel, Nash.....	31	Yanceyville, Caswell.....	24
Wilders Grove, Wake .....	16	Winston-Salem, Forsyth .....	18	Yost, Rowan .....	32
Wilkesboro, Wilkes.....	24	Winterville, Pitt .....	33	Youngs Springs, Wilson .....	31
Williamston, Martin.....	33	Woodburn, Brunswick .....	17	<b>Z</b>	
Wilmington, New Hanover .....	17	Woodfin, Buncombe .....	11	Zebulon, Wake .....	31
Wilson, Wilson .....	31	Worthville, Randolph .....	24		

**NOTE: Refer to an atlas or map for places not listed.**

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
AVERAGE NUMBER OF CLAIMS FOR LATEST TWO ACCIDENT YEARS

LIABILITY - VOLUNTARY AND CEDED

Year Ended	Bodily Injury	Property Damage	Medical Payments
12/31/2006	91,097	246,014	58,374
12/31/2007	90,107	245,536	57,544
Average	90,602	245,775	57,959

PHYSICAL DAMAGE - STANDARD AND NON-STANDARD

Year Ended	Comprehensive	Collision
12/31/2006	282,498	204,636
12/31/2007	275,274	212,017
Average	278,886	208,327

VOLUNTARY AND CEDED COMBINED

Year Ended	Uninsured Motorists	Underinsured Motorists
12/31/2006	14,745	1,520
12/31/2007	14,195	1,799
Average	14,470	1,660



NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE  
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES  
LIABILITY COVERAGES

VOLUNTARY BUSINESS ONLY

	(1) Earned Premiums at Manual Rates	(2) Current Level To Actual Level Factor	(3) Manual to Collected Factor	(4) Expense Factor	(5) General and Other Acquisition Expenses
Year ending 12/31/2007					
BI	828,249,022	0.9502	0.8713	16.3%	111,771,551
PD	815,758,073	0.8911	0.8713	16.3%	103,238,846
MP	133,658,124	0.9171	0.8713	16.3%	17,408,741
Year ending 12/31/2006					
BI	797,185,428	0.8797	0.8810	16.5%	101,942,152
PD	784,816,020	0.8794	0.8810	16.5%	100,326,156
MP	130,422,402	0.7710	0.8810	16.5%	14,617,275
Year ending 12/31/2005					
BI	772,530,494	0.8606	0.8921	14.8%	87,779,323
PD	760,239,575	0.8729	0.8921	14.8%	87,617,372
MP	127,595,964	0.7613	0.8921	14.8%	12,825,314

"CLEAN RISK" CEDED BUSINESS ONLY

	(6) Earned Premiums at Vol. Manual Rates	(7) Current Level To Actual Level Factor	(8) Expense Factor	(9) General and Other Acquisition Expenses
Year ending 12/31/2007				
BI	161,793,366	0.9502	14.8%	22,752,936
PD	157,074,462	0.8911	14.8%	20,715,420
MP	17,160,554	0.9171	14.8%	2,329,216
Year ending 12/31/2006				
BI	167,290,692	0.8797	15.3%	22,516,340
PD	162,203,645	0.8794	15.3%	21,824,208
MP	17,730,987	0.7710	15.3%	2,091,600
Year ending 12/31/2005				
BI	171,300,172	0.8606	13.0%	19,164,721
PD	165,373,393	0.8729	13.0%	18,766,077
MP	17,987,914	0.7613	13.0%	1,780,246

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE  
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES  
LIABILITY COVERAGES

"NON-CLEAN RISK" CEDED BUSINESS ONLY

	(10) Earned Premiums at Facility Rates	(11) Current Level To Actual Level Factor	(12) Expense Factor	(13) General and Other Acquisition Expenses	(14) Total Liability G&OA Expenses (5) + (9) + (13)
Year ending 12/31/2007					
BI	157,317,421	1.0209	14.8%	23,769,593	158,294,080
PD	133,631,519	0.8801	14.8%	17,406,147	141,360,413
MP	13,447,440	1.0107	14.8%	2,011,516	21,749,474
Year ending 12/31/2006					
BI	160,002,499	0.9293	15.3%	22,749,619	147,208,111
PD	135,719,271	0.9686	15.3%	20,113,026	142,263,391
MP	13,864,323	0.9044	15.3%	1,918,451	18,627,326
Year ending 12/31/2005					
BI	159,139,323	0.9958	13.0%	20,601,222	127,545,266
PD	135,423,774	0.9483	13.0%	16,694,907	123,078,356
MP	13,652,894	1.0814	13.0%	1,919,351	16,524,911

Notes:

- (1), (6), (10) Voluntary and "Clean risk" ceded business at present voluntary manual rates. Non-clean risk ceded business at present Facility rates.
- (2), (7), (11) Factor to adjust the earned premium at manual rates to the rate level in effect at the time the premium was written.
- (3) Factor to adjust the earned premium at manual rates to the collected level. See RB-5.
- (4), (8), (12) Sum of the general expense and other acquisition expense percentages shown on page H-608. Voluntary ratio is to collected premiums. Ceded ratio is to manual premiums.
- (5) = (1) x (2) x (3) x (4), (9) = (6) x (7) x (8), (13) = (10) x (11) x (12).

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE  
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES  
PHYSICAL DAMAGE COVERAGES

STANDARD BUSINESS ONLY

	(1) Earned Premiums at Manual Rates	(2) Current Level To Actual Level Factor	(3) Manual to Collected Factor	(4) Expense Factor	(5) General and Other Acquisition Expenses
Year ending 12/31/2007					
Comp	369,735,194	0.96486	0.8733	15.0%	46,731,510
Coll	861,592,944	0.83620	0.8733	15.0%	94,377,184
Year ending 12/31/2006					
Comp	367,208,552	1.06758	0.8860	14.8%	51,405,389
Coll	846,017,283	0.94121	0.8860	14.8%	104,414,594
Year ending 12/31/2005					
Comp	374,932,328	1.03604	0.9127	13.1%	46,443,908
Coll	858,865,924	0.94611	0.9127	13.1%	97,155,267

NON-STANDARD BUSINESS ONLY

	(6) Earned Premiums at Manual Rates	(7) Current Level To Actual Level Factor	(8) Manual to Collected Factor	(9) Expense Factor	(10) General and Other Acquisition Expenses	(11) Total Physical Damage G&OA Expenses (5) + (10)
Year ending 12/31/2007						
Comp	126,271,217	0.96486	1.3712	13.6%	22,720,003	69,451,513
Coll	336,762,499	0.83620	1.3712	13.6%	52,513,819	146,891,003
Year ending 12/31/2006						
Comp	115,406,532	1.06758	1.3767	13.5%	22,898,335	74,303,724
Coll	310,467,913	0.94121	1.3767	13.5%	54,309,566	158,724,160
Year ending 12/31/2005						
Comp	94,676,698	1.03604	1.2605	9.8%	12,116,817	58,560,725
Coll	257,538,518	0.94611	1.2605	9.8%	30,099,047	127,254,314

## Notes:

(1), (6) Standard and Non-Standard business at present manual rates.

(2), (7) Factor to adjust the earned premium at manual rates to the rate level and average model year and symbol in effect at the time the premium was written.

(3), (8) Factor to adjust the earned premium at manual rates to the collected level.

(4), (9) Sum of the general expense and other acquisition expense percentages shown on pages H-609, H-610.

(5) = (1) x (2) x (3) x (4), (10) = (6) x (7) x (8) x (9)

## LIABILITY

## Voluntary Business

Year	(1) Premium at Rate Bureau Rates	(2) Deviation % From RB Manual Rates	(3) Anticipated Premium (1) x (2)	(4) Amount of Deviation (3) - (1)
2002	1,405,552,548	-13.47%	1,216,224,620	(189,327,928)
2003	1,516,249,414	-11.26%	1,345,519,730	(170,729,684)
2004	1,553,051,271	-9.43%	1,406,598,536	(146,452,735)
2005	1,608,654,406	-10.79%	1,435,080,596	(173,573,810)
2006	1,681,686,063	-11.90%	1,481,565,422	(200,120,641)
2007	1,845,850,655	-12.87%	1,608,289,676	(237,560,979)

## Ceded Business

Year	(5) O/T Clean Ceded Premium at Rate Bureau Rates	(6) Deviation % From RB Manual Rates	(7) O/T Clean Ceded Anticipated Premium (5) x (6)	(8) O/T Clean Ceded Amount of Deviation (7) - (5)	(9) Clean Risk Ceded Premium at Rate Bureau Rates	(10) Clean Risk Ceded Anticipated Premium = Col (9)	(11) Clean Risk Ceded Amount of Deviation (10) - (9)
2002	178,558,903	42.20%	253,910,760	75,351,857	254,624,042	254,624,042	0
2003	201,779,692	40.00%	282,491,569	80,711,877	286,205,880	286,205,880	0
2004	213,368,410	35.60%	289,327,564	75,959,154	304,557,276	304,557,276	0
2005	213,091,627	49.70%	318,998,166	105,906,539	303,830,789	303,830,789	0
2006	226,954,916	38.50%	314,332,559	87,377,643	317,929,794	317,929,794	0
2007	235,950,602	32.30%	312,162,646	76,212,044	323,979,144	323,979,144	0

## All Liability Business

Year	(11) Total Premium at Rate Bureau Rates (1) + (5) + (9)	(12) Total Anticipated Premium (3) + (7) + (10)	(13) Amount of Deviation (12) - (11)	(14) Overall Pct. Deviation (13) / (11)
2002	1,838,735,493	1,724,759,422	(113,976,071)	-6.20%
2003	2,004,234,986	1,914,217,179	(90,017,807)	-4.49%
2004	2,070,976,957	2,000,483,376	(70,493,581)	-3.40%
2005	2,125,576,822	2,057,909,551	(67,667,271)	-3.18%
2006	2,226,570,773	2,113,827,775	(112,742,998)	-5.06%
2007	2,405,780,401	2,244,431,466	(161,348,935)	-6.71%
			6 year average:	-4.84%

Note: This exhibit is based on statistical plan data and Rate Bureau expense call data and reflects the Rate Bureau's best estimate of the information presented.

## PHYSICAL DAMAGE

Year	(1)	(2)	(3)	(4)
	Std Phy Dam Premium at Rate Bureau Rates	Deviation % From RB Manual Rates	Std Phy Dam Anticipated Premium (1) x (2)	Std Phy Dam Amount of Deviation (3) - (1)
2002	1,318,512,793	-15.60%	1,112,801,528	(205,711,265)
2003	1,427,661,214	-12.89%	1,243,687,433	(183,973,781)
2004	1,150,376,820	-8.23%	1,055,721,216	(94,655,604)
2005	1,220,685,395	-8.73%	1,114,104,172	(106,581,223)
2006	1,206,197,717	-11.40%	1,068,720,463	(137,477,254)
2007	1,077,206,719	-12.67%	940,775,548	(136,431,171)
Year	(5)	(6)	(7)	(8)
	Non-Std Premium at Rate Bureau Rates	Deviation % From RB Manual Rates	Non-Std Phy Dam Anticipated Premium (5) x (6)	Non-Std Phy Dam Amount of Deviation (7) - (5)
2002	235,278,552	31.29%	308,907,003	73,628,451
2003	278,887,139	35.52%	377,943,274	99,056,135
2004	281,700,831	42.30%	400,850,151	119,149,320
2005	343,640,180	26.05%	433,146,542	89,506,362
2006	417,481,782	37.67%	574,766,708	157,284,926
2007	403,434,848	37.12%	553,190,797	149,755,949
Year	(9)	(10)	(11)	(12)
	Total Phy Dam Premium at Rate Bureau Rates (1) + (5)	Total Anticipated Premium (3) + (7)	Amount of Deviation (10) - (9)	Overall Pct. Deviation (11) / (9)
2002	1,553,791,345	1,421,708,531	(132,082,814)	-8.50%
2003	1,706,548,353	1,621,630,707	(84,917,646)	-4.98%
2004	1,432,077,651	1,456,571,367	24,493,716	1.71%
2005	1,564,325,575	1,547,250,714	(17,074,861)	-1.09%
2006	1,623,679,499	1,643,487,171	19,807,672	1.22%
2007	1,480,641,567	1,493,966,345	13,324,778	0.90%
6 year average:				-1.79%

Note: This exhibit is based on statistical plan data and Rate Bureau expense call data and reflects the Rate Bureau's best estimate of the information presented.

## LIABILITY

Year	Vol + Ced Manual Earned Prem.	Amount of Dividend	Dividend as % of Vol+Ced Manual Earned Prem.
2002	2,153,995,534	2,954,393	0.14%
2003	2,272,048,154	5,324,725	0.23%
2004	2,317,791,914	3,789,615	0.16%
2005	2,547,452,137	4,912,765	0.19%
2006	2,474,652,930	5,009,679	0.20%
2007	2,705,689,234	27,779,531	1.03%
		6 year average:	0.33%

## PHYSICAL DAMAGE

Year	Standard Manual Earned Prem.	Non-Standard Manual Earned Prem.*	Amount of Dividend	Dividend as % of Manual Earned Prem.**
2002	1,447,773,272	288,208,321	2,523,591	0.15%
2003	1,473,060,263	319,804,841	4,905,255	0.27%
2004	1,273,836,672	327,026,519	3,416,980	0.21%
2005	1,410,457,083	357,405,543	4,012,405	0.23%
2006	1,438,586,939	334,983,525	4,562,392	0.26%
2007	1,356,798,962	327,356,141	21,334,703	1.27%
			6 year average:	0.40%

\* 2002 Non-Standard Manual Earned Premium estimated value.

\*\* Manual Earned Premium Includes Standard and Non-Standard business.

NORTH CAROLINA  
PRIVATE PASSENGER  
VOLUNTARY/STANDARD BUSINESS  
LIABILITY AND PHYSICAL DAMAGE

EXHIBIT RB-6

Page 1

YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS AND LAE	LOSS AND LAE RATIO	COMMISSION % *	OTHER ACQ. %
1998	2,287,522	2,240,769	1,636,574	0.730	0.099	0.080
1999	2,382,029	2,336,167	1,738,270	0.744	0.098	0.088
2000	2,526,429	2,542,555	1,803,961	0.710	0.095	0.078
2001	2,492,185	2,493,270	1,819,022	0.730	0.100	0.073
2002	2,645,849	2,598,079	1,820,642	0.701	0.101	0.081
2003	2,718,922	2,715,099	1,947,813	0.717	0.098	0.081
2004	2,709,079	2,675,647	1,897,085	0.709	0.097	0.087
2005	2,888,493	2,866,093	1,932,428	0.674	0.101	0.087
2006	2,929,471	2,915,466	2,076,293	0.712	0.099	0.088
2007	3,006,480	2,960,776	2,170,920	0.733	0.097	0.091

YEAR	GEN EXP %	TAXES % *	DIVIDENDS %	EXPENSE RATIO	COMBINED RATIO **	PROFIT (OR LOSS)
1998	0.044	0.023	0.017	0.263	0.993	0.007
1999	0.052	0.022	0.007	0.267	1.011	-0.011
2000	0.055	0.022	0.008	0.258	0.968	0.032
2001	0.060	0.024	0.003	0.260	0.990	0.010
2002	0.059	0.024	0.002	0.267	0.968	0.032
2003	0.055	0.024	0.004	0.262	0.979	0.021
2004	0.057	0.023	0.002	0.266	0.975	0.025
2005	0.053	0.023	0.003	0.267	0.941	0.059
2006	0.069	0.021	0.003	0.280	0.992	0.008
2007	0.067	0.022	0.016	0.293	1.026	-0.026

ALL PREMIUM AND LOSS FIGURES ARE IN THOUSANDS

PREMIUM REFUNDS ARE REFLECTED IN THE YEARS MADE.

\* COMMISSIONS AND TAXES ARE RATIOS TO WRITTEN PREMIUMS. FOR LIABILITY COMMISSIONS, THE VOLUNTARY PORTION OF THE RATIO IS DETERMINED USING THE VOLUNTARY/CEDED PREMIUM DISTRIBUTION AND AN ASSUMED 10.0% CEDED RATIO TO WRITTEN PREMIUMS.

\*\* COMBINED RATIO IS THE SUM OF LOSS AND LAE RATIO AND EXPENSE RATIO

NORTH CAROLINA  
PRIVATE PASSENGER  
VOLUNTARY BUSINESS  
LIABILITY

EXHIBIT RB-6  
Page 2

YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS AND LAE	LOSS AND LAE RATIO	COMMISSION % *	OTHER ACQ. %
1998	1,311,060	1,296,393	913,735	0.705	0.097	0.080
1999	1,334,121	1,316,484	931,296	0.707	0.100	0.089
2000	1,409,532	1,420,789	1,007,843	0.709	0.095	0.077
2001	1,348,699	1,362,247	1,057,484	0.776	0.100	0.073
2002	1,387,478	1,373,793	1,002,238	0.730	0.100	0.081
2003	1,483,037	1,448,251	1,085,449	0.749	0.097	0.085
2004	1,516,627	1,504,476	1,133,240	0.753	0.099	0.088
2005	1,561,818	1,559,174	1,156,207	0.742	0.104	0.092
2006	1,649,829	1,605,755	1,244,920	0.775	0.100	0.089
2007	1,795,164	1,759,625	1,327,772	0.755	0.097	0.091

YEAR	GEN EXP %	TAXES % *	DIVIDENDS %	EXPENSE RATIO	COMBINED RATIO **	PROFIT (OR LOSS)
1998	0.046	0.023	0.019	0.265	0.970	0.030
1999	0.053	0.022	0.007	0.271	0.978	0.022
2000	0.059	0.022	0.007	0.260	0.969	0.031
2001	0.064	0.024	0.003	0.264	1.040	-0.040
2002	0.065	0.025	0.002	0.273	1.003	-0.003
2003	0.059	0.024	0.004	0.269	1.018	-0.018
2004	0.062	0.023	0.002	0.274	1.027	-0.027
2005	0.056	0.023	0.003	0.278	1.020	-0.020
2006	0.076	0.021	0.003	0.289	1.064	-0.064
2007	0.072	0.022	0.015	0.297	1.052	-0.052

ALL PREMIUM AND LOSS FIGURES ARE IN THOUSANDS

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\*\* COMBINED RATIO IS THE SUM OF LOSS AND LAE RATIO AND EXPENSE RATIO



NORTH CAROLINA  
PRIVATE PASSENGER  
STANDARD BUSINESS  
PHYSICAL DAMAGE

EXHIBIT RB-6  
Page 3

YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS AND LAE	LOSS AND LAE RATIO	COMMISSION % *	OTHER ACQ. %
1998	976,462	944,376	722,839	0.765	0.101	0.080
1999	1,047,908	1,019,683	806,974	0.791	0.096	0.086
2000	1,116,897	1,121,766	796,118	0.710	0.096	0.080
2001	1,143,486	1,131,023	761,538	0.673	0.100	0.074
2002	1,258,371	1,224,286	818,404	0.668	0.102	0.080
2003	1,235,885	1,266,848	862,364	0.681	0.099	0.076
2004	1,192,452	1,171,171	763,845	0.652	0.094	0.086
2005	1,326,675	1,306,919	776,221	0.594	0.098	0.081
2006	1,279,642	1,309,711	831,373	0.635	0.097	0.087
2007	1,211,316	1,201,151	843,148	0.702	0.097	0.091

YEAR	GEN EXP %	TAXES % *	DIVIDENDS %	EXPENSE RATIO	COMBINED RATIO **	PROFIT (OR LOSS)
1998	0.042	0.022	0.015	0.260	1.025	-0.025
1999	0.051	0.022	0.007	0.262	1.053	-0.053
2000	0.049	0.022	0.010	0.257	0.967	0.033
2001	0.056	0.024	0.003	0.257	0.930	0.070
2002	0.053	0.023	0.002	0.260	0.928	0.072
2003	0.050	0.023	0.004	0.252	0.933	0.067
2004	0.050	0.022	0.003	0.255	0.907	0.093
2005	0.050	0.023	0.003	0.255	0.849	0.151
2006	0.061	0.020	0.004	0.269	0.904	0.096
2007	0.059	0.021	0.018	0.286	0.988	0.012

ALL PREMIUM AND LOSS FIGURES ARE IN THOUSANDS

PREMIUM REFUNDS ARE REFLECTED IN THE YEARS MADE.

\* COMMISSIONS AND TAXES ARE RATIOS TO WRITTEN PREMIUMS

\*\* COMBINED RATIO IS THE SUM OF LOSS AND LAE RATIO AND EXPENSE RATIO

## NORTH CAROLINA

## DERIVATION OF INCURRED-TO-PAID FACTOR (A)

(1)	(2)	(3)	(4)
<u>Year</u>	<u>Incurred Losses</u>	<u>Paid Losses</u>	<u>Factor</u>
2005	913,689,890	917,766,251	0.996
2006	999,416,417	997,304,882	1.002
2007	1,015,850,558	1,015,277,283	1.001

(A) Source: Page 15 Private Passenger Auto Physical Damage (line 21.1)

## NORTH CAROLINA

## DERIVATION OF ADJUSTED COMPREHENSIVE LOSSES FOR STATEWIDE RATE LEVEL

	<u>2005</u>	<u>2006</u>	<u>2007</u>
(1) Total Paid Losses (a) Page D-15, Col. (2)	\$167,368,777	\$185,257,098	\$176,342,871
(2) Non-Wind and Water Losses (a) Page D-15, Col. (3)	155,533,039	158,835,647	163,019,164
(3) Ratio (2)/(1)	0.929	0.857	0.924
(4) Excess Wind and Water Ratio Page D-15, Col. (5)	0.000	0.000	0.000
(5) Total paid losses (b)	234,949,634	273,574,441	266,551,464
(6) Total excess wind and water losses (3)x(4)x(5)	0	0	0
(7) Total paid losses excluding excess wind and water (5) - (6)	234,949,634	273,574,441	266,551,464
	234,949,634	273,574,441	266,551,464

(a) Standard physical damage only loss data.

(b) Standard and Non-standard physical damage combined loss data.

## NORTH CAROLINA

## PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1998	26,860	1,880,844	1,330,395	3,211,239	0.8%
1999	32,058	1,873,493	1,427,542	3,301,035	1.0%
2000	32,936	1,758,477	1,484,735	3,243,212	1.0%
2001	38,858	1,893,769	1,571,089	3,464,858	1.1%
2002	36,805	1,985,194	1,743,154	3,728,348	1.0%
2003	44,105	2,154,552	1,761,240	3,915,792	1.1%
2004	42,329	2,141,604	1,715,924	3,857,528	1.1%
2005	48,100	2,271,283	1,880,120	4,151,403	1.2%
2006	50,874	2,371,902	1,839,600	4,211,502	1.2%
2007	49,844	2,521,056	1,767,596	4,288,652	1.2%
Latest 5 years:	235,252	11,460,397	8,964,480	20,424,877	1.2%

(in thousands)

PREFILED TESTIMONY  
OF  
RAYMOND F. EVANS, JR.

FEBRUARY 1, 2009

NONFLEET PRIVATE PASSENGER MOTOR VEHICLE RATE FILING  
BY THE NORTH CAROLINA RATE BUREAU

- Q: Would you state your full name and business address?
- A. Raymond F. Evans, Jr., CPCU, 5401 Six Forks Road, Raleigh, North Carolina.
- Q. Are you employed by the North Carolina Rate Bureau ("Bureau")?
- A. Yes.
- Q. In what capacity?
- A. I am the General Manager.
- Q. How long have you been employed by the Bureau?
- A. Since September 2000.
- Q. Would you summarize your educational background?
- A. I graduated from Ohio State University with a Bachelor of Science Degree in Accounting. I also have the designation of Chartered Property Casualty Underwriter.
- Q. What was your work experience after graduation and prior to your employment by the Bureau?
- A. From March 1966 to July 2000, I was employed by the State Auto Insurance Companies, Columbus, Ohio in various capacities, including the position of Executive Vice President of a subsidiary. I have extensive industry experience in underwriting and rate and form promulgation for private passenger auto.
- Q. What is the Bureau's function with respect to rates for automobile insurance, and what is your role?
- A. The Bureau files rates for nonfleet private passenger automobile insurance used by its members in North Carolina. My position as General Manager of the Rate Bureau requires me, upon direction of the Governing Committee, to file rates with

the Commissioner of Insurance.

- Q. Can you identify Exhibits RB-1 through RB-37.
- A. Yes. This is the 2009 filing (the "Filing") submitted by the Bureau to the Honorable Wayne Goodwin, Commissioner of Insurance, with respect to revised private passenger automobile and motorcycle insurance rates in North Carolina.
- Q. Do you know how the expense data underlying the private passenger automobile portions of the Filing were compiled?
- A. Yes.
- Q. Would you describe how they were compiled?
- A. The expense provisions included in the Filing were derived on the basis of a Special Call for Expense Experience that is issued on an annual basis by the Bureau. The Special Call, or request for data, was sent to all member companies of the Bureau. The responses received from that Special Call were compiled, checked by the Bureau and furnished to Insurance Services Office ("ISO") for incorporation into the Filing.
- Q. Are there any changes in the procedure used to collect expense data in the Special Call?
- A. Yes, the Rate Bureau has a continuing program to monitor and improve the quality and accuracy of expense data.
- Specifically, the changes over the past several years included using a web based data collection program which enables insurers to enter data directly, which reduces entry errors.
- Q. Do you know how the premium, loss and expense data underlying the motorcycle portion of the Filing were compiled?
- A. Yes.
- Q. Would you describe how they were compiled?
- A. The premium, loss and expense provisions included in the Filing were derived on the basis of special calls for motorcycle experience that are issued to all member companies of the Bureau. The responses received from the special calls for 2005-2007 data were compiled, checked, reconciled and edited by the Bureau and furnished to ISO for incorporation into the Filing.
- Q. Can you identify the document marked Exhibit RB-2 and entitled the North Carolina Personal Auto Manual?

A. Yes. The North Carolina Personal Auto Manual is a manual of the rules, rates and classifications used for policies of nonfleet private passenger automobile insurance in North Carolina. This manual and any approved amendments are on file with the North Carolina Department of Insurance. A copy of this Manual is maintained at the offices of the Bureau.

Q. Has the Bureau furnished to ISO, for use in the Filing, information appearing in the Annual Statements and the Insurance Expense Exhibits of its member companies?

A. Yes.

Q. How was that information obtained by the Bureau?

A. Information from the Annual Statements and the Insurance Expense Exhibits was obtained by Bureau Staff from NAIC approved submissions of Annual Statements and Insurance Expense Exhibits filed by the companies with the Insurance Department. The Annual Statements and the Insurance Expense Exhibits are part of the official records maintained at the Department of Insurance.

Q. What is a "deviation?"

A. In the context of this filing, a deviation is a variation from the approved Bureau manual rates. In North Carolina the Bureau establishes the rates, subject to approval by the Department of Insurance, for coverages within its jurisdiction. The Commissioner of Insurance, with his approval, permits companies to deviate downward from those rates. Companies may deviate upward on physical damage coverage through the consent-to-rate procedures. Rates above the approved Bureau liability rates may be charged if a risk is ceded to the North Carolina Reinsurance Facility and is not a "clean risk" as that term is defined in the North Carolina statutes. .

Q. Do companies that deviate from Bureau rates in North Carolina report these deviations to the Bureau?

A. The companies are required by statute to file a copy of their downward deviation filing with the Bureau. The original is filed with the Department of Insurance and a copy of each approved deviation is forwarded to the Bureau. The Bureau maintains a list of all such deviations in force. Companies report consent-to-rate data in the Bureau's special call for expense experience. The North Carolina Reinsurance Facility furnishes data to the Bureau on Facility premiums.

Q. In connection with the preparation of the Filing, did the Bureau furnish information with respect to deviations from

Bureau rates to ISO?

- A. Yes. Using information from the responses to the special calls for expense experience, we furnished to ISO data with respect to the historical levels of downward deviations and consent-to-rate premiums in North Carolina. We also furnished to ISO data with respect to the calendar year written premiums on business ceded to the North Carolina Reinsurance Facility for the years corresponding to the years for which deviation data were furnished.
- Q. Was the Special Call, Annual Statement, Insurance Expense Exhibit, Reinsurance Facility and deviation information which the Bureau furnished to ISO in connection with the Filing correct and accurate to the best of your knowledge, information and belief?
- A. Yes.
- Q. Does the North Carolina Rate Bureau have actuaries on its staff?
- A. Yes, we have an actuary on staff.
- Q. To the extent that additional actuarial expertise was necessary in the preparation of this Filing, where did the Bureau obtain that expertise?
- A. Additional actuarial expertise was obtained from Insurance Services Office, from the members of the North Carolina Rate Bureau's Automobile Committee and from Mr. Mike Miller. The majority of the Automobile Committee is made up of actuaries who review the data underlying the Filing and make recommendations to the Governing Committee of the North Carolina Rate Bureau as to the items contained in the Filing. Insurance Services Office is employed by the Bureau to provide actuarial services to the Bureau for, among numerous other things, preparation of this Filing. Mr. Miller has been employed by the Bureau to conduct a review of the data and to assist in the preparation of this Filing.
- Q. What is the proposed effective date of the rates in the Filing?
- A. The proposed effective date is October 1, 2009. The new rates will apply to all policies effective on or after October 1, 2009.
- Q. Does the Filing propose changes in the relativities used to determine motorcycle rates?
- A. Yes.



- Q. Would you define a "relativity?"
- A. A relativity is a percentage or a factor.
- Q. How are motorcycle rates determined and why did the Bureau request these relativity changes for motorcycle insurance?
- A. A separate rate level analysis is conducted for motorcycle insurance. Then, motorcycle liability rates are displayed as a percentage of the private passenger automobile rates. In order to factor in the effects of the increase for the private passenger automobile rates, the Bureau filed for changes in the relativities used to establish the motorcycle liability premiums. If the automobile rate changes proposed in the Filing are not implemented in their entirety, it will be necessary to increase the relativities used to establish the motorcycle rates. The relativity changes for motorcycle liability premiums contained in the Filing assume that the entire private passenger automobile liability rates are implemented as filed.
- Q. How many companies are presently licensed to write automobile insurance in North Carolina?
- A. As of January 1, 2009, there were 622 companies licensed to write nonfleet private passenger automobile insurance in North Carolina.
- Q. How many companies actually write automobile insurance in North Carolina?
- A. Based upon information in the 2007 Annual Statements, 142 companies actually wrote automobile liability insurance and 127 companies actually wrote automobile physical damage insurance in North Carolina.
- Q. Do the Filing and the materials submitted to the Commissioner with it include, to the extent available, the information to be furnished in connection with filings under Article 36 of Chapter 58 of the General Statutes?
- A. Yes. Those data that were available have been submitted to the Commissioner along with the Filing. As shown and explained in that submission, some data were not collected or, if collected, were not retrievable from the statistical data in the form requested. The individual circumstances with respect to such data are explained in the submission.

**PREFILED TESTIMONY  
OF  
PATRICK B. WOODS**

**2009 PRIVATE PASSENGER NONFLEET  
AUTOMOBILE INSURANCE RATE FILING  
BY THE NORTH CAROLINA RATE BUREAU**

- Q. Please state your name and business address.
- A. My name is Patrick B. Woods. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.
- Q. By whom are you employed?
- A. I am employed by Insurance Services Office ("ISO") and have been employed by ISO since May 10, 1976.
- Q. What are your responsibilities at ISO?
- A. I am generally responsible for managing and overseeing the operations of the Personal Automobile Actuarial Division at ISO. The Personal Automobile Actuarial Division is responsible for ISO's total ratemaking operation as it pertains to private passenger automobile insurance. We are generally responsible for doing everything that pertains to ratemaking for the personal automobile coverages including reviewing experience, making filings, analysis of classification plans, etc. ISO is involved in ratemaking for the personal automobile coverages in general in 49 of the 50 states plus the District of Columbia and Puerto Rico, as well as ISO's ongoing work for the Government of Israel for the Compulsory Auto Coverages.
- Q. What is your employment background?
- A. I have been employed by ISO for over thirty two years in various actuarial positions in the Personal Lines area. I was hired as an Actuarial Assistant in the Personal Property Actuarial Division in 1976. I was promoted to Assistant Actuarial Supervisor in Personal Property. I was later transferred to Private Passenger Actuarial and promoted to Actuarial Supervisor. At my next promotion I was named as Assistant Actuary in ISO's Data Quality Division. While in this area, I worked exclusively on New York's Special Examination of ISO and NAI in their role as statistical agents for personal automobile insurance. Upon completion of this assignment, I joined the Personal Lines Actuarial Division. In January of 1987, I was named Actuary and Manager of the Personal Lines Actuarial Division. In 2003, because of the growth of our international commitment, ISO split the Personal Lines Actuarial Division into two Divisions—Personal Automobile Actuarial and Personal Property Actuarial. I am

presently Assistant Vice President and Actuary in charge of the Personal Automobile Actuarial Division.

Q. What is your background in actuarial science and your educational background?

A. I have a Bachelor of Science degree and a Master of Arts degree in mathematics from St. John's University. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries. I am currently a member of the CAS Prizes and Awards Administration Committee. I have served on the CAS Program Planning Committee, on the Professional Education Committee, the Committee on Principles, on the CAS Examination Committee, on the CAS Risk Classification Committee and on the CAS Editorial Committee. I have also served as a member of the American Academy of Actuaries Committee on Property and Liability Issues. I am currently chair of the Casualty Committee of the Actuarial Standards Board, and formerly served as chairman of the Ratemaking Subcommittee of the Casualty Committee of the Actuarial Standards Board.

Q. Are you familiar with automobile ratemaking in other states?

A. As part of my duties at ISO, I know the data collection and ratemaking procedures in use in states other than North Carolina. I have worked on rate filings for virtually every state in which ISO has jurisdiction. I am responsible at the present time for either preparing or supervising the preparation of filings for all of the states and the District of Columbia and Puerto Rico.

Q. What work have you performed with respect to the Rate Bureau's 2009 automobile rate filing in North Carolina?

A. Through ISO I have been involved in the preparation of the 2009 automobile rate filing for the Rate Bureau in two respects. First, ISO is one of three statistical organizations that collect rate-related statistical data from the companies writing automobile insurance in North Carolina. The Independent Statistical Service, Inc. ("ISS") and the National Independent Statistical Service ("NISS") are the other statistical organizations that collect such data. The three statistical organizations subject the data that are reported to them to a series of verification edits and then consolidate the data. The data which ISS and NISS collect are sent to ISO and consolidated with the ISO-collected data in the proper format so that they can be reviewed to determine whether rates are adequate or inadequate. ISO then produces the hard-copy exhibits of the combined data in a format and detail necessary for ratemaking.

Second, ISO provides consulting actuarial services directly to the Rate Bureau. I have been directly involved in this aspect of the Rate Bureau's private passenger automobile insurance rate filings for a number of years. As in the past, my staff and I compiled the ratemaking data to be reviewed by the Automobile Committee in preparation of the filing. Also, as in the past, I have participated in all of the discussions of the Automobile Committee in preparation of the filing.

Under my direction, my staff put together the vast majority of the data and information contained in Exhibit RB-1.

Finally, I have reviewed the filed rates to determine if they are calculated in accordance with the Casualty Actuarial Society's (CAS) Statement of Principles Regarding Property and Casualty Insurance Ratemaking. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the rate standards set forth in North Carolina General Statute 58-36-10(2), i.e., that rates must be adequate, not excessive and not unfairly discriminatory.

Q. Mr. Woods, could you describe generally the steps taken to ensure that the statistical data contained in this filing are reasonable and reliable for ratemaking purposes?

A. Yes. The data received from the companies are subject to various edits which check for the validity of the coded information and the appropriateness of the relationship of the codes to each other on each record. After the data have been edited at the transaction level, they are subject to a set of distributional edits which check that the distribution of the data is consistent with a company's prior submissions. The data are also balanced on a company-by-company basis to page 15 of the Annual Statement. After all these checks and reviews have been made on a company basis, the aggregate data are reviewed for overall reasonableness. This includes checking to see that the changes observed in various summary totals are consistent with known activities and other compiled information, as well as previous years' statistics.

In addition, the Rate Bureau requested that the statistical agents provide the companies that are on the Auto Committee with their own and the industry data distributions by class, territory and deductible. These data were provided to them in order to verify that the data compiled by the statistical agents accurately represents the company's writings in each of the last three years. To the best of my knowledge, these reviews did not raise any question regarding the reasonableness and reliability of the data for ratemaking purposes.

As a result of all these data checks, the Rate Bureau concluded that the data were appropriate for determination of revised rate levels and rate relativities.

Q. Would you describe the data utilized in Exhibit RB-1?

A. The ratemaking experience reflected in Exhibit RB-1 is, in general, the data which has been supplied by the individual insurance companies to the statistical organizations and consolidated into the appropriate format and detail for ratemaking as described above. The supporting data for the rate level changes for bodily injury liability, property damage liability, medical payments, comprehensive and collision coverages are contained in Section C. Three years of exposure, loss and expense experience are displayed for each of the coverages in Section C. The three years are the years ended December 31, 2005,

December 31, 2006, and December 31, 2007. The Automobile Committee discussed the number of years of experience to be used in determining indicated rates. After the indicated required premium per exposure for each of the years were produced, the Committee reviewed the results for each year and considered the impact of giving equal weight to each of the three years. After consideration of the three years of data, the Committee concluded, based on standard actuarial credibility considerations, and balancing the issue of stability versus responsiveness, that the exposure distributions and the losses and expenses attributable to these exposures for the year ended December 31, 2007 were fully credible and could be given 100% credibility weighting for calculating anticipated rate level needs. Accordingly, the mathematical calculations underlying the indicated rate level changes and filed rate changes are based on the exposure distribution, loss and expense experience for the year ended December 31, 2007. This is the same weighting procedure that has been utilized by the Rate Bureau in previous automobile insurance rate filings since the inception of the Rate Bureau in 1977, and it is used on all coverages except for Uninsured Motorists, Underinsured Motorists, excess limits of Bodily Injury and Property Damage Liability and Motorcycles, as noted later.

The loss experience used in the filing for the liability and medical payments coverages is what we call "accident year" experience. I can explain that best by giving you an example. The losses for the accident year ended December 31, 2007 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2007. If an accident occurred December 29, 2006 and resulted in either a loss being paid or a reserve being established after January 1, 2007, that loss would be a part of the accident year losses for the period ended December 31, 2006. The test for breaking losses down into accident years is the date the accident occurred.

For the collision and comprehensive coverages, the loss experience used in the filing is "calendar year" experience. What this means is that the losses include all payments which are made during the particular year. For example, if an accident occurs on December 29, 2006 and the loss is actually paid on January 10, 2007, this would be a loss during the calendar year ended December 31, 2007. The reason we do not use "accident year" experience for physical damage coverages is that the lag between the time an accident happens and the time the loss is paid is usually very short and the difference between accident year and calendar year experience is nominal. The use of calendar year experience is has long been accepted for the physical damage ratemaking in North Carolina.

- Q. What data are included in the preparation of the indicated required premiums in the filing?
- A. The Bureau calculated the needed average indicated premiums by using the loss and expense experience of all drivers who apply to the companies for the coverages in this filing. In filings prior to the 2005 filing, the loss and expense experience was limited to drivers that were ultimately written and retained by the companies at the manual rate or at a downward deviated rate. Risks written and retained by the companies at the manual rate or at a downward deviated rate have significantly better loss and expense experience than risks written by the companies but ceded to the Facility (both clean risks and other-

than-clean risks) and physical damage risks written at higher than the manual rates through the consent to rate process. Instead of calculating the average loss and expense level of all the drivers who apply for and purchase (under the Bureau's non-fleet private passenger automobile policy) the coverages in this filing, the prior procedure calculated the average loss and expense level of only the better drivers in the state. The average loss and expense levels by coverage in this filing are the actual average loss and expense levels of all North Carolina drivers who buy the coverages for which rates are made in this filing.

Since the rate level calculation is made using a pure premium methodology, the indicated average rate is simply determined as the sum of prospective average loss and loss adjustment expense per exposure, and the expenses per exposure for general and other acquisition expenses, a provision for variable expenses (commissions, premium taxes, etc.) and a provision for underwriting profit.

Q. Why did the Bureau include the experience of all these North Carolina drivers in determining the average indicated premiums in the filing?

A. As a result of ongoing discussions with the Department of Insurance, the Bureau spent considerable time in 2004 studying the appropriate experience to use when determining the average rate in North Carolina. In studying the issue, it became clear that the rates determined in prior filings did not reflect the true average loss and expense experience of all the drivers applying for the coverages in the filing. They instead resulted in rates that reflected the average loss and expense level of only the better drivers insured by the companies in what is typically referred to as the voluntary liability and standard physical damage market under the Bureau's non-fleet private passenger automobile policy. The Bureau determined that it was necessary to include the experience of all North Carolina drivers in order to calculate the actual average loss and expense level of drivers applying for the coverages in the filing and to set the manual rates at an average level that appropriately takes into account all of that experience. The Bureau recognized that some drivers will pay more than the premium levels determined in the filing (consent to rate risks, Facility other than clean risks) and that some drivers will pay less than the premium levels determined in the filing (risks receiving downward deviations). On RB-25 the Bureau provides an analysis of the anticipated revenue from all sources compared to the premium that would be generated if the filed Bureau manual rate were charged to all risks. In determining the anticipated revenue the Bureau has used the historic average of the deviations from the manual rate (where the term deviation can be positive relative to the Bureau rate —non-clean risks in the Facility and Consent to Rate risks for Physical Damage, as well as the deviations below manual rates filed by many companies) based on a six year average. Also considered as a revenue component is the clean risk recoupment collected by the Facility to account for the difference between the actuarially sound rate for these risks and the Bureau manual rate. The recoupment amount is based on the latest indicated clean risk surcharge as calculated by the Facility. As a result of this analysis, the Rate Bureau believes that the premiums and other revenue items anticipated to be collected from all of these drivers at the rates anticipated to exist during the period these rates will be in effect is

virtually the same as the amount necessary to pay the anticipated losses and expenses and the fair profit as contained in the calculation of the Bureau rate in the filing. By utilizing the experience of all these drivers, the Bureau has taken into account in this filing virtually all of the variations from the true average rate, and therefore does not believe it is necessary to include an additional provision for rate deviations.

Q. Does the filing contain an exhibit which shows the criteria for determining the credibility to be assigned to a single year's data?

A. Yes. The credibility table at the top of page D-29 of the filing shows the number of claims which are necessary for assigning full credibility to a single year's data. It also shows the number of claims that would be necessary for assigning partial credibility. These are the criteria which are currently used by ISO on a countrywide basis. These credibility standards are based on a formula described in the paper "On the Credibility of the Pure Premium" by Mayerson, Jones and Bowers. This paper was published in the Proceedings of the Casualty Actuarial Society for 1968, Volume LV. The full standard of 4,000 claims is based on the criterion that the observed (actual) pure premium should be within 5% of the expected pure premium with a probability of 95%. In simpler terms, we are using a P (probability) value of 95%, and a k (tolerance) value of plus or minus 5%.

The chart shows that if the average number of claims is 4,000 or greater, 100% credibility should be assigned to the latest year's data, with zero weight being assigned to data for the earlier years. The average number of claims is the average for the two latest accident years. If the average number of claims for a particular coverage over a two year period were 3,700, that would mean that you should use both years' experience in calculating rates. Ninety (90%) percent weight should be given to the latest year and 10% to the earlier year.

Q. Was this criteria for determining the accident year weights applied to all coverages?

A. No, as I mentioned earlier, there were exceptions to this criteria—Uninsured Motorists, Underinsured Motorists, excess limits of Bodily Injury and Property Damage Liability and Motorcycles. Since the experience for the Uninsured Motorist coverage can be less stable, an exposure-weighted average of the latest three years was used. In filings from 1997 through 2002, the Rate Bureau used a premium-weighted average to calculate the final results for this coverage. When the Bureau switched to a pure premium based methodology, the Bureau switched to an exposure-weighted average. For Underinsured Motorists the three year average is used because of the leveraged nature of the coverage, an excess cover over the party at fault's underlying bodily injury coverage. This could lead to relatively unstable results from year to year, as the losses are subject to the mix of the limits purchased and at fault in the accidents. (It is worth noting that while the data shown appears to be quite stable, the potential for large claims should be recognized since this analysis is on a total limits basis. This possibility is addressed through the use of a three year experience period). Similarly, for excess limits of coverage for Bodily Injury and Property Damage Liability, a three year experience period is used due to the potential for variability in the year to year results for higher layers of coverage. For motorcycles, the experience

was collected by a Rate Bureau call for financial data, and therefore no claim count by year was available. In addition, the results by year for this coverage can be quite variable. Based on these two facts, a premium-weighted average of the three latest years was used.

Q. Page D-29 also has a table showing the factors for territorial credibility. Please explain that.

A. Once the statewide rate change is determined, it is necessary to apply the overall change to each of the territories in the state. The territory credibility table is used to determine how much credibility is assigned to the three-year experience for a particular territory. The reason for the difference in the number of claims as between statewide credibility and territorial credibility is that for the development of rates by territory a wider confidence interval is permitted. We use a 90% confidence interval for territory purposes, but a stricter 95% confidence interval for the statewide rate level calculation.

Q. Please explain the trend credibility table in the lower right-hand portion of page D-29.

A. In some states the number of claims is so small that full credibility should not be assigned to the calculated trends. That is clearly not the case in North Carolina. The trend credibility table shows that 10,623 claims are necessary for full credibility for trends. With the exception of the uninsured and underinsured motorist coverages, the number of claims far exceeds that standard. Therefore it is appropriate for the bodily injury, property damage, medical payments, collision and comprehensive coverages to give the trend calculations full credibility. This does not mean that the past trends will necessarily continue into the future. That is something which we have to consider and evaluate carefully. It does mean, however, that we can be confident that the trend calculations are accurate representations of what did in fact occur during the period covered by the trend calculations.

Q. As part of your testimony, have you prepared an exhibit that shows the average number of claims over the last two accident years for each of the coverages in the filing?

A. Yes. Exhibit RB-3 shows the average number of claims for the accident years ended December 31, 2006 and December 31, 2007. It shows that for Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages, the number of claims was far in excess of the 4,000, which is the standard for assigning full credibility to the latest year. Accordingly, for the purpose of calculating the statewide rate indication for each of these coverages, it is actuarially sound and reasonable to give 100% credibility weight to the data for the accident year ended December 31, 2007.

Q. Has the Rate Bureau made any adjustment in the filing to reflect seat belt usage in North Carolina over the last few years?

A. No, the Rate Bureau has not made an explicit adjustment to the otherwise indicated rate levels because of programs and law changes in North Carolina directed at increasing use of seat belts. The initial law for front seat occupants was put in place in late 1993, and its effects are fully reflected in the 2005, 2006 and 2007 data. In addition, data from the



National Highway Traffic Safety Administration indicates that the usage percentage subsequent to the experience period is similar to the usage in the experience period.

In addition, the recently enacted law requiring all occupants to be belted (warnings only effective December 1, 2006 and \$10 penalty effective July 1, 2007) was discussed by the Auto Committee. Since the trend data were through June 2008, a portion of any effect of the law change is already reflected in the data. Further, given that North Carolina already had a child restraint law in effect and the new law would affect only adults over the age of 16 in the rear seat, any additional impact on exposure would be small. Therefore, no additional adjustment was necessary in the indicated rate levels.

Q. Has the Rate Bureau given any consideration to the impact of the graduated license program?

A. Yes, the Rate Bureau has again considered the impact of the graduated license program. The Committee noted that the program was effective in late 1997. This means that all three of the years of experience considered by the Auto Committee were fully reflective of the graduated license program.

Q. Mr. Woods, please turn to page C-1 of Exhibit RB-1. Would you explain what that page is.

A. Page C-1 is what we call a statewide indicated average rate level calculation for the liability coverages for North Carolina. Although technically the medical payments coverage is not a liability coverage, for ratemaking purposes we generally treat it as such. Therefore, if I refer in my testimony to the liability coverages, it includes not only bodily injury and property damage but also the medical payments coverage unless I specify otherwise. Page C-1 is a determination of what the indicated average rate levels are for bodily injury, property damage, and medical payments coverages.

Q. The column on page C-1 for bodily injury contains a reference to "30/60". What does that mean?

A. These are the minimum bodily injury liability policy limits which are needed to comply with the financial responsibility laws in North Carolina. Here we are calculating the indicated average rate that is needed for this "basic limits" coverage. We assume that losses are "capped" at these basic limits. What this means is that the indicated average rate we get from the calculation is the actuarially sound average rate assuming everyone in North Carolina purchased basic limits coverage. There is a separate procedure which is followed to determine what the additional premium should be for those people who buy higher limits, and the results of that procedure are incorporated at the end of the calculation on page C-1 in order to get the total limits premium. This use of "basic limits" losses for the purpose of determining the statewide indicated average rate is the proper procedure to be followed. As far as I am aware, the use of basic limits data is universally accepted. To illustrate how it works, assume that a person bought a policy with 100/300 bodily injury policy limits and had an accident which caused his insurance company to make a payment to a claimant of

\$75,000. The losses which are shown on line 1 would include only \$25,000 as opposed to the \$75,000 total loss.

Q. Referring to line 1 on page C-1 under the bodily injury column, what are "reported incurred losses and allocated loss adjustment expense"?

A. The reported incurred losses on line 1 are the losses resulting from accidents which occurred during the one year period ending December 31, 2007. The figure includes both losses which have already been paid and losses which are not yet paid and are represented by outstanding claim reserves. The figure also includes allocated loss adjustment expenses. Allocated loss adjustment expenses are expenses which relate to a specific claim. For example, the fees which an insurance company pays to attorneys to defend a claim would be classified as allocated loss adjustment expenses. On the other hand, adjustment-related expenses which cannot be identified to a specific claim are called unallocated loss adjustment expenses. An example of this would be the salaries and overhead associated with operating a company's in-house claims department. Allocated loss adjustment expenses are included in line 1; unallocated loss adjustment expenses are not.

Q. Have the losses and allocated loss adjustment expenses as reported by the companies been adjusted in any way to get to the number in line 1?

A. Yes. As I mentioned earlier, ratemaking is done on a 30/60 limits basis. For that reason we adjust the reported losses by eliminating those losses which exceed the amount which would have been paid had the policy limits been 30/60.

Q. Would you please explain lines 2 and 3 on page C-1?

A. Yes. Those lines reflect the incorporation of loss development into the calculation. Line 2 shows the loss development factor, and line 3 is the result of multiplying the incurred losses and allocated loss adjustment expenses in line 1 by that loss development factor. As I mentioned a moment ago, the losses on line 1 of page C-1 do not include losses which are not yet reported. By definition, since they are not yet reported, we cannot simply take a reported number and add it in. They are included by what is known as an adjustment for IBNR (incurred but not reported) losses. This is accomplished through the use of loss development factors. The losses as they are reported to us cover all accidents which occur during the one year period ended December 31, 2007. When they are reported to us they are evaluated as of March 31, 2008. As of March 31, 2008, some of the losses have already been paid and some have not, i.e., they are represented by loss reserves. The loss reserves, of course, are estimates of what will ultimately be paid on these outstanding claims. Since we want the estimates to be as accurate as possible, we look at history to see how losses have changed, or "developed," in the past from the time they were initially reported to the time they were ultimately paid. For example, if we look back and see that historically there has been a 1% increase in the amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development pattern will hold true for losses incurred during the year ended December 31,

2007. Accordingly, under this example, we would make an adjustment by increasing the losses as they are initially reported to us by 1%.

Q. What causes losses to change or develop as you have described?

A. The losses which are paid as of the date of the initial reporting, of course, do not change. As to the reserve portion of the losses, however, changes would typically result from the fact that the ultimate loss payments are more or less than estimated at the time of the initial report. Another factor would be the late reporting of claims. For example, if an accident occurred on December 28 of any given year and for some reason was not timely reported to the company, it might very well be that the losses as initially reported would not include any provision for that particular claim. By the time of the next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q. Will you please refer to page D-16 of RB-1 and explain how the loss development factor for bodily injury in the filing was calculated?

A. Yes. In the top section of that page the combined voluntary and ceded losses evaluated as of 15, 27, 39, 51 and 63 months for the accident years for which data are available are shown. The first entry for the accident year ended December 31, 2004 is \$539,624,419. This is in the column which is labeled "15 Months." This is the first evaluation of the losses caused by accidents which occurred during the year which ended December 31, 2004. The evaluation was made as of March 31, 2005 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2006), the losses caused by accidents which occurred during the year ended December 31, 2004 had grown to \$573,780,470. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$540 million to \$574 million represents a growth in losses, or a positive development, of 6.3% (1.063) as shown in the column on the lower portion of the page labeled "15 to 27 Mos." As shown on page D-16, we have looked at the average development from 15 months to 27 months over the three year period of accident year 2004 to 2006 and over the latest five years. The average development for the three years was 1.073 or 7.3%, and the average development for the latest five years was 1.073 or 7.3%. . . As in the past, the Automobile Committee decided to use the factors based on the three year averages. I believe that such factors provide the best balance of stability and responsiveness.

Q. Does page D-16 also show development figures for periods later than 27 months?

A. Yes. Studies have shown that for the bodily injury liability coverage virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For that reason we also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months and 51 months to 63 months. For example, by the time of the 39 month evaluation the losses for the accident year ended December 31,

2004 had grown to \$593,251,141. This represents a change of 3.4% in the losses for the same accident year evaluated as of 27 months. The average development over the period 27 months to 39 months for the three most recent years for which the data are available was 1.032 or 3.2%.

Q. Are the data which were used to determine loss development for later periods also shown on page D-16?

A. Yes. The figures showing how losses developed from the 39-month evaluation to the 51-month evaluation and then the 63-month evaluation are also shown on that page. The development factors were calculated in the same manner I just described for the "15 to 27" and "27 to 39" development factors. As you can see on the page, we have had to use earlier accident years to get the later evaluations. This is because we do not yet know what the ultimate developments will be on the later accident years.

Q. Will you explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2007 losses was determined?

A. Yes. The development factors for each of the applicable periods, as shown on page D-16, are:

<u>Development Period</u>	<u>Factor</u>
15 to 27	1.073
27 to 39	1.032
39 to 51	1.012
51 to 63	1.002

If you multiply all of these factors, you will get the average development from the initial evaluation at 15 months to the ultimate payment value at 63 months. The result of that multiplication, rounded at each step, is 1.122 or 12.2% total development. Since losses have historically increased or developed by 12.2% from the time they are initially reported to the time they are paid, the assumption is that the losses for the accident year ended December 31, 2007 will do likewise. Accordingly the developed losses shown in the filing for the accident year ended December 31, 2007 include a 12.2% upward adjustment for loss development.

Q. Is this the same loss development procedure that has been employed in previous automobile insurance rate filings in North Carolina?

A. Yes.

Q. Please refer to line 5 of page C-1. With reference to the column headed "Bodily Injury," please tell us what the figure \$85,334,906 represents.

A. These are the unallocated loss adjustment expenses associated with accidents that occurred in the accident year ended December 31, 2007. As I explained earlier, unallocated loss adjustment expenses are those loss adjustment expenses which cannot be attributed on an accident-by-accident basis. That number is the result of multiplying the developed losses and ALAE in line 3 by the factor of 0.134 in line 4.

Q. Have you reviewed the Rate Bureau's compilation of the expense data furnished by its member companies in response to the special call?

A. Yes, I have. When ISO gets the expense information from the Rate Bureau, we routinely review it relative to earlier years for consistency.

Q. Please refer to page C-1, line 6 entitled "General and Other Acquisition Expenses." With reference to the figure \$158,294,080 shown under the column headed "Bodily Injury," what does that figure represent?

A. These are the general and other acquisition expenses associated with the accident year ended December 31, 2007. These are the so-called fixed expenses for that year. They are fixed in that they do not vary as a direct function of the premium dollar. For example, employee salaries (other than claims employees) would be classified as either general expenses or other acquisition expenses. Those salaries are fixed in the sense that they do not vary directly as a function of premium. Such things as commissions and premium taxes, on the other hand, are examples of expenses which do rise or fall directly with premium. Line 6 of page C-1 represents the expenses (other than claims-related expenses) which are fixed in this sense.

The amounts shown on line 6 for each of the coverages are also derived from the most recent special call responses received by the Rate Bureau. The figures reported in response to the special call are total general expenses and total other acquisition expenses. It would not be appropriate to include the total figures actually reported since some of those expenses should be the "increased limits" portion of the total rates. Since what is calculated on page C-1 is the required premium needed for basic limits, we want to use only those fixed expenses which are attributable to the basic limits premium. As shown on page C-2 at footnote (c), the total limits fixed expenses were 7.2% for general expenses and 9.1% for other acquisition expenses, for a total of 16.3% of total limits collected earned premium for voluntary and ceded collected earned premium and 6.5% for general expense and 8.3% for other acquisition expense of the voluntary and ceded manual earned premium. (The data for these percentages is shown on page H-608.) By multiplying these percentages times the basic limits premium on a collected level for voluntary premium and on a manual level for ceded business for policies associated with the year ended December 31, 2007, you get the total fixed expenses which are attributable to the basic limits coverage. This is shown on Exhibit RB-4.

Q. What is the assumed effective date which was used in the preparation of the present filing?

A. The filing was put together on the assumption that the revised rates will become effective October 1, 2009 for new and renewal business.

Q. Would you please explain line 7?

A. The figure 6,680,035 in line 7 displays the earned exposures for the Bodily Injury coverage for the year 2007. An earned exposure represents one car insured for one year. Thus, the 6,680,035 represents the number of cars that were provided with coverage under the Bureau's nonfleet private passenger automobile policy during the year 2007. The earned exposures will serve as the denominator in the calculation of the projected values that will be used in calculating the required per risk premium.

Q. Would you please explain lines 8 through 10?

A. These lines are shown for general information purposes. The incurred claims in line 8 are multiplied by the claim development factor in line 9 to produce the number of developed claims in line 10.

Q. Referring to page C-1, please explain what is meant by line 11 -- Average Annual Change in Losses and ALAE.

A. What the Rate Bureau is doing in the filing is making rates to cover policies issued for new business and for renewals of existing business during the period October 1, 2009 through September 30, 2010. In order to do that, it is necessary to project the amount of losses which will be covered under policies issued during these periods. Since we know that losses change because of such things as changes in accident frequency and changes in injury and damage costs, it would not be appropriate to assume that the losses covered under 2009 and 2010 policies will be the same as the losses which are shown on line 3 for the accident year ended December 31, 2007. The purpose of line 11 is to trend the losses which are shown on line 3 to the anticipated level for 2009 and 2010 policies. Line 11 shows what is generally referred to as the trend factor. It is the anticipated annualized rate of change in losses. For the bodily injury liability coverage, the annual factor is 1.022 or 2.2% per year. These are referred to as "pure premium" trends. In order to apply that annual trend to policies to be written under the new rates, the trend is applied over a period of 3.04 years, as shown in line 13 on page C-1. Mathematically this is done by raising the factor of 1.022 to the 3.04 power. This gives you the total amount of the trend projection.

Q. How were these trends determined?

A. They were selected by the Automobile Committee based on its review and discussion of a variety of information presented at the December 11 meeting and January 6 teleconference. Much of the information they reviewed was provided by ISO. The primary data for this analysis are what we refer to as "internal" trend data. These are the cost and frequency data for all companies writing private passenger non-fleet automobile insurance in North Carolina, for which trend lines were determined for several different time intervals both on

a linear and on an exponential basis in order to determine what the actual changes for both cost and frequency have been in the recent past. This information is included in the filing at pages H-541 through H-579.

Fasttrack data were also provided. This is data from the so-called Fasttrack Data System, a program administered under the auspices of the National Association of Insurance Commissioners ("NAIC"). This program was developed in the 1970's in response to a concern that the internal trend data were not produced currently enough to indicate the most up-to-date trends in accident frequency or severity. Fasttrack data are collected, as the name implies, on a more expedited basis from among a number of the larger automobile insurance writers. There are a number of problems with Fasttrack data. For instance, they do not include the trend data of all insurers and are not subjected to the verification procedures which are applied to the internal trend data. Further, the Fasttrack data, which are also compiled on a calendar year basis, are somewhat biased due to the relative growth of participating companies and the share of the market in claims and exposures they represent. Nonetheless, they can be useful on some coverages as a tool to assist in making judgments about likely trends where they are more current than other available data. It should be noted that the Fasttrack data used in this filing are the same Fasttrack data supplied directly to the Commissioners by ISO and ISS. The fasttrack data and trend calculations are included in the filing at pages H-529 through H-540.

Q. Was there any other trend information provided to the Automobile Committee?

A. In addition to the internal trend and the fasttrack trends, various external information was provided. This information included various government indices (such as the Consumer Price Indices for medical care, physician services and auto body work), statistics with respect to gasoline prices, and miles driven.

Q. Is there any one mathematical procedure which can be used to determine the average annual change in pure premium?

A. No, there is not. The determination of an average annual change based on trend curves will give an accurate calculation as to what the past trend has been. However, the trend numbers calculated in that fashion should be used as a prospective trend factor only to the extent that one anticipates that the past trends will continue into the future.

Q. Have you reviewed the trends used in the filing?

A. Yes. The Rate Bureau adopted for use in the filing the selections made by the Automobile Committee. Those are set out below:

COVERAGE	COST	FREQUENCY	PURE PREMIUM
Bodily Injury (B/L)	6.5%	-4.0%	2.2%
Bodily Injury (T/L)	6.5%	-	-
Property Damage	2.5%	-1.5%	1.0%
Medical Payments	0.5%	-0.5%	0.0%
Comprehensive	1.5%	-1.0%	0.5%
Collision	0.5%	0.0%	0.5%
Uninsured Motorists	-	-	0.0%
Underinsured Motorists	-	-	7.5%

Q. Do you have an opinion with respect to the reasonableness of these trends?

A. Yes, based on my own review of the data, I do. I believe that the Rate Bureau has been reasonable in its trend selections. By that I mean that the Bureau has selected trends that were within my range of reasonableness.

For the Bodily Injury coverage, the Rate Bureau has selected a cost trend of 6.5 % based on selecting a value that is in the midrange of the fitted annual rates of change. The 12 point, 9 point and 6 point fits annual rate of change are within the range of 5.7% to 7.5%. The selection of 6.5% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends.

For Bodily Injury claim frequency, the Rate Bureau selected -4.0%. The Bureau examined the fitted paid claim frequency data and noted that annual rate of change for claim frequency was within a very narrow range for the 12 point, 9 point and 6 point fits. The selection of -4.0% is consistent with this period of stability.

For the Property Damage coverage, the Rate Bureau selected a cost trend of 2.5% and a frequency trend -1.5%. The 2.5% selection for cost falls within the range of the shorter and longer term fits. The selection of the -1.5% frequency change is based more on the longer term fits in Property Damage frequency. The longer term fits were relied on more heavily, as the year ended June 2008 values in the trend data and the year ended December 2007 accident year data already reflected a large decline in frequency due to the onset of an economic slowdown.

For the Medical Payments coverage, the Rate Bureau selected a cost trend of 0.5%. This selection is based on the fact that the rates of change for this coverage have moderated significantly. However, it was also noted that forecasts for the rate of change for medical care costs will continue to increase at levels greater than that indicated by the Medical



Payments severity changes. Most recent Consumer Price Index data shows these annual changes to have been about 3 to 4.5% for medical services both on the long term and the short term.

For Medical Payments frequency, the Rate Bureau selected a frequency trend of -0.5%. The annual rates of change for each of the fits displayed have been negative. The selection of this change is based on consideration of a balancing of the long term trends and the moderation in the rate of decrease in frequency seen in the last 3 points.

For Comprehensive, the Rate Bureau selected a cost trend of 1.5%. This is based on fitted changes for the various deductibles for data through June 30, 2008 as follows:

	Full Coverage	\$50 Deductible	\$100 Deductible	\$250 Deductible	\$500 Deductible
	%	%	%	%	%
15 Points	0.8	0.7	0.4	1.5	0.5
12 Points	0.9	1.2	1.0	1.7	1.9
9 Points	1.7	-0.1	1.5	1.3	0.2
6 Points	3.4	-2.7	1.3	0.7	-1.7

The selection of the 1.5% cost trend was based on the discussion of the annual rates of change for the various deductibles and focused on the rates of change for the Full Coverage and \$100 deductibles, with some focus on the \$250 and \$500 deductibles. Reliance on the rates of change for the 12 point and 9 point fits balance the short and long term considerations and support the selection of 1.5%.

Because of the way claims appear to have been reported during the various hurricanes that have occurred in North Carolina, the Auto Committee examined Comprehensive trend data excluding wind and water and "all other" property damage losses.

The Comprehensive claim frequencies for the Full Coverage, \$100 deductible and \$250 deductible (which contain the vast majority of the data) show a pattern of negative annual rates of change over the entire period. However, the Committee noted that, for each of these deductibles, the most recent points have flattened, indicating a moderation of the downward trend. In light of this observation the Committee selected a -1.0% claim frequency trend for Comprehensive.

The underlying Comprehensive claim cost and frequency data is found on pages H-550 through H-559.

For collision cost trend, the Rate Bureau selection of 0.5% is supported by the data found on pages H-564 through H-569. The fitted annual rates of change for the predominant deductibles average 1.0% over the longer term (12 point and 15 point fits) and show some

moderation in the more recent periods. Based on this pattern the Auto Committee selected a cost trend of 0.5%.

For collision frequency trends, the Rate Bureau selection of 0.0% is primarily based on the generally flat rates of change in the claim frequency for the \$250 and \$500 deductibles. Collision frequency data is shown on pages H-570 through H-575.

The UM trend factor of 0.0% is based on the pure premium fits found on page H-580. This data is showing the actual pure premiums have tended to fall in a range that includes the values for the latest 3 years. The selection is justified in part on this observation and the fact that the rates of change shown over the entire period have been close to no change.

The UIM trend factor of 7.5% is based on the pure premium fits found on page H-581. This data shows that the UIM pure premium has been increasing generally over the last 8 years of available data. The Auto Committee examined annual rates of change based on the full term of this data. The selected trend is based on the increase in the rate of change over the more recent period.

Q. In making your evaluation of the Rate Bureau's trend selections, have you relied on any other data?

A. Yes, I have. I relied on the various CPI cost information, information on gasoline prices, and miles driven data. In looking at the trend data, my judgment and interpretation of the trend data were influenced by my awareness and analyses of these external data.

Q. Please refer to line 12 of page C-1 of Exhibit RB-1 and explain the purpose of that line.

A. The average annual change in expense cost of 3.0% represents the expected change in general expenses, other acquisition expenses and unallocated loss adjustment expenses. These expenses are treated as fixed expenses and do not vary in direct relationship to the actual premium dollars. These expenses represent salaries, overhead, rents and expenses that should vary according to general economic trends and not as a direct function of how premium increases or decreases. For example, commissions are calculated as a percent of premium. If the premium rate goes up, the dollars of commission go up. On the other hand, the salary paid to an employee in the Home Office, which is a part of general expenses and other acquisition expenses, is not tied to premium. Just because premium may go up 10% does not mean that the employee's salary will go up 10%. The salary will be influenced by general economic trends and not what the premium level is doing. That is why general expenses and other acquisition expenses are treated differently from those expenses that vary as a function of premium in this filing.

Q. Would you explain how the 3.0% factor in line 12 was determined?

A. The average annual change in expenses is based on analysis of the latest average annual change in the All Items CPI, the All Items-Less Energy CPI and the Compensation Cost

Index. The data are shown on pages D-11 through D-14 of the filing. The Auto Committee examined the fits of the data in 2 different combinations: the All Items CPI and the Compensation Cost Index combined fitted rates of change over various time periods for the last 4 years; and the All Items-Less Energy CPI and the Compensation Cost Index for the same time periods. The Committee added the second analysis this year because the volatility in energy prices has made the All Item CPI more volatile and therefore less valuable as a predictor of future costs. Based on an analysis of these two sets of data, a selected factor of 3.0% is quite reasonable as the various fits examined showed an annual rate of change over the long term including the All Items CPI to be 3.23%, and the shorter term fits including the All Items-Less Energy CPI to be 3.16%, with the longer term fits of 2 years and 3 years being near 3%.

Q. How do you apply the average annual change in expenses set forth in line 12?

A. The procedures on how the average annual change in expenses is applied is described in footnotes (f) and (g) on page C-2. The expenses set forth on lines 5 and 6 are multiplied by the prospective trend factor to adjust the expenses for the projected future changes in expenses. The general and other acquisition expenses are trended to six months past the effective date and the unallocated loss adjustment expense is trended to the average date of loss for policies which will be written at the proposed rates.

Q. Will you explain line 16 on page C-1 entitled "Projected Losses and ALAE"?

A. The projected losses and allocated loss adjustment expenses of \$680,131,937 are the losses and allocated loss adjustment expenses set forth on line 3 multiplied by the total trend projection. This gives you the losses that we expect will be incurred under the revised rates.

Q. Line 13 on page C-1 and footnote (e) on page C-2 indicate that losses are trended for a period of 3.04 years. Will you explain how the 3.04 years of projection was calculated?

A. The incurred losses set forth on line 3 are the developed losses for the accident year ended December 31, 2007. These losses actually occurred during that time frame. The average date of loss of those accidents is the mid-point of that accident period or July 1, 2007. In order to adjust these losses to the future level expected to prevail under the proposed rates, you have to adjust them by the trend factor. The proposed effective date for purposes of the calculations in the filing is October 1, 2009. This means that policies will be written, assuming annual revisions, anywhere on average from October 1, 2009 through September 30, 2010. A policy written on the last day of that interval, September 30, 2010, assuming it is an annual policy, will expire on September 30, 2011. The period for which accidents will occur under these policies will be anywhere from October 1, 2009 through September 30, 2011. If you were to assume that all of the policies were annual policies, the average date of accident underlying the proposed rates would be the mid-point of that two-year period or October 1, 2010. If we were only talking about annual policies we would trend from the average date of accident underlying our base experience period, July 1, 2007, to October 1, 2010 - a period of 3.25 years. This would be the amount of the trend you

would have to use in order to take your base losses and adjust them to the appropriate future level.

If you were to assume that all of the policies were six month policies, then a policy written on September 30, 2010 would expire on March 31, 2011. The period for which accidents will occur on these policies will be from October 1, 2009 through March 31, 2011. Thus the average date of accident underlying the proposed rates for 6 month policies would be the midpoint of that 18 month period, July 1, 2010.

In North Carolina, not all policies are annual policies. Most automobile policies in North Carolina are six-month policies (approximately 86% - see page D-6). Based on the "mix" of policy terms being written in North Carolina, the average date of loss will be July 13, 2010. Therefore, in order to adjust the base losses from July 1, 2007 level to July 13, 2010 level, it is necessary to apply the annual trend factors for a total period of 3.04 years.

Q. Will you explain the projected ULAE in line 17 on page C-1 of the filing?

A. These are the unallocated loss adjustment expenses in line 5 projected by the average annual change in expenses in line 12 to the average date of expense for policies issued under the proposed rates. These loss adjustment expenses have to be adjusted for the same 3.04 year period since loss adjustment expenses occur at approximately the same time that losses occur.

Q. Will you explain line 18 entitled "Projected Losses and LAE per exposure"?

A. What line 18 shows is the anticipated average cost per insured vehicle for losses and all loss adjustment expenses. The value is calculated by adding the projected losses and ALAE in line 16 and the projected ULAE in line 17 and then dividing the total by the earned exposures in line 7.

Q. Will you explain line 19 entitled "Projected G & OA Expenses"?

A. As shown in footnote (g) on page C-2, projected general and other acquisition expenses are the general and other acquisition expenses in line 6 projected by the average annual change in expense in line 12. The projected period of 2.75 years is utilized because general and other acquisition expenses are generally incurred at the time a policy is written as opposed to the date that a loss occurs. Therefore, the average date of expense is different from the average date of expense utilized for loss adjustment expenses. The trend period is from the midpoint of the year to April 1, 2010, the average date of expense for policies to be issued under the revised rates.

Q. What does line 20 entitled "Projected Fixed Expenses per exposure" show?

A. Line 20 entitled "Projected Fixed Expenses per exposure" takes the Projected G & OA Expenses shown on line 19 and divides them by the earned exposures in line 7. This figure

represents the amount of expenses that will be incurred for general and other acquisition expenses on a per exposure basis.

Q. What does line 21 entitled "Projected Loss, LAE and G & OA Expenses per Exposure" show?

A. Line 21 is, as indicated, just a combination of lines 18 and 20; it is the sum of projected losses and ALAE, projected ULAE and projected general and other acquisition expenses all stated as an average amount per earned exposure. These are the projected costs that can be expected to be incurred during the experience period and are the major components for which the average rate will need to provide.

Q. What does line 22 entitled "Percentage Dividends" show?

A. Line 22 shows the Rate Bureau's selected provision of .25% for anticipated dividends to policyholders. This is based on the data shown on RB-5 which shows policyholder dividends as a percentage of all premium.

Q. Is including a provision for dividends to policyholders in the rate calculation a change in procedure for the Rate Bureau?

A. No, it is not. The Rate Bureau has long included a provision for policyholder dividends. Over the past several years, the Bureau has included a zero provision because the Bureau did not believe that policyholder dividends in North Carolina would be material. In reviewing the data this year, the Auto Committee recognized that dividends, though small, have been paid consistently and in material amounts. In the latest year, the amount of policyholder dividends increased significantly. Based on all of this information, the Bureau decided to include a provision of 0.25% of premium to reflect anticipated dividends. Given the historical data, this is a conservative assumption.

Q. What does line 23 on page C-1 entitled "Permissible Loss, LAE and G & OA Expense Ratio" show?

A. This line takes into account the other expense items, such as commissions and brokerage and taxes, and provides for underwriting profit. If you look at page D-22 of the filing, you can see that, for the liability coverages, the commissions and brokerage are 9.7% of the premium dollar, and taxes, licenses and fees are 2.2% of the premium dollar. The provision utilized in this filing for underwriting profit for liability is 11.0%, and there is a 0% margin for contingencies. All these items add up to 22.9%. These items are what are known as variable expenses. They vary in direct proportion with the premium dollar. You know that out of every dollar of premium you write, 22.9 cents will have to go to pay for these expenses and you are left with only 77.1 cents to pay for losses, loss adjustment expenses and general and other acquisition expenses. The permissible loss and fixed expense ratio shows the percentage of the premium dollar you will have available to pay for trended

losses, trended loss adjustment expenses and trended general and other acquisition expenses.

Q. What is the source of the percentages on page D-22 with respect to commissions and brokerage and taxes, licenses, and fees?

A. They were calculated from the 2008 North Carolina expense call for 2007 data undertaken by the North Carolina Rate Bureau.

Q. Why does the filing this year contain a 0% provision for contingencies?

A. The 0% provision for contingencies was selected by the Rate Bureau after analysis like that used in past filings. They examined the underwriting results for all voluntary/standard business after consideration of dividends to policyholders and deviations from the Rate Bureau rates. These results were compared to the underwriting profit provisions contained in the Commissioner's decisions from past rate filings. These data are shown on Exhibit RB-6.

Q. Would you explain line 24 entitled "Adjustment Factor for Increase in MVR Expense"?

A. The Adjustment Factor for Increase in MVR Expenses is an adjustment made to the needed overall Projected Loss, LAE and Expenses per Exposure found in line 21 to account for the increase in MVR charge from \$5 to \$8, effective 10/1/2005. A factor of 1.0058 for the 2004 year was the amount that the Rate Bureau and the Department agreed to in the 2005 rate hearing as representing the effect on rates of the increase in MVR costs. Since the increase in MVR expenses was partially reflected in the 2005 experience and fully reflected in the 2006 and 2007 experience, the adjustment factor for the years in this filing are 1.00435, 1.0000, and 1.0000, respectively. Because the Rate Bureau has developed the indicated rate by means of a pure premium analysis, these factors are applied multiplicatively to each coverage.

Q. Would you explain line 25 entitled "Premium Required per Exposure"?

A. This is the required amount of premium that the companies need to collect, on average, from each insured in order for the companies in the aggregate to have sufficient premium to pay the expected losses and expenses and allow for the companies in the aggregate to achieve the target profit provisions included in the Bureau filing. This amount is calculated by taking the Projected Losses, LAE and Expenses per Exposure, adjusted for the change in MVR fee, and loading them for the variable expenses such as commissions, taxes and profit. In effect, the Projected Losses, LAE and Expenses per Exposure are divided by the Permissible Loss, LAE and G &OA Ratio. Simply put, this amount represents the anticipated loss and expense level of the average driver in North Carolina purchasing liability insurance.

Q. What is the Distributional Adjustment Factor as shown on line 26?

A. The distributional adjustment factor as shown on line 26 is the average class factor reflecting the mix of the various use classes, inexperienced operator classes, multi car/single car risks and the average SDIP factor. It provides a measurement of how far from the base class on average the average risk is. For example, the 0.887 distributional adjustment factor for bodily injury liability indicates that, because of the application of these various rating factors, the average risk will pay 88.7% of the otherwise applicable base rate.

Q. Could you please explain line 27 entitled "Required 30/60/25 Base Class Premium"?

A. The figure shown on line 27 is the needed average base class premium statewide. It is determined by dividing the average premium in line 25 by the distributional adjustment factor in line 26. This is the average indicated statewide premium required for a single car, pleasure use, no SDIP and no inexperienced operators risk.

Q. What does the item in line 28 "Selected Total Limits Change" represent?

A. This is the effect on the overall premium level of the residual higher limits change resulting from the selected change in the higher limits factors for Bodily Injury. In effect this is the portion of the overall indicated decrease in the higher limits factors that the Rate Bureau has elected not to include in the changes in the factors, so they are reflecting it here in order to produce an overall change in premium in balance with the overall indication. This will be explained later in the description of the review of Increased Limits experience.

Q. What does line 29 "Required 30/60/25 Base Class Premium" represent?

A. This is the average statewide base class premium required for a single car, pleasure use, no SDIP and no inexperience operator risk. This is the premium that will be used in the development of the territory base rates where it will be distributed based on the difference from the statewide average of each territory's three year pure premium.

Q. Are the calculations of the indicated average rate level for the property damage and medical payments coverages performed in the same manner as for the bodily injury coverage you just described?

A. Yes, while the inputs are obviously different for the different coverages, the calculations are performed in the same general manner.

As noted on page C-1, the medical payments indications are performed on a total limits basis. Therefore, there are no adjustments anywhere in the calculation to a basic limits basis. However, the distributional adjustment factor for Medical Payments will be that much larger, since as part of the calculation to put the premium at a base class level, the premium must be presented at basic limits, and therefore the medical payments total limits

premium is divided by the average increased limits factor in addition to the average class factor.

Q. What are the indicated average rate level changes for bodily injury, property damage and total limits medical payments coverages resulting from the calculations on page C-1?

A. The indicated average basic limits rate level changes for Bodily Injury and Property Damage resulting from the calculations on page C-1 are posted on page A-2. They are determined by taking the ratio of the statewide average required base class premium to the current statewide average base class premium. The required base class premiums by territory are determined by distributing the required base class premium, as shown on the appropriate statewide rate review pages (C-1 for Liability), using the relative changes by territory found in Column (7) on pages C-13 and C-14 and the appropriate expense flattening adjustment. The statewide average for both is determined by taking the weighted average by territory using the earned car years for the year ended 12/31/07.

As shown on page A-1, the result of all of these calculations is that the indicated average total limits rate level changes are 6.5% for bodily injury, 2.5% for property damage, and 9.9% for medical payments.

Q. Page C-7 is entitled "North Carolina Private Passenger Automobile Insurance Physical Damage Coverages Statewide Rate Review Calendar Year Ended 12/31/07." What is displayed on that page?

A. Page C-7 sets forth the calculations underlying the indicated average rate level based upon the year ended December 31, 2007, for the comprehensive and collision coverages in North Carolina. That is the latest available physical damage ratemaking data for North Carolina, including data on policies written under consent-to-rate programs. Policies written at or below manual rates are referred to in the filing as "voluntary" or "standard." Policies written under consent to rate programs are referred to in the filing as "consent to rate" or "nonstandard." While the terms "voluntary," "standard" and "nonstandard" are often used to differentiate between physical damage policies written at Bureau rates and those written under consent to rate procedures, the terms are somewhat misleading since all physical damage policies are written voluntarily – there is no requirement that companies write any physical damage coverage.

Q. Referring to line 4 on page C-7 entitled "Incurred Losses," would you explain what the figure \$283,360,732 represents?

A. These are the incurred losses for the comprehensive coverage for the year ended December 31, 2007. This figure results from adjusting the actual paid losses excluding excess wind and water losses for the year ended December 31, 2007 in line 1 to an incurred basis by multiplying by the factor of 1.001 shown in line 2 and then multiplying by the excess wind and water factor of 1.062 shown in line 3. Exhibit RB-7 shows the derivation of the paid-to-incurred factor of 1.001. The paid-to-incurred factor is used in the calculation



of physical damage rates because the losses for physical damage coverage are reported on a paid basis and must be adjusted to an incurred basis. The paid-to-incurred factor is calculated using Page 15 Annual Statement data for 2007, which includes data on policies written at downward deviated rates, policies written at manual rates and policies written under consent to rate programs. Page 15 data are data set forth on Page 15 of the Annual Statement that each company must file with the North Carolina Insurance Department. These are North Carolina only data.

The calculation of the excess wind and water factor of 1.062 is shown on page D-15 of the filing. Comprehensive coverages are subject to catastrophic influences, and it is therefore necessary to take a long-term look at the contribution to losses that are a function of wind and water or catastrophic type occurrences. A procedure which has been developed for use in automobile insurance ratemaking is to spread the excess years for the catastrophic losses over a thirty year period. Page D-15 shows this experience. Wind and water paid losses have been divided by total paid losses excluding wind and water for the comprehensive coverage in order to determine the long-term average wind and water ratio in North Carolina. Excess years are then shown in column 6 as those years with wind and water losses in excess of the long-term average. The excess portion of the losses has been spread over the time period in order to get an appropriate load for the prospective catastrophic losses. That catastrophe factor is 1.062.

- Q. Are you saying that the incurred losses of \$283,360,732 for the calendar year ended December 31, 2007 are not the total incurred losses for North Carolina comprehensive coverages for that calendar year?
- A. That is correct. The actual incurred losses for the calendar year ended December 31, 2007 are as shown on Exhibit RB-8. The excess wind and water procedure smoothes the excess losses by backing them out of the rate level computation and including them in the excess wind and water calculation. This prevents shock influences in the rates associated with catastrophes.
- Q. Page D-15 of the filing shows significantly more losses beginning in the year ended 12/31/99 than in the earlier years. Could you explain the reason for the increase?
- A. The 1999 year had significant excess wind and water losses. In addition, 1999 and subsequent years include ISS data in the calculation of the Excess Wind and Water factor. The review of the data showed it to have results similar to the ISO only data.

I should also note that calendar year 1993 is the first year that Nationwide Insurance Company's data is included in this calculation. This is because that was the first full year that Nationwide's data was reported to ISO. The inclusion of Nationwide's data did not cause any material change to the results of this analysis. This is noteworthy in that it reinforces the Rate Bureau's belief that the ISO only data is fairly representative of the wind and water loss data for the entire industry and that its use in this calculation is appropriate.

- Q. Are loss adjustment expenses and general and other acquisition expenses in lines 6 and 9 of the physical damage coverages on page C-7 of the filing generated in the same manner to which you testified with respect to the liability expenses?
- A. Yes. The only exception is that the loss adjustment expenses set forth on line 6 are all loss adjustment expenses for the physical damage coverages. The allocated loss adjustment expenses are not separately identified for physical damage losses and therefore line 6 contains all loss adjustment expenses, both allocated and unallocated. Unlike the liability coverages, there are no loss adjustment expenses included in the incurred losses in line 4 of this calculation. Also, the general and other acquisition expenses are without any adjustment for basic limits.
- Q. Would you explain the difference between line 11 on page C-1 of the filing with respect to liability coverages entitled "Average Annual Change in Losses and ALAE" and line 10 on page C-7 of the filing with respect to physical damage coverages entitled "Average Annual Change in Losses"?
- A. There are no differences. The average annual change in losses on page C-1 for liability coverages and the average annual change in losses on page C-7 of the filing with respect to physical damage coverages measure the same types of changes. Both of these numbers measure the change in frequency of loss and in severity of loss. Based on the frequency and cost trends I have previously indicated, the pure premium loss trends used in the rate level calculations for the comprehensive and collision coverages are 0.5% and 0.5% respectively.
- Q. Line 11 of page C-7 shows an average annual change in expense costs for both the collision and comprehensive coverages of 3.0%. Is that the same 3.0% average annual change in expenses about which you testified earlier with respect to the liability coverages?
- A. Yes.
- Q. Was it calculated and applied in the same manner as you have previously testified with respect to the liability coverages?
- A. Yes.
- Q. You have previously testified as to how, for the liability coverages, the annual loss trends are applied to losses in order to determine trended losses. For the physical damage coverages, are the trends applied in the same manner to determine trended physical damage losses?
- A. Yes, they are applied exactly the same way.
- Q. Are the remaining portions of the rate level calculation with respect to the physical damage coverages performed in the same manner as the liability coverages?

- A. There is one difference from the liability calculation. In the physical damage coverages, which are rated based on the model year of the vehicle and the symbol, the rate for vehicles increases as a new model year is introduced or a vehicle is assigned a higher symbol. Because of this it is necessary to reflect the additional revenue that can be anticipated because of the prospective distribution of vehicles by model year and symbol. This has been accounted for by the model year and symbol trend factors displayed on lines 25 and 26.
- Q. Could you explain how the increase in premiums reflecting the prospective distribution of symbols was calculated in this filing?
- A. The required average premium per exposure for the comprehensive coverage and for the collision coverage has been adjusted by annual effects of 0.7% and 0.0% per year respectively. The Automobile Committee selected these percentages after examining the change in average symbol relativities on the current table. Pages H-604 and H-605 display average relativities from the current table on a year-ended semiannual basis. The selected annual changes used in the calculation of the symbol trend factor in line 26 on page C-7 were based on an examination of the most recent one year, two year, three year and four year changes. These selections are reasonable based on my examination of the data. The selected annual changes were applied from the average date of writing for policies that are earned in the latest year to the average date of writing for policies that will be written under the proposed rates.
- Q. What are the results of these adjustments?
- A. Line 28, the Required Base Class Premium, reflects the results of applying the model year and symbol trend factors and provides the appropriate base class premium for each coverage.
- Q. What does line 30 "Symbol Relativity" represent?
- A. This is the current relativity of Symbol 8 to the base Symbol 2. This relativity along with the Factor for Change in Model year base will be needed to take the indicated Model Year 2009, Symbol 2 Required Base Class Premium to a 2010, Symbol 8 basis. This is done in line 31 and provides us with the base class premium that will be distributed based on each territory's experience (just as in liability) to produce the base class premiums by territory.
- Q. Are all other calculations for the physical damage coverages, such as the inclusion of fixed and variable expenses, treated in the same way as the liability coverages?
- A. Yes.
- Q. Does this filing propose any change in uninsured and underinsured motorists coverage rates?

A. The filing proposes an increase for both uninsured motorists coverage rates and underinsured motorists coverage rates.

Q. How has the rate for uninsured motorists coverage been calculated?

A. The basic limits uninsured motorists coverage shown on page E-1 was reviewed on a combined voluntary and ceded basis. The incurred losses have been limited to 30/60 for UMBI and \$25,000 for UMPD. They have been adjusted for unallocated loss adjustment expense. The UMBI losses have been developed by North Carolina UMBI loss development factors, the calculation of which is found on page E-3. Please note that the loss development factors for UMBI are based on the average of the latest five years of available data. The UMPD losses have been developed using the UMPD loss development based on the average of the latest five years of available data as shown on page E-4. The combined UMBI and UMPD losses have been trended with an annual trend factor of 0.0%. The trended losses are compared to the earned exposures and loaded for expenses in a similar manner as bodily injury, property damage and medical payments to produce the required premium per exposure.

Page E-1 shows the rate calculations based on the most recent three years, and line 22 shows the basic limits rate as the exposure-weighted average of the required basic limit premium per exposure from the three latest years. The Rate Bureau weighted the three years on exposures instead of premium as part of its change to a pure premium methodology in the 2003 filing. The same calculations are shown on page E-2 on a total limits basis.

Q. What is the resulting change for UM?

A. The resulting change for UM selected by the Bureau is 6.7% for the 30/60/25 limits and 3.0% for total limits. These reflect an effective date of October 1, 2009 for new and renewal business.

Q. How were the filed rate changes for UM determined?

A. As derivable from the material on page E-9 of the filing, the Rate Bureau elected to file an effective change of 6.7% for basic limits 30/60/25 UM (revised rate of \$16 compared to a current of \$15) and selected changes for the higher limits of UM based on an excess limits change of -15.4%. This produced, including the effect of stacking and after whole dollar rounding, a total limits effect of 3.0%.

Q. Does this filing also include a change to the bodily injury underinsured motorist coverage?

A. Yes, it does.

Q. Please explain the manner in which these changes were developed.

- A. The change in the increments for bodily injury underinsured motorists (UIM) are based on an analysis of 3 years of Underinsured Motorist experience as shown on page E-11 and E-12. These pages display the experience review and subsequent calculation of the filed rates for the Underinsured Motorists coverage.

It should be noted that this year that the Automobile Committee elected to use the loss development factors based on the three year average because of a change in the pattern of the underlying link ratios. The Committee felt that the three year average development, while lower than the five year loss development, better reflected the anticipated development on the more recent experience.

- Q. How was the filed change of 13.4% determined?

- A. As shown on page E-12, the ratio of the selected average rate and average present rate was applied uniformly to each of the present rates. Then for each limit, the indicated UIM rate was rounded to a whole dollar rate. These whole dollar rates were weighted by the policy limit distribution to produce an average filed rate. This filed average rate was compared to the current average rate to give us the filed average change.

The average filed rate of \$44.26 as shown on Line (7) of page E-12 represents a 13.4% increase from the current average premium per exposure of \$39.03.

- Q. How are motorcycle insurance rates determined in North Carolina for the liability coverages (bodily injury, property damage and medical payments)?

- A. The indicated rate changes are calculated separately using motorcycle experience in North Carolina. The resulting rates are then presented as a percentage of the rates applicable to private passenger non-fleet automobile insurance. The percentage is what is commonly referred to as a "relativity". If, for example, the motorcycle's engine size is 499 cubic centimeters or less, the indicated relativity for the bodily injury and property damage liability coverage is 15% of the rate for private passenger non-fleet automobile insurance. Similarly relativities for engine size groups (in cubic centimeters) of 500 to 1249, 1250 to 1499 and 1500 and up are also currently displayed. The same indicated relativity of 35% applies for Medical Payments for all engine size groups.

- Q. Given the fact that motorcycle rates are shown in the manual as a percentage of rates for private passenger non-fleet automobile insurance, what would the effect be on motorcycle rates of a 4.8% increase in automobile liability insurance rates for the bodily injury and property damage coverages?

- A. If the motorcycle rate relativities are not adjusted, a 4.8% increase in the automobile liability insurance rates would automatically result in the same approximate percentage increase in the motorcycle liability rates.

Q. Does Exhibit RB-1 contain calculations which seek to determine what the indicated change in rates should be for the motorcycle liability coverages?

A. Yes. Page F-2 of the filing shows that for voluntary and ceded business a 7.2% increase is needed for the bodily injury, property damage and medical payments motorcycle coverages.

Q. Please refer to page F-2 of the filing and explain how the indicated rate change of 7.2% was determined.

A. The figures shown on lines 1, 2 and 5 of page F-2 were reported to the Rate Bureau by its member companies in response to a call for motorcycle data issued by the Rate Bureau. The information was compiled by the Rate Bureau and then furnished to ISO. The earned premiums at present rates were calculated by means of an actuarial technique known as earned on-level factors. This technique uses adjustment factors to reflect the impact of any rate level changes made during and subsequent to each calendar year to bring the historic data up to current level.

Line 3 is a factor based on the total loss adjustment expenses for all three years in the experience period divided by the total incurred losses for the three-year period. The Rate Bureau made this change several years ago because the calendar year incurred loss adjustment expenses reported in the Rate Bureau call were significantly impacted by reserve changes. The method selected by the Bureau smoothes out the impact of any such changes. The resulting loss adjustment expenses are the products of the factor on line 3 and the incurred losses on line 2. These are displayed on line 4.

The figures shown on line 6 are the annual percentage trends in losses. They were determined by taking a weighted average of the trends used to calculate automobile rates for bodily injury, property damage and medical payments coverages.

The figure in line 7 for average annual change in expense costs is 3.0% per year. This is the same prospective expense trend figure that was used in the Rate Bureau's automobile insurance filing. The 3.0% figure was determined and applied in the same manner as in the automobile coverage.

The figure for projected losses in line 8 is simply the amount shown in line 2, with the annual percentage trend from line 6 applied. The manner in which the trend is applied is the same as was used in the automobile filing. The procedures for trending the loss adjustment expenses (line 9) and the general expenses and other acquisition expenses (line 10) are also the same as were used in the automobile filing. Line 11 is simply the total of lines 8, 9 and 10.

The projected loss, LAE and G & OA expense ratio shown in line 12 is simply line 11 divided by line 1. Taking the year ended 12/31/07, for example, \$27,502,734 shown in line 11 is divided by the \$30,669,996 in line 1. The result is .897. What this means is that, if

rates are not changed, 89.7 cents of every dollar of premium will be needed to cover losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q. How was the Permissible Loss, LAE and G & OA Expense Ratio in line 13 calculated and what is their significance?

A. There are certain expenses which vary in direct proportion to the premium dollar. For example, commission and brokerage are determined as a percentage of written premiums. Likewise, taxes vary on the basis of written premium. The percentages used to determine the permissible loss, LAE and G & OA expense ratio in line 13 are shown on page F-4 of the filing and are as follows for the liability coverages:

	2005	2006	2007
Commission and Brokerage	9.1%	10.1%	9.3%
Taxes, licenses, etc.	<u>2.0%</u>	<u>2.2%</u>	<u>2.2%</u>
	11.1%	12.3%	11.5%

In addition, the filing includes a provision of 11.0% for profit and a 0% provision for contingencies. When these are added to the combined amounts for commission and brokerage and taxes, licenses, etc., the results for three years are 22.1%, 23.3% and 22.5% respectively. The figures shown on line 13 of page F-2 are simply the difference between 1.000 and the percentage figures I have just mentioned. For example, the variable expenses plus profit and contingencies for 2007 were 22.5%. 1.000 minus 0.225 is equal to 0.775. What this means is that if 22.5 cents out of every premium dollar are allocated to the variable expenses, profit and contingencies, you have only 77.5 cents available to pay losses, loss adjustment expenses, general expenses and other acquisition expenses.

Since line 12 tells us that, based on the 2007 data, we will need 89.7 cents of every premium dollar to pay for the losses and the fixed expenses and line 13 tells us that we will have 77.5 cents available for those purposes, we can divide line 12 by line 13 (and adjust this for the increase in MVR fees as shown in line 14 that became effective after the experience period, for 2005) in order to get the percentage rate change which is necessary. The indicated percentages are -4.1%, 8.3% and 15.7% for the years 2005, 2006 and 2007 respectively.

Q. How was the figure in line 16 entitled "Final Selected Rate Level Change" determined?

A. Line 16 is simply the weighted average of the three figures shown in line 15. In other words, we have weighed the -4.1%, 8.3% and 15.7% by premiums in line 1. The resulting average is 7.2%.

Q. You indicated that the Rate Bureau's automobile rate filing was for an average increase of 4.8% for the bodily injury and property damage liability coverages combined and that if the motorcycle relativities were not adjusted the result would be a similar change in motorcycle

rates. Please explain how the new relativities proposed in the motorcycle filing were determined for the liability coverages.

- A. The determination of the revised liability relativities for motorcycles is shown on page F-6 of the filing. What this shows is that if the bodily injury and property damage liability insurance rates increase 4.8% and the motorcycle liability insurance rates go up 7.2%, the current motorcycle liability relativities should be multiplied by 1.072/1.048 or 1.023. Thus, the present liability relativity for motorcycles having engines of 500 cubic centimeters up to 1249 cubic centimeters should be increased to approximately .250. The same adjustment factor is applied to each engine size group and the calculation is shown on page F-6. The filed relativities are the indicated relativities rounded to two decimal places. The relativity changes proposed in the filing are actuarially sound and proper assuming that the liability rate changes proposed in the rate filing by the Rate Bureau for private passenger non-fleet automobile insurance are fully implemented. If those changes are not fully implemented, the proper relativities can be calculated by the following formula:

$$\text{New Relativity} = \frac{\text{Current Relativity} \times 1.072}{\text{Manual Rate Change in Auto BI/PD or Medical Payment Rates}}$$

- Q. Does this filing propose any changes to the factors for higher limits of liability insurance?
- A. The filing includes changes for the factors for higher limits of bodily injury liability coverages.
- Q. What are these indications based on?
- A. The indicated changes are based on an assumed effective date of October 1, 2009. The indicated changes are based on an analysis comparing the ratio of total limits losses to basic limits losses for the latest three accident years ended 12/31 to a projected average increased limits factor. Based on this analysis, the indicated change for total limits bodily injury liability is -4.3% and the indicated change for total limits property damage liability is 0.0%.
- Q. Could you briefly describe the development of the overall change for bodily injury liability?
- A. The overall change for bodily injury is based on comparing the ratio of total limits to basic limits losses to a projected average increased limits factor. On page G-2, basic limits losses are developed and trended to the average date of accident (7/13/10). The basic limits trend factor of 6.5% was used in this analysis. The total limits losses are also trended to the average date of accident (7/13/10). The total limits trend factor used in this analysis was 6.5%. This is based upon the total limits cost trend data contained on page H-542, showing fitted changes of 5.5% for the latest 15 points, 6.7% for the latest 12 points, 6.6% for the latest 9 points and 6.3% for the latest 6 points. After the total limits and basic limits losses have been trended, we sum the three years and then take the ratio of total limits losses to basic limits losses. This ratio is in effect our indicated increased limits factor (line 13 of



page G-2). In order to calculate the needed total limits change, this ratio is compared to the average increased limits factor (line 14 of page G-2).

- Q. Why do you combine three years of data when doing the increased limits review?
- A. The three years of data are combined because of concern for stability. Because we are looking at losses at very high limits, they can be much more unstable than basic limits. Averaging across a longer time period tends to smooth out the shock effects of individual large losses.
- Q. How were the revised bodily injury increased limits factors determined?
- A. The revised bodily injury increased limits factors displayed on page G-4 were developed by means of a procedure known as the uniform excess change method. As part of the calculation of the overall need, the methodology compares the portion of the losses over the basic limit to the portion of the premium that is above the basic limit. In this case the calculation produces a percentage difference of -19.9%. What this says is that the portion of the premium over the basic limits must decrease 19.9% so that the excess losses and excess premium are in balance. In this filing the Bureau elected to apply part of this indicated decrease (10%) to the higher limits portion of the rates. As shown in Section G, the 10% decrease was applied uniformly to the excess increment at each higher limit. The remainder of the indicated excess change was applied to reduce the base rates. The overall effective change of the revision to the Bodily Injury base rate is -2.2%, as shown in Section G.
- Q. Are the calculations of indicated increased limits factors for the property damage performed in the same manner as for the bodily injury coverage you just described?
- A. Yes, while the inputs are obviously different for Property Damage, the calculation of the indication is performed in the same general manner (see pages G-3). The only difference in the calculation of the overall change for Property Damage is that the basic limits and total limits claim cost trend is assumed to be the same.
- Q. Does this filing contain an analysis of the physical damage—comprehensive and collision—deductible relativities?
- A. Yes, it does and it can be found on pages I-1 through I-6.
- Q. Could you explain how these relativities were reviewed?
- A. Using year ended December 31, 2005, 2006 and 2007 ISO only North Carolina comprehensive and collision size of loss distributions, indicated loss relativities were calculated. These loss relativities were then used to calculate the indicated rate relativity for each deductible. The calculated rate relativity reflects the fact that a higher deductible will not change the level of fixed expenses needed to write the policy.

Q. How were the indicated loss relativities calculated?

A. The method that has been used is the standard actuarial technique of loss elimination in moving from a lower to a higher deductible. I can best illustrate this by an example. Assume we have three claims all on a full coverage comprehensive policy; one for \$300, a second for \$400 and a third for \$75. If we want to evaluate what would be paid if the policies had been written on a \$100 deductible basis, we would restate the amounts as such:

Original Loss	Loss on \$100 Deductible Basis
\$75	0
\$300	200
\$400	300

The total effect would be that the original losses of \$775 would become \$500. This would give us a loss relativity of .645 (500 divided by 775).

We can see that what we have done is eliminate all claims below our new deductible amount (in the case of our example the \$75 loss) and reduce all claims above our deductible amount by the difference in the new deductible and the original deductible (\$100 and full cover). The loss relativity is the ratio of our losses after the new deductible related to the original deductible losses.

Because we are using the data from the years ended December 31, 2005, 2006 and 2007, we adjusted the distributions to reflect the expected size of loss distributions that will exist during the period in which our rates will be in effect. The resulting loss relativities for the various deductibles are shown on page I-2.

Q. How are the rate relativities calculated from the loss relativities?

A. The rate relativities are calculated by means of the formula:

$$R = \frac{(Ld+F)}{(1-V)}$$

where,

R= rate relativity

L= provision for loss and loss adjustment expense

d= loss relativity

F= provision in proposed rates for fixed expenses

V= provision in proposed rates for expenses  
that vary with premium

The resulting indicated rate relativities are shown on page I-3 for each of the 3 years.

After reviewing these indications, the Automobile Committee recommended changes to the factors for \$500 deductible and \$1,000 deductible for Comprehensive and to the \$1,000 deductible for Collision.

Q. Are there any changes in this filing to the classification factors?

A. Yes, these changes are summarized on Pages J-3 to J-5. The Rate Bureau has filed changes for selected inexperienced operator classes for all coverages and the SDIP surcharges.

Q. Please explain how the indicated changes are calculated?

A. For the purpose of explanation, I will use the Principal Operator < 1 year experience class as an example. On Page J-8 the premiums for each class are calculated at experienced rates and displayed in Column (1). This premium reflects all the other rating factors (SDIP, multi-car, etc.) but does not reflect any premium from inexperienced operator surcharges. The loss ratio for each experience class group (no inexperienced, Principal < 1, Occasional < 1, etc.) is calculated relative to this premium and is shown in Column (8). Column (9)—Needed Premium—is the premium needed in each driving experience class to make the loss ratio for that class be equal to the loss ratio for the base class (no inexperienced operator). Column (10)—Shortfall—is the difference between the premium in Column (9) and Column (1). The indicated factor in Column (11) is determined by taking the ratio of the shortfall to the premiums at no inexperienced operator rates in Column (2). (The premiums as base rates are the premiums at pleasure use, single car, no inexperienced operator and no SDIP points).

Q. Are these revised factors introduced in such a manner that the change in factors produces no overall increase or decrease in premium?

A. Yes they are. This is accomplished by means of an off-balance factor which is displayed on Page J-11.

Q. Does this filing make any changes to the Model Year and Symbol relativities?

A. Yes, it does. In this filing the Rate Bureau has made three changes that impact the model year and symbol relativities. The first change is a change in the between model year and the prospective model year relativities. The Auto Committee examined loss ratios by model year (at the base model year premium level) and calculated indicated relativities by model year. The indicated model year relativities were credibility weighted with the current relativities to produce credibility weighted indicated relativities. The credibility weighted indicated relativities were then fit to an exponential curve for the latest 9, 12, 14 and 16 points to produce average annual rates of change between model years. After examining the annual rates of change the Auto Committee selected rates of change of 2.5% for Comprehensive and 7% for collision. These rates of change were used to determine fitted model year relativities. The result is that the difference between successive model years in the rating table will be 2.5% for Comprehensive and 7% for

Collision, subject to rounding differences. The Auto Committee also decided the model year relativity for model years 9 years or more years older than the base model year should be the average of the model year 9 to 15 fitted relativities. The results of this change are implemented on an overall revenue neutral basis by means of an off-balance.

The second change that is being made in the model year and symbol table relativities is that the table has been rebased to a symbol 8 basis. Previously the table was at a symbol 2 base. This change is accomplished by simply dividing all entries in the table by the current symbol 8 relativity at the base model year.

The third change involves the introduction of relativities for the model year 2011 vehicles which will be assigned symbols based on the 75 symbol table that was introduced in the recently approved VSR filing. The base symbol of 8 under the 27 symbol table corresponds to the new base symbol at symbol 11 under the revised system. The remaining relativities by symbol are determined by means of interpolation using the symbol relativities underlying the existing 27 symbol relativity table. This is shown on pages K-18 and K-19.

Q. Does the filing include a revision of the present territorial relativities?

A. Yes. In connection with the overall changes we have been discussing, new territory rates are displayed; these are shown on pages B-1 and B-2. In these rates, the new territorial relativities are determined in such a way that no overall statewide rate level change is caused. In other words, the relativities are revised based on each territory's indications.

Q. How has the Rate Bureau treated general and other acquisition expense by territory?

A. The Rate Bureau has treated 100% of general expense and other acquisition as not varying by territory.

Q. Has the Bureau included a provision for deviations in this filing?

A. No. The Bureau has used the data from all risks as the basis for determining the Rate Bureau manual rates. By calculating the manual rates using the experience of all risks, the Bureau recognizes that there will be risks that will be written at rates lower than the manual rates, through downward deviations, and risks that will be written at rates higher than the manual rates, either through physical damage consent to rate or pointed liability risks ceded to the Facility. This method is a market-based treatment of deviations and recognizes that risks will pay a range of rates around the Bureau manual rates. Setting the Bureau manual rates this way provides a balanced treatment grounded in the economic reality of the marketplace—around the average, some pay more and some pay less—that is what having an average means. Since the upward departures and the downward departures from the Bureau manual rates are approximately in balance, the Bureau has not included a provision for deviations in this filing.

Q. What does Exhibit RB-5 show?

A. Exhibit RB-5 displays the historical difference between the premiums that would have been generated by the manual rates in effect at different times throughout the period shown and the premiums generated by the rates actually charged to those policyholders by the companies. Exhibit RB-5 also displays the policyholder dividends paid during the period shown. These data come from the Rate Bureau's annual special call for expense experience and Page 15 of the NAIC Annual Statement. The exhibit sets forth the historical levels of deviations, both upward and downward, and policyholder dividends on liability and physical damage private passenger non-fleet automobile business in North Carolina.

Q. Please turn to page A-1 of Exhibit RB-1 and explain what is shown on that page?

A. Page A-1 of Exhibit RB-1 shows the filed rate level changes. These percentage changes relate the filed rate levels to the current Bureau manual rate levels. For Bodily Injury and Property Damage Liability the changes shown on page A-1 reflect the combined effects of the basic limits changes shown on page A-2 and the effect of the revisions to the increased limits factors as shown on page G-5. The overall percentages are calculated by multiplying the changes shown for each coverage by the total limits premium for each of the coverages and then dividing by the total premium for all coverages in order to calculate what the average impact is for each category. The premiums that were utilized for this calculation are shown on page A-1.

Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level changes contained in the filing are sound and actuarially reliable and, if so, what is that opinion?

A. Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Rate Bureau are consistent with generally accepted actuarial procedures and they are actuarially sound and reliable.

Q. Do you have an opinion as to whether the filed rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?

A. In my opinion, they are fully justified and are not excessive.

Q. Do you have an opinion as to whether the data utilized and the methods of calculating and determining the filed changes to the territorial relativities and class plan relativities contained in the filing are sound and actuarially reliable and, if so, what is that opinion?

A. Yes. My opinion is that the data utilized and the methods used to calculate and determine those changes are consistent with generally accepted actuarial procedures and are actuarially sound and reliable. Further, in my opinion, the filed relativities are fully justified.

Q. Are there any qualifications you wish to attach to your opinion?

A. Yes. In reaching my opinion, I have relied on the accuracy of the data supplied by the Rate Bureau and the ISS and NISS and I have relied on Professor Vander Weide and Dr. Appel for the determination of the appropriate profit component of the rates.

**Prefiled Direct Testimony**

**of**

**Michael J. Miller**

**on behalf of the**

**North Carolina Rate Bureau**

**pertaining to the**

**Private Passenger Nonfleet  
Automobile Insurance Rate Filing**

**January 30, 2009**

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## **Introduction and Qualifications**

Q.1 Please state your name, business affiliation and address.

A.1 My name is Michael J. Miller. I am a consulting actuary with EPIC Consulting, LLC.  
My business address is 21253 N, 825 East Road, Carlock, Illinois.

Q.2 Please describe your employment background.

A.2 I was first employed in the insurance business in 1967 by State Farm in its auto actuarial department. During my tenure at State Farm, I was responsible for pricing auto insurance and for making rate filings in the United States and Canada. From 1984 through 1993 I was employed by Tillinghast, an international actuarial and management consulting firm. I was a principal of Tillinghast and served as manager of its property and casualty products and pricing practice. From January 1994 through 2002 I was a consultant with Miller, Herbers, Lehmann. At the beginning of 2003 we organized a new consulting firm, EPIC Consulting, LLC. For a brief period of time we moved our practice into the Towers Perrin organization, but in early 2006 I reconstituted the EPIC Consulting practice.

Q.3 Please describe your professional qualifications and activities.

A.3 I am a Fellow of the Casualty Actuarial Society ("CAS") and a Member of the American Academy of Actuaries. I have served the CAS as a director (two terms), an officer, and as chairperson of several professional committees. Much of my work on behalf of the profession has focused on the development of statements of actuarial principles and

standards of practice. In particular, I was the initial drafter of the CAS Statement of Principles Regarding Property and Casualty Insurance Ratemaking (“CAS Ratemaking Principles”). As the second chairperson of the Casualty Committee of the Actuarial Standards Board, I was directly involved in authoring several Standards of Practice. A more complete description of my educational background and professional activities is set forth in a curriculum vitae which is labeled Exhibit RB-13.

As a member of the CAS and the American Academy of Actuaries I am required to satisfy prescribed basic education, experience, and continuing education requirements in order to render certain public actuarial opinions. I meet the basic education, experience and continuing education requirements to render this actuarial opinion.

Q.4 Have you previously been offered and accepted in North Carolina as an expert witness in property and casualty actuarial science, including ratemaking and the determination of expected costs?

A.4 Yes. I was first so qualified in North Carolina in about 1972 and have testified as an actuarial expert on many occasions in North Carolina since that time. I have also testified as an actuarial expert in many state and federal court cases, as well as many rate administrative hearings throughout the U.S. and Canada.

## Scope of Work

Q.5 What services did the Rate Bureau ask you to perform in connection with its 2009 filing for revised private passenger auto and motorcycle rates?

A.5 I was requested to provide actuarial advice and consultations to the Automobile Committee of the Rate Bureau in its review of the data and preparation of the indicated rates and to provide this testimony which explains the basis for my actuarial opinion of the rate filing.

Q.6 Have you provided the requested services?

A.6 Yes. I attended a meeting of the Automobile Committee on December 11, 2008. I also participated in telephone conferences of that Committee on January 6, 2009, and January 9, 2009. These conferences ultimately resulted in the filing submitted January 30, 2009.

## **Statutory Rate Standards**

Q.7 What statutory rate standards did you apply in your review of the Rate Bureau's 2009 private passenger auto rate filing?

A.7 I applied the rate standards in the North Carolina insurance code at Section 58-36-10 which requires that "rates shall not be excessive, inadequate or unfairly discriminatory".

In addition to the statutory rate standards listed above, I also considered the 1976 North Carolina court decision that the Rate Bureau should be regarded as if it is the only insurance company operating in North Carolina. For ratemaking purposes, the court further directed that the Rate Bureau should be treated as if it had an "earned premium experience, an incurred loss experience and an operating expense experience equivalent to composite of those of the companies actually in operation".

Q.8 What is the basis for your understanding of the statutory rate standards?

A.8 My understanding of the statutory rate standards is based on my study of insurance literature in preparation for the actuarial exam dealing with rate regulatory laws, as well as over thirty years of experience working with rate regulatory laws in North Carolina and other states. The literature which I have studied with regard to the statutory rate standards includes actuarial literature and other insurance literature which documents the history of rate regulation in the United States. Based on my continuing study of the historical origins of the statutory rate standards, I know that the rate standards of not

excessive, not inadequate, and not unfairly discriminatory are cost-based terms, consistent with the actuarial definitions of those rate standards.

Q.9 What is your understanding of the Court's directive that the Rate Bureau should be treated as a composite of insurers actually in operation?

A.9 I understand the Court's directive to mean that the rates promulgated for the Rate Bureau should be based on the average incurred loss and incurred operating expense associated with all non-fleet private passenger auto insureds written by all North Carolina insurers. In other words, the Rate Bureau rate should be an industrywide average rate.

## **Actuarial Principles and Rate Standards**

Q.10 What actuarial principles and standards were applied in the preparation of the rate filing?

A.10 The filing has been prepared consistent with the CAS Ratemaking Principles. That statement of principles is attached as Exhibit RB-14. I personally wrote the first working draft of the CAS Ratemaking Principles and am very familiar with the genesis and original intent of the language in that statement of principles.

I have also attached, as Exhibit RB-15 through Exhibit RB-20, six Standards of Practice promulgated by the Actuarial Standards Board which I consider to be directly relevant to the actuarial work related to this filing. These Standards of Practice cover the topics of trending, expert testimony, data quality, credibility procedures, expense provisions, profit provisions, and contingency provisions.

Q.11 Are the actuarial rate standards of reasonable, not excessive, not inadequate and not unfairly discriminatory the same as the rate standards in the North Carolina statute?

A.11 Yes. The statutory rate standards used in North Carolina and other states are actuarial terms of art. My review of U.S. regulatory history shows that these rate standards were considered to be cost-based terms, even before modern insurance rate regulatory laws were adopted in the United States and before the existence of the CAS.

Q.12 What do you mean by the term cost-based?

A.12 By cost-based, I mean that actuarially indicated rates should be calculated to include all of the expected costs associated with the writing and servicing of non-fleet private passenger auto insurance in North Carolina. As stated in the CAS Ratemaking Principles, the application of actuarial procedures in the determination of the expected costs should be done in a way that will “protect the insurance system’s financial soundness and promote equity and availability for insurance consumers”.

## **Ratemaking Is Prospective In Nature**

Q.13 What does it mean to say that insurance ratemaking is prospective in nature?

A.13 It means that rates are based on the expected value of future costs. The determination of future costs is prospective in nature because the insurance premium for the policy term must be determined prior to the issuance of the policy. The actual costs that will be incurred during the time the insurance coverage will be in effect cannot be known with certainty prior to the issuance of the policy, or known when the insurance rates are actually calculated. In this filing, rates are proposed to be revised for all new and renewal private passenger and motorcycle policies effective on or after October 1, 2009. The proposed rates are therefore based on the costs which are expected to be incurred on those policies effective on or after October 1, 2009.

Q.14 How do actuaries determine the expected future costs?

A.14 Actuaries often use historical data, to the extent such data are available and credible, as a base from which future costs are then projected. The selection of a reliable and credible historical database is a crucial first step in the projection of losses and expenses. The selected historical database should accurately represent the loss and expense potential of the current policyholders at the time the rates are being calculated. Since actual historical losses do not always accurately represent the current true loss propensity of the current policyholders, the selection of an appropriate and reliable historical database is an important actuarial consideration.



A second difficult task in estimating future costs is determining any underlying trends in costs which are expected to continue into the future. Sometimes apparent year-to-year improvements or deteriorations in the historical loss and expense experience are not trends that will continue into the future, but rather are random fluctuations in the data or temporal changes in the demographics of the book of business (i.e., the entire group of policyholders).

Q.15 What future costs are included in the rate calculation?

A.15 All costs associated with the operation of a risk transfer mechanism should be considered for inclusion in the rates. The CAS has provided a non-exhaustive list of costs which includes incurred claim losses, all claim settlement expenses, commission and brokerage expenses, other acquisition expenses, general administrative expenses, miscellaneous taxes, licenses and fees, policyholder dividends, contingencies, and profit. Other costs commonly included in the rates, but not included in the above referenced list of costs, are investment related expenses and the net cost of reinsurance.

The North Carolina insurance rate statute, like that of most other states, includes similar costs when it refers to losses, expenses, profit, contingencies, and dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders. The costs included in the Rate Bureau's filing are consistent with the actuarial principles of ratemaking and the North Carolina insurance rate statutes.

Q.16 In the CAS Statement of Ratemaking Principles, is the term “costs” interchangeable with the term “expenses”?

A.16 No. I was a principal author of the Statement of Ratemaking Principles. The term “costs” was used because it was considered to be a broader term that included any type of business expenditure. On the other hand, most insurance professionals use the term “expenses” to refer to claim settlement expenses, acquisition expenses, general administrative expenses, or taxes, licenses and fees.

Q.17 The CAS Statement of Ratemaking Principles refers to future costs associated with the transfer of risk. What is the significance of the term “transfer of risk” in this context?

A.17 The early drafts of the Statement referred to costs related to insurance. In order to clarify that the Statement applied to all risk transfers, not just traditional insurance company operations, the insurance terminology was broadened to include all risk transfer mechanisms. It was never the intent for the “transfer of risk” terminology to imply that some of the costs of an insurance operation were to be included and some were not. The Statement is very clear that all costs are to be included. Principle 2 states that a rate should provide for “all costs”. The phrase “all costs” was intended to mean all costs.

Q.18 Does the fact that rates are based on future costs mean that historical loss and expense data are irrelevant?

A.18 No. The historical data, to the extent of actuarial credibility, can provide a reliable basis upon which the prospective costs are developed.

Q.19 Are the rates proposed in the subject rate filing based on prospective costs?

A.19 Yes. Each of the provisions in the proposed rates in this filing is based on prospective costs.

## **Ratemaking Methodology**

Q.20 What ratemaking methodology did the Rate Bureau use in this rate filing to develop the projected loss and loss adjustment expense provisions?

A.20 The Rate Bureau used a methodology that is commonly referred to in the actuarial profession as the “pure premium method”.

Q.21 Is the pure premium method the same methodology used by the Rate Bureau in its past rate filings?

A.21 The pure premium method has been used by the Rate Bureau beginning with the 2003 rate filing. In filings prior to 2003, the Rate Bureau used the “loss ratio method”.

Q.22 Is the pure premium method the same as the loss ratio method?

A.22 The two methods are mathematically equivalent and can be expected to produce identical indicated rates, if the two methods are applied to the same database and identical assumptions and judgments are utilized in the formula for each method.

The pure premium method uses the cost provisions of a rate to build the indicated rate directly without reference to the current rates being charged. In other words, the pure premium method produces an indicated rate which is the sum of a provision for claim losses, plus provisions for the various expense components, plus a provision for profit.

The loss ratio method uses the same cost provisions of a rate as are used in the pure premium method, but rather than calculating the indicated rate directly, the loss ratio method relates the cost provisions to a rate base and produces an indicated percentage change in the rate base being tested.

Q.23 Could you provide examples of the pure premium and loss ratio methods?

A.23 Yes. Assume the following:

- i. The current rate, or rate being tested, is \$80.
- ii. The projected provision for claim losses is \$60.
- iii. The projected provision for expenses is \$40.
- iv. The loss and expense provisions are the only components of the rate.

Following the pure premium method, the indicated rate of \$100 would be determined by simply adding the \$60 loss provision and the \$40 expense provision. After the indicated \$100 rate is calculated, we could then relate the indicated rate to the current rate and find that the indicated rate is 25% higher than the current rate (i.e.,  $\$100/\$80 = 1.25$ ). We would then express the indicated rate change as +25%.

The first steps in the loss ratio method would be to relate the \$60 provision for projected losses and the \$40 provision for projected expenses to the current rate of \$80. The result would be a projected loss ratio of 75% (i.e.,  $\$60/\$80$ ) and a projected expense ratio of 50% (i.e.,  $\$40/\$80$ ). These calculations mean that if there is no change in the current \$80 rate, the projected combined loss and expense ratio will be 125% (i.e.,  $75\% + 50\%$ ). In

order for the rate to be adequate to cover the projected losses and expenses, the current rate needs to be increased enough to produce a projected combined ratio of 100%. Thus the indicated change in the current \$80 rate is +25% (i.e., 1.25/1.00).

The pure premium method in our example produced the indicated \$100 rate without reference to the current rate. The loss ratio method first related the projected losses and expenses to the current rate and then derived the indicated percentage change in the current rate. The two methods resulted in the same indicated average rate of \$100.

Q.24 If the two ratemaking methods are mathematically equivalent, why did the Rate Bureau choose in 2003 to change to the pure premium method rather than continue with the loss ratio method?

A.24 Prior to the 2003 rate filing, there was a substantial and time-consuming debate between the Rate Bureau witnesses and the Department witnesses as to whether the rate level to be tested by the loss ratio method should be the premiums that would have been generated had every insurer in North Carolina charged the rates in the Rate Bureau's rate manual, or whether the rate level to be tested should be based on the premiums actually charged by this hypothetical, single insurer representing all North Carolina insurers combined.

The use of the pure premium method makes irrelevant any debate over the rate level to be tested. The pure premium method does not test any rate level, current rate level or otherwise, as part of calculating the indicated rate. The focus of the pure premium methodology is entirely upon the cost provisions which should go into the indicated rate,

without first relating those cost provisions to a rate. The pure premium method sets out clearly each of the provisions for losses, expenses, profit, contingencies, and policyholder dividends that go into the rate calculation. The pure premium method makes it more evident to everyone that the indicated rate is always, and solely, a function of the expected losses, expenses, profit, contingencies and policyholder dividends.

## **Database**

Q.25 What data are utilized in Exhibit RB-1?

A.25 There are a variety of data presented in Exhibit RB-1. The type of data and the length of the historical database reviewed depends upon the particular element of the rate formula being analyzed. The attached Exhibit RB-21 provides a list of most elements of the rate review and the nature of the data reviewed for each element.

Q.26 Why are some of the data listed in Exhibit RB-21 stated on a calendar-year basis and some on an accident-year basis?

A.26 The term accident-year has meaning only with respect to loss and allocated loss adjustment expense data. All other expense and premium data are accounted for on a calendar-year basis.

Claim loss experience can be accounted for on a number of different bases, including calendar-year or accident-year. The claim loss experience for the private passenger auto bodily injury liability, property damage liability, medical payments, and uninsured motorist coverages are stated on an accident-year basis in this filing. The claim loss experience of the comprehensive and collision coverages are on a calendar-year basis.

The accident-year accounting method for the liability coverages and the calendar-year method for the physical damage coverages are well-established actuarial procedures.



These methods of accounting for the claim loss data have been used consistently by the Rate Bureau in past North Carolina auto insurance rate filings.

Q.27 As shown in Exhibit RB-21, why does the number of historical years of data reviewed vary from one rate element to another?

A.27 The number of historical years of data reviewed varies by rate element because every segment of the rate analysis is focused on determining the best estimate for each specific cost provision that is to be included in the rate. Sometimes the most credible estimate can be derived only from a very long experience period, such as the catastrophe loss provision for the comprehensive coverage, and sometimes the most recent year of data provides the most credible estimate of the prospective cost for a specific element of the rate. It depends entirely upon the nature of the rate element being analyzed as to whether a long or short experience period provides the best basis for estimating the future costs.

## **Credibility of the Database**

Q.28 Are you aware that the North Carolina insurance statute requires that due consideration shall be given to actual loss and expense experience for the most recent three-year period?

A.28 Yes, and the Bureau has done so in this filing.

The North Carolina rate statute does not say that every provision in the rate, or that every factor which goes into the calculation of a specific rate provision, must be derived from an arithmetical three-year average of the latest historical experience. As an actuary I interpret the North Carolina rate statute to mean that I must take into account the most recent three years of loss and expense experience, but that I can also rely on a shorter experience period, or a longer experience period, if I judge that to give a more reliable estimate of future costs.

The calculation of the rate change indications involves making projections for each of the various components or elements of the needed rate. As Exhibit RB-21 illustrates, in making projections of each rate element in this filing consideration was given in all instances to at least three years of actual loss and expense experience. In many instances consideration was given to more than three years of experience.

Q.29 What does the term “due consideration” mean to you as an actuary?

A.29 It means that, in projecting each of the rate elements, an actuary should take into account the type, quantity and quality of the data available so as to make the best projection of what the value of each particular rate element will be during the future projection period. A statute requiring an actuary to give due consideration to a certain number of years of data is not the same as dictating how much weight to give the data, nor should it limit an actuary's exercise of expert judgment. The weight given to specific data should depend upon the rate element being analyzed and projected.

Q.30 If a particular rate element has a non-zero expected value, would judgmentally assigning a value of zero to that rate element constitute due consideration?

A.30 No. Assigning a zero value to a rate element that has an expected non-zero value is equivalent to giving it no consideration. Giving consideration to the value of a rate element means that you assign your best estimate of the expected value.

Q.31 Did the Rate Bureau average the indicated rates calculated for each of the latest available three years of loss and expense data?

A.31 No, except for the uninsured motorist coverage, for underinsured motorist coverage and for motorcycles. Having given due consideration to three years of loss and expense data, it is my opinion that a more accurate private passenger rate calculation is derived based on the latest year of data. Actuaries have generally accepted methods to determine what weight should be given to historical loss data when determining prospective costs. Actuaries use explicit credibility standards, based partially on the volume of the data and its statistical variance, to determine the reliability of historical data in projecting future

costs. Based on standard actuarial credibility procedures used for many years in North Carolina and elsewhere, the Automobile Committee concluded that the loss and expense data for the year 2007 were 100% credible as a database for the private passenger bodily injury, property damage, medical payments, comprehensive and collision coverages.

Q.32 What does it mean for data to be 100% credible?

A.32 Being 100% credible means that the loss and expense data provide the best and most reliable base for projecting the loss and expense provisions in the indicated rates, without reference to any other data. For example, in the 2008 rate filing the most recent data available were for the year 2006. The 2006 data were then accorded 100% credibility because the data were of sufficient volume and the most recent data available. In this filing the 2007 data are the most recent data available and are of sufficient volume to be considered 100% credible. While the Automobile Committee considered 2005 and 2006 data, there was nothing about that data that would have caused an actuary to give the 2007 data less than 100% credibility.

Q.33 Were the various projection factors that were applied to the 2007 database also based on one year of data?

A.33 No. The losses and expenses for each of the years in the database (i.e., 2005, 2006, and 2007) were adjusted as appropriate by a series of adjustments, including loss development factors, loss trends and expense trends so as to derive the projected losses and expenses for the year for which rates are being made. Each of these various adjustments was derived from a review of a number of years of data. It would not be

accurate to say that rates in this filing were based solely on the review of one year of data. A number of years of data were utilized to complete each piece of the rate calculations. After all of the calculations and adjustments were made, the actuarial credibility standards tell us that the projections derived from the 2007 losses and expenses for each coverage are the most reliable estimates of future losses and expenses.

Q.34 How do you know that assigning 100% credibility to the latest year of loss experience provides a more reliable basis for projecting future losses?

A.34 I have analyzed actual data from the Rate Bureau auto rate filings back in time through the 1995 filing (see Exhibit RB-22). I found that reliance on the pure premium for the latest year in the filing provided a more responsive and reliable prediction of the next year's pure premium than would have been predicted by reliance on a three-year average pure premium. I made the same comparison of responsiveness of the latest year's pure premium to the use of a weighted three-year average pure premium and again found that the latest year pure premium was more responsive.

The only potential exception to my observations pertained to the comprehensive coverage. With respect to the comprehensive coverage, I found that reliance on the latest year pure premium was approximately equal in responsiveness to either the three-year average pure premium or the three-year weighted average pure premium.

Q.35 How did you determine the three-year weighted average pure premium for your analysis?

A.35 The three-year weighted average used in my analysis for each coverage was based on a 50% weight to the pure premium for the latest year, 30% weight to the first preceding year, and 20% weight to the second preceding year.

Q.36 How did you determine that assigning 100% credibility to the latest year of expense experience provides a more reliable basis for projecting future expenses?

A.36 Again referring to Exhibit RB-22, I found the use of the latest year of fixed expense data to be more responsive in projecting the expense per exposure than reliance on a three-year average expense provision. This finding was true for all coverages, except for the comprehensive coverage where neither of the alternatives presented a clear advantage.

Q.37 What do you mean by the term responsiveness?

A.37 The most responsive historical data are the data which best represent what will actually occur in the future. My analysis determined which historical loss and expense data were the closest to the average claim loss and average expense per exposure which actually materialized one year later.

Q.38 Even if reliance on the latest year of loss and expense data provides a more responsive and reliable estimate of future losses and expenses, doesn't assigning 100% credibility to the latest year of data introduce a potential instability in the rates?

A.38 No. My analysis of Rate Bureau filings since 1995 is set forth in Exhibit RB-22. My analysis shows that utilization of a three-year average database (either weighted average

or a simple average) would not have increased the stability of the indicated rate changes in the past.

It may be intuitively appealing to jump to a conclusion that use of rate change indications derived from a three-year average database will always be more stable than reliance on the latest year. But such is not the case with North Carolina all-industry data. The North Carolina all-industry database is of such a size that year-to-year random fluctuations are not as significant as sometimes exists in other, smaller databases. This means that reliance on a single year of data has not caused rate instability in the past.

Q.39 What do you mean by the term rate instability?

A.39 Rate instability generally refers to wide swings in rates from year to year. In my analysis I have plotted the rate changes which would have been implemented had indications based on the latest year of data always been implemented since 1995. I similarly plotted rate changes based on a three-year average and a three-year weighted average. For each series of rate changes, I used the standard deviation as a measure of year-to-year variation in rates. In most cases, the year-to-year variation in rate changes was less when the rates implemented were based on a single year of data.

My general conclusion from the analysis was that reliance on a one-year database did not result in a sacrifice of rate stability.

Q.40 Does your analysis of data from filings since 1995 represent an analysis of identical data across the entire period?

A.40 No. The data underlying the rate filings, and rate reviews for 2005 and subsequent were total market data. The data from the 2004 and prior filings were voluntary, standard only data. The change in the database in the 2005 filing caused an increase in the underlying pure premiums and an increase in the rate change indications. This one-time change in the pure premiums was not a random fluctuation in the data, but rather a real change caused by a decision to shift to total market loss data. By the same token, the increase in the rate change indications in the 2005 filing stemming from the use of total market data is not an indication of instability in the rate calculation process, but rather a real, one-time change in the underlying database.

I chose to continue my analysis of responsiveness and stability despite this change in the underlying database because the change in the database was well-known and its impact could be quantified if someone thought it necessary. Despite the one-time increase in the pure premiums and rate change indications, the data continue to show that reliance on the latest year of data makes rates more responsive to significant future changes in losses and expenses, without sacrificing any degree of rate stability.

Q.41 In past Rate Bureau hearings Department witnesses have testified that a one-year database can be distorted by random fluctuations. Do you agree with that testimony?



A.41 I do not agree with that testimony when applied to the industrywide database used in this filing. My analysis of actual Rate Bureau filings since 1995 shows this theoretical concern about rate stability is not an issue with this industrywide database.

In the past, Department witnesses have theorized the existence of a significant parameter risk in their criticism of the Rate Bureau's credibility standard. However, the actual data since 1995 show that reliance on a three-year average database would not have created more year-to-year rate stability, but would have resulted in more inaccuracy (i.e., less responsiveness) in the loss and expense projections.

Q.42 In past Rate Bureau hearings Department witnesses have testified that your analysis of responsiveness is flawed unless you adjust the historical loss and expenses to a comparable cost level. Do you agree with that testimony?

A.42 No. The purpose of my analysis is to determine whether the latest year of data is a better predictor of the next year's data or whether a three-year average is a better predictor. I am not testing the accuracy of alternative loss trends or expense trends. It would be improper to adjust the historical losses and expenses for changes in cost levels because it is these significant year-to-year changes in cost levels to which the selection of the database should be responsive. The best way to objectively test the responsiveness of the historical data is to determine which historical database is more accurately duplicated in the future.

Q.43 How then should an actuary balance the sometimes competing goals of responsiveness and stability?

A.43 First of all it is important to understand that the standard actuarial measure of credibility used in this filing (see filing pages D-26 and D-27) was created as a mathematical means to objectively balance the goals of responsiveness and stability. The credibility standard as used in this filing has balanced responsiveness and stability.

In the case of the North Carolina all-industry database, my retrospective test of rate filings back to 1995 (see Exhibit RB-22) shows that the actuarial choice is clear. The rate filings since 1995 show that assigning 100% credibility to the latest year of loss and expense data has provided a more reliable and responsive prediction of the next year's losses and expenses. My analysis also shows that this increase in responsiveness has been achieved without the sacrifice of any rate stability. The rate filings since 1995 show there would have been no measurable difference in rate stability had a three-year average database been used instead of the latest year.

The volume of the North Carolina all-industry data is so great that reliance on the earlier years of data would not add stability to the rates, but would instead detract from the responsiveness and accuracy of the projected losses and expenses. It makes no sense to sacrifice responsiveness and accuracy when nothing at all can be gained in rate stability.

Q.44 In the past, the Commissioner has found that each of the most recent three years of data was fully credible and based his rate level calculations on an average of the indications of the most recent three years. Do you agree?

A.44 No. Credibility is a measure of relative reliability of two or more databases. For example, if a database is 100% credible, that means that a second or third database adds no additional value to the actuarial analysis. If a database is 100% credible, then a second or third database is by definition given 0% credibility.

In this rate analysis there are three databases available for review: 2005, 2006, and 2007. If the 2007 data is determined to be fully credible, then 2005 and 2006 are considered to have 0% credibility for purposes of this rate analysis. The 2005 and 2006 data are not considered to have 0% credibility because the data are unreliable, but rather because they add no value to the analysis when the 2007 data are available for review.

Each of the three years cannot be considered as being 100% credible. In lay terms, credibility cannot add to more than 100%.

Q.45 Do you believe that reliance on three years of data is appropriate if the latest year of data is fully credible?

A.45 No. If the latest year of data is fully credible and not thereby biased by unusual events, bringing earlier years of data into the calculation of a rate level will tend to reduce the responsiveness, or accuracy, in forecasting future losses and expenses. The argument

that basing rates on a three-year database creates more rate stability is intuitively appealing but not supported by my analysis of past North Carolina rate changes.

Q.46 Is there an exhibit in this filing which shows the criteria for determining the credibility to be assigned to the underlying data when calculating auto rate change indications?

A.46 Yes. The credibility table at the top of page D-29 of the filing shows the number of claims necessary for assigning full credibility to a one-year data base. This credibility standard does not apply to every aspect of the rate change calculations, such as the selection of loss trends. It applies only to the selection of the number of years of data for claims losses to be used as a base to which trends are applied and from which projected losses, and ultimately rates, are calculated.

The credibility table on page D-29 is a standard credibility table used by the ISO on a countrywide basis. It is the same table used by the Rate Bureau in past North Carolina filings.

Q.47 Was the credibility table applied to all coverages?

A.47 Yes, with the exception of the uninsured motorist coverage, the underinsured motorist coverage, and the rate calculations for motorcycles. For these three rate calculations a three-year average database was used to derive the indicated rates.

Q.48 Why was a three-year average database used for motorcycles?

A.48 Claim count data are not available for motorcycles, so the standard credibility table could not be applied. Use of a three-year average database for motorcycles is the same procedure used by the Rate Bureau in its past rate filings.

Q.49 Why was a three-year average database used for the uninsured motorist and underinsured motorist coverages?

A.49 In the filing of May 1, 1995 the projected uninsured motorist loss ratio jumped dramatically from 1991 to 1992 and then decreased again in 1993. Those changes in the database loss ratios appeared to be random year-to-year fluctuations in the claims experience. If the only explanation of the year-to-year change in that data was random fluctuation, then it was preferable to use more than one year of data as a basis for developing the projected experience. The Automobile Committee considered the fluctuation in the data and decided for the May 1, 1995 filing that the most reliable and credible rate change indication was that which was based on a three-year average. The Committee has continued that same procedure for subsequent filings and has extended that procedure to the underinsured motorist coverage.

## **Data Quality**

Q.50 Is it your professional responsibility to review the data underlying this rate filing for reasonableness?

A.50 Yes. As an actuary I am not professionally required to conduct an audit of the data for accuracy. But actuaries should review the data being analyzed for reasonableness and consistency with the data used in the prior analysis. If the actuary becomes aware of any material imperfections in the data being analyzed, those material imperfections and their potential impact on the actuary's opinion should be disclosed to the users of the opinion. I have attached as Exhibit RB-17 the Actuarial Standard of Practice on Data Quality which describes the actuary's responsibility for the quality of the data.

Q.51 What constitutes a material imperfection in the data?

A.51 There may be no scientific answer to that question. The clear implication of the materiality standard is that some errors in the data are tolerable and do not necessarily render the data unreliable. I doubt that any large database, insurance data or otherwise, is 100% error-free. In my judgment, if insurance data are being used to estimate loss ratios or expense ratios and the data imperfections are only affecting the ratios in the third or fourth decimal place, then ordinarily that would not be a material imperfection.

Insurance ratemaking by its very nature involves the estimation of future costs. To expect precision in the estimates in the third decimal place and beyond is simply expecting too much precision in the projection process. Projecting future costs cannot be

expected to be precise to the third decimal place, so requiring precision to the third and fourth decimal place of the data being analyzed is likewise unreasonable.

Q.52 Are you aware of any material imperfections in the data underlying this filing?

A.52 No.

Q.53 What checks for reasonableness of the data in this filing have you performed?

A.53 I compared each year's aggregate premiums, undeveloped loss data, loss development data, trend data and expense data to the data used in previous rate filings and reviews. This gives me a good way to check for year-to-year consistency in the data reported for each year in this filing.

I am also generally familiar with the internal edits of data performed by insurers before the data are reported to a licensed statistical agent. I am aware that those statistical agents also have extensive edit checks of the data. After the North Carolina data from the statistical agents are consolidated, the consolidation is reviewed by actuaries from the Insurance Services Office, actuaries from the Automobile Committee of the Rate Bureau, and myself. After the filing is submitted, the data are further reviewed by actuaries employed by or representing the North Carolina Department of Insurance.

This series of edits and reviews certainly does not guarantee perfection in the data, nor does it provide a 100% guarantee against material errors. But this series of edits should

give the Commissioner some assurance that the aggregate data are reliable for the purpose to which the data are being used.

Q.54 Has there been more extensive checking of the data in this filing?

A.54 Yes, over the past several years the Rate Bureau has strengthened its data editing processes for the data it receives directly from insurers through its Call for Automobile and Motorcycle Expense Experience. After the hearing on the 2002 rate filing I worked with the Rate Bureau to define and implement additional edit checks and tolerance levels for these data.

Q.55 What do you mean by tolerance levels?

A.55 The edit checks include a year-to-year comparison of expense ratios being reported by each insurer. If the expense ratios remain relatively constant, then the tolerance levels allow those expenses to pass without further check. But if an expense ratio changes more than the tolerance level allows, the data is “flagged” for further review by the Rate Bureau. This further review involves the Rate Bureau contacting the insurer and seeking explanation as to why the ratio has changed. By setting the tolerance levels even tighter than I proposed, the Rate Bureau’s editing checks will be “flagging” even more data elements for follow-up review.

One of the problems with which we are confronted is that the data being reported are on a calendar-year basis. This is a significant consideration when editing loss adjustment expenses (i.e., defense and other adjustment expenses). There can be significant changes



in loss adjustment expense reserves for claims from prior accident-years that impact the current calendar-year. These reserve changes can cause a significant and legitimate change in the loss adjustment expense ratios from one calendar-year to the next. Just because a change in an expense ratio exceeds the Rate Bureau's tolerance levels does not necessarily mean there is an error in the reported data.

Q.56 What additional data edits did you recommend to the Rate Bureau?

A.56 The Rate Bureau was already reconciling the actual written premiums, earned premiums, incurred losses, ALAE, commissions and taxes, licenses and fees which were reported on the Expense Call to what was reported on each insurer's Annual Statement Page 15. I recommended additional reconciliation checks for unallocated loss adjustment expense ratios, other acquisition expense ratios and general expense ratios to the ratios shown on each insurer's Insurance Expense Exhibit.

I also recommended a series of edits to check the reasonableness of the earned premiums in relation to the written premiums; the reasonableness of the relationship of loss adjustment expenses to incurred losses; the year-to-year consistency in the expense ratios; and the reasonableness of the relationship between manual and actual earned premiums. All of these year-to-year consistency checks were also to be applied to the motorcycle data.

I have found nothing to suggest that this database contains errors of sufficient magnitude to have a material impact on the indicated statewide average rates in this filing.

Q.57 How are the data from the Annual Expense Call used in the Rate Bureau's rate filing?

A.57 The private passenger automobile data are used to calculate the industrywide average ratio of unallocated loss adjustment expenses to the sum of the incurred losses and ALAE for the liability coverages; the industrywide average ratio of all loss adjustment expenses to incurred losses for the physical damage coverages; the industrywide average ratios of commissions and taxes, licenses and fees to written premiums; the industrywide average ratios of other acquisition and general administrative expenses to earned premiums; and the historical levels of policyholder dividends and rate deviations.

Q.58 How do the uses of the data affect your determination as to what constitutes a material imperfection in the Annual Expense Call data?

A.58 The automobile database with which we are working has over \$2.9 billion of liability premiums annually and over \$1.8 billion of physical damage premiums annually. There can be \$2.9 million of net error in any one of the liability expense categories and \$1.8 million of net error in any one of the physical damage expense categories before the industrywide expense ratios are affected by even one point in the third decimal position of an expense ratio.

Q.59 What do you mean by net error?

A.59 I mean that in any large database there will likely be some errors where expenses are being underreported and other instances where expenses are erroneously high. It is the sum of these offsetting errors that is of concern when calculating industrywide average

ratios. If the errors are exactly offsetting, then the ratios we are trying to determine will be totally unaffected by any errors in the data. In other words, there can be errors in the absolute dollar values of the premiums, losses, and expenses being reported and yet have little or no impact on the ratios of interest.

Q.60 Doesn't accuracy in the third decimal place of any calculation affect what North Carolinians pay for auto insurance?

A.60 No. There are innumerable judgments and calculations that go into this rate filing. An error of a point or two in the third decimal position of a ratio that is part of the rate calculation has no material impact on anyone's rate unless you make the unrealistic assumption that every other piece of the rate calculation was precisely correct. It should also be remembered that the final rates are rounded to the nearest whole dollar, making precise accuracy in the third decimal place even less important.

In my opinion, it makes no sense to make an extraordinary effort to squeeze every dollar of potential error out of a database if there is no more impact than a point or two in the third decimal place of a ratio. The ratemaking process is simply not precise enough to demand complete accuracy in the third decimal place and beyond.

## **Total Market Data**

Q.61 Do the loss and expense data in this filing include the experience of all non-fleet private passenger auto insureds in North Carolina?

A.61 Yes. The loss experience includes claims from insureds written and retained in the voluntary market as well as those insureds written and subsequently ceded to the North Carolina Reinsurance Facility. Likewise, the expense provisions in the rates are calculated to reflect the expense experience of all private passenger insureds in North Carolina.

Q.62 What do you mean by the term voluntary market?

A.62 The voluntary market insureds include those written at deviated rate levels, those written at the Rate Bureau's standard manual rates, and those written utilizing the consent-to-rate procedures permitted for the physical damage coverages.

Q.63 Could you please explain what is meant by deviated rates and consent-to rate?

A.63 Insurers are permitted by law to use the rates promulgated by the Rate Bureau for all non-fleet private passenger auto policies, without seeking any further approval of the Commissioner of Insurance. The statute also permits insurers, subject to certain filing requirements, to charge rates different than the rates promulgated by the Rate Bureau.

If an insurer desires to charge rates below the Rate Bureau's liability or physical damage rates, it may do so by submitting its own rate filing under the file-and-use provisions of

the North Carolina law. Liability and physical damage rates that have been properly filed and are below the Rate Bureau rates are commonly referred to as “deviated rates”. In North Carolina the term deviated rates is often applied only to downward deviations.

Insurers are also permitted by law to charge rates in excess of the Rate Bureau’s liability and physical damage rates, with the approval of the Commissioner and with the knowledge and written consent of the insured. It has been the past practice of the Commissioner to not approve any liability rates in excess of the Rate Bureau’s standard manual liability rates. Physical damage rates in excess of the Rate Bureau’s standard manual physical damage rates have been approved, subject to the written consent of the insured. Physical damage rates which deviate above the Rate Bureau’s manual rates are commonly referred to in North Carolina as “consent-to-rate premiums”. This term is ordinarily applied solely to the physical damage coverages because the consent-to-rate procedures have not been permitted for the liability coverages.

Q.64 Is the inclusion of data for the total private passenger market a new methodology for calculating rates in North Carolina?

A.64 The Rate Bureau has not introduced a new ratemaking methodology in this filing. The Rate Bureau is using the pure premium ratemaking methodology, as it first did in its 2004 rate filing. As it first did in its 2005 rate filing, the Rate Bureau is applying the pure premium ratemaking methodology to the loss and expense data from the entire market, rather than restricting the database to only those insureds written voluntarily at the Rate Bureau’s standard manual rates or downward deviated rates.

Q.65 Why did the Rate Bureau include the loss and expense data for the entire North Carolina private passenger auto insurance market?

A.65 The loss and expense experience of the entire market was considered in this filing because it is the best and most direct way to calculate a Rate Bureau rate level which reflects the anticipated losses and expenses for the average North Carolina insured. In this way, the Rate Bureau's standard manual rate level becomes a true average for all private passenger auto insureds in North Carolina. Under the Rate Bureau's filed rates, an average private passenger auto insured can be written and retained in the voluntary market (as defined in Answer 62) because the rate will be an adequate rate for the average North Carolina insured.

Q.66 Is it true that basing the indicated rates on the total market loss and expense data is tantamount to including the effect of rate deviations into the rate calculations?

A.66 No, absolutely not. Any inclusion of a provision for expected deviations in the indicated rates is completely independent of the decision as to what losses and expenses are included in the rate calculations. If this rate filing were to include a provision for expected rate deviations, the indicated rate levels would be higher by the amount of any such provision. The provisions in the indicated rates in this filing are perfectly transparent. For example, refer to page C-1 of the filing. The indicated rate is the sum of the expected losses and loss adjustment expenses (line 18) plus a provision for fixed expenses (line 20). The sum of losses, loss adjustment expenses and fixed expenses is then increased by a factor reflecting variable expenses, anticipated policyholder

dividends, profit, and contingencies. There are no other provisions in the indicated rates other than those transparently presented in this arithmetic formula.

The rates being charged in the marketplace, whether they be the Rate Bureau's manual rates or rates below or above manual rates, have absolutely no impact on any of the provisions included in the indicated rates. The indicated rate on line 25 of page C-1 of the filing was calculated without the necessity of knowing what the average rate deviation is in the market, or even knowing if any rate deviation exists.

Q.67 Would premium revenues be sufficient to provide for the losses and expenses of the entire market if the Rate Bureau's rates were based solely on the loss and expense experience of the risks written and retained in the voluntary market?

A.67 No. If projected losses and expenses excluded the loss and expense experience of the consent-to-rate physical damage insureds and the experience of the liability insureds ceded to the Reinsurance Facility, the resulting Rate Bureau rates would be lower than rates based on average of all private passenger insureds.

The population of liability insureds historically written and retained in the voluntary market (i.e., those written at or below the Rate Bureau's manual rate) and the physical damage insureds written at or below the Rate Bureau's manual rates have better loss experience than does the average insured for the entire market. If the Rate Bureau's rates are based solely on the loss and expense experience of the liability risks historically written and retained in the voluntary market and the physical damage risks written at or

below the Rate Bureau's manual rates, the rates would reflect an average insured for a segment of the market that is better than the average private passenger auto insured in North Carolina.

The Rate Bureau's rates in this filing consider the average loss and expense experience of the entire private passenger market by using a database for ratemaking that includes the loss and expense experience of the entire market.

Q.68 Would the market be overfunded if the Rate Bureau's rates were based on the total market loss and expense experience and some insureds were then allowed to be charged even higher rates through the consent-to-rate procedure for physical damage or through the Reinsurance Facility for liability?

A.68 No. The Rate Bureau's indicated rates reflect an average rate for the entire market. As with any average, some insureds will pay more than the average and some will pay less than the average.

Q.69 Have you prepared an exhibit which shows how the market is properly funded when using total market loss and expense experience in the ratemaking database?

A.69 Yes. The attached Exhibit RB-23 presents five hypothetical groups of liability insureds. In Scenario I drivers 1, 2, and 3 represent drivers written and retained in the voluntary market. Some of the drivers in the voluntary market segment will be written at rates below the Rate Bureau rates (i.e., downward deviated rates). The magnitude of the downward deviation will be dependent upon the difference between the Rate Bureau's



approved manual rate and the rate indicated by each driver's expected loss and expense experience. Driver 4 represents the "clean" risks in North Carolina that are ceded to the Reinsurance Facility. Driver 5 represents the "other-than-clean" risks that are ceded to the Facility.

Scenario I of Exhibit RB-23 shows what will tend to happen in the market if the Rate Bureau's manual rate is based solely on insureds in the voluntary market, rather than basing the rates on an average of the entire market. By basing the indicated Rate Bureau manual rate solely on an average loss and expense experience of Drivers 1, 2 and 3, the resulting manual rate is \$250, which is lower than the true average indicated rate based on the loss and expense experience of the entire market.

In this case, there will be downward rate deviations for only those drivers represented by Driver 1. All drivers represented by Driver 2 will likely be written at the manual rates without deviation. All drivers represented by Driver 3 will tend to be ceded to the Facility because the manual rate of \$250 is inadequate for these risks, even though the Driver 3 risks are better than the average insured of the total market.

The entire market will be required to subsidize (i.e., total subsidy of \$210) all insureds represented by Driver 4 (i.e., "clean Facility risks") because the manual rate of \$250 is inadequate for these insureds. All insureds represented by Driver 5 pay adequate rates in the hypothetical because in the real world North Carolina requires other-than-clean risks ceded to the Facility to pay adequate rates based on their expected losses and expenses.

Basing the Rate Bureau rates solely on the voluntary loss and expense experience of Drivers 1, 2 and 3 in Scenario I causes the market to be underfunded in total (i.e., charged premium of \$1,610 is less than the needed premium of \$1,870). This underfunding occurs because competitive market forces will cause insurers to deviate downward (i.e., to \$200) on insureds represented by Driver 1 and insurers will not be permitted to deviate upwards on insureds represented by Driver 3. Even when the clean-risk subsidy of \$210 is considered, total revenue is only \$1,820 (\$1,610 of premium plus \$210 of subsidy), but \$1,870 is needed.

Q.70 Is it not true that downward deviations are voluntary actions of insurers and that the underfunding in Scenario I could be avoided if insurers stopped deviating?

A.70 No. It would be disingenuous to characterize downward rate deviations as voluntary actions of insurers. There are many insurers competing for business in North Carolina. If an insurer were to stop downward deviations for insureds represented by Driver 1, those insureds would simply move to another insurer that was willing to offer the lower rates. If an insurer desires to stay in business, an insurer has no choice but to provide downward deviated rates in a competitive market, when the lower rates are indicated by the loss and expense experience.

Further, mitigating the underfunding by stopping all downward rate deviations would be unfair to all North Carolina insureds who have better than average expected loss and expense experience.

Q.71 How does Scenario II of Exhibit RB-23 differ from Scenario I?

A.71 The tendency of the market, as described by Scenario 1, is to cede Driver 3 to the Facility because the manual rates (i.e., \$250) were inadequate for Driver 3. Scenario II reflects an increase in those insureds ceded to the Facility (now Drivers 3, 4, and 5) and a decrease in the insureds retained in the voluntary market (now only Drivers 1 and 2). In Scenario II the manual rate will fall to \$225, if it continues to be based on solely voluntary experience, which is now only Drivers 1 and 2. The decrease in the manual rate to \$225 creates a tendency for Driver 2 to be ceded to the Facility in the future.

The \$225 manual rate increases the rate inadequacy for clean drivers ceded to the Facility (i.e., Drivers 3 and 4), and increases the total required subsidy from \$210 to \$310. The total market continues to be underfunded because the total premium revenue of \$1,535 plus the \$310 subsidy, does not equal the total needed revenue of \$1,870.

Q.72 What does Scenario III of Exhibit RB-23 show?

A.72 Scenario III shows what happens when the Rate Bureau's manual rates are based on the total market loss and expense experience. Insureds represented by Drivers 1 and 2 will be written in the voluntary market with downward rate deviations reflecting their reduced loss and expense experience. Insureds represented by Driver 3 can be written and retained in the voluntary market at manual rates, or a slight downward deviation, with no necessity of ceding to the Facility. "Clean" Facility risks will still be written at inadequate rates, but not as inadequate as was the case for either Scenario I or II. As a

result, the Facility subsidy is reduced to \$158. The total market revenue of \$1,712 and the subsidy of \$158 provides for the necessary total market funding of \$1,870.

Q.73 In the past, witnesses for the Department of Insurance have contended that Scenario III shows an overfunding of the market. Do you agree with that testimony?

A.73 No. The erroneous contention is that the total manual premium of \$1,868, plus the subsidy of \$158, provides for more revenue than the required total revenue of \$1,870. This erroneous contention is based on a recognition that some drivers pay more than the manual rate, and completely ignores the fact that insurers do, and will, deviate downward (charge less) from the manual rates for many insureds whose expected losses and expenses are less than the manual rate. In a competitive market, insurers have no choice but to deviate downward on risks with lower than average losses and expenses. The correct analysis of Scenario III is to add the \$158 subsidy to the premiums that insurers are likely to charge (i.e., \$1,712), rather than to the manual premiums of \$1,868 which we know for certain will not be charged to all insureds.

Q.74 In the past, Department witnesses have contended that the scenarios in Exhibit RB-23 are flawed because they are based on an assumption that the manual rates are unfairly discriminatory. Is that contention correct?

A.74 No. Exhibit RB-23 is premised on the assumption that every insured in North Carolina pays a rate that reflects their expected losses and expenses, unless capped by the past prohibitions of upward deviations on liability rates.

Exhibit RB-23 shows that rates based on an average of only those insureds in the voluntary market creates an increase in the insureds that are inadequately rated, and creates an increase in the subsidy paid by the better than average insureds. Exhibit RB-23 also shows that rates based on an average of the total market will tend to decrease the size of the residual market, decrease cross-subsidies, and cause more of the insured market to pay rates based on their expected loss and expense experience.

Q.75 Does North Carolina currently have a large residual market for the private passenger automobile liability coverages?

A.75 Yes. As shown in Exhibit RB-24, over 29% of the non-fleet private passenger liability premiums for the entire North Carolina market were reinsured through the Facility in 2004, 2005, and 2006. No other state comes anywhere close to having such a large proportion of its total market written, or reinsured, through its residual market mechanism. Further, also shown in Exhibit RB-24 is the fact that of all cars in the United States written through a residual market mechanism in recent years, a growing percentage has been reinsured through North Carolina's Facility. In 2005 over 65% of the auto residual market in the United States were North Carolina insureds. This shows the unusually large size of North Carolina's residual market when compared to the residual market in every other state.

A large residual market is ordinarily considered to be a sign of a malfunctioning voluntary market. There is no good reason for the North Carolina residual market to be so large in North Carolina and the problem could be easily cured.

Q.76 Why is the residual market so large in North Carolina?

A.76 There are likely to be several factors which cause an individual insurer to cede a policy to the Facility. However, in the long-run the size of the residual market will be largely dictated by the availability of adequate rates in the voluntary market. If insurers continue to be prevented from deviating upwards from the Rate Bureau's liability manual rates, there will always be a significant market segment of higher than average risks which will be ceded to the Facility. Such is the natural result of an average rate.

The number of cessions can be increased or decreased, depending upon the level at which the manual rate level is established. If the Rate Bureau's rate level is based on an average of only those risks with the lowest expected losses in the market, such manual rate will be lower than if the manual rate level is based on an average of the total market. The lower manual rate derived from relying solely on voluntary data will mean more risks in North Carolina will have loss and expense experience above expected losses and expenses contemplated in the manual rate level, and more risks will be ceded to the Facility.

Establishing the Rate Bureau manual rate level using the total market data will raise the manual rate and begin to mitigate the number of cessions to the Facility. This is exactly the desired result, as presented in Scenario III of Exhibit RB-23.

## Premiums

Q.77 How were the premiums for the private passenger auto coverages used in this filing?

A.77 As I described earlier, the Rate Bureau used the “pure premium methodology” to calculate the indicated average rate level. Despite this somewhat arcane terminology, a pure premium is an average loss per insured, not the rate or premium we are attempting to calculate. The pure premium method of calculating the indicated rate builds the rate directly from expected losses and expenses and is completely independent of actual or expected premiums.

After the indicated rate is calculated utilizing the pure premium method, it is necessary to relate the indicated rate to the old rate so that the rate filing can be summarized and expressed as a percentage change to the current, standard manual rate level. To calculate the current standard manual average rate and premiums, the exposures (i.e., number of cars) in each rating cell are multiplied by the current applicable Rate Bureau rate for each cell. The summation of this calculation for all exposures, divided by the total number of exposures, represents the average premium that would have been earned if this hypothetical composite insurer had charged the Rate Bureau’s manual rate to every non-fleet private passenger auto insured in North Carolina. It is this average premium that is used as a base to which the indicated rate is compared so as to calculate the percentage rate change indication.

Q.78 Was the calculation of the indicated rates influenced by the rates actually being charged by each insurer in the marketplace?

A.78 No. The calculation of the indicated rate level is independent of whether an individual insured was written voluntarily using deviated or consent-to-rate premiums, or whether the insured was written and subsequently ceded to the Reinsurance Facility. After calculating the indicated average rate level, the indicated average rate was then compared to the average rate which would have existed, hypothetically, if the current standard manual rates had been charged to every North Carolina non-fleet private passenger auto insured. This comparison of the indicated average rate to the current standard manual average rate provides the percentage rate changes presented on Page A-1 of the filing.

Q.79 Was this process of multiplying exposures by the Rate Bureau's rates used to determine the motorcycle premiums?

A.79 No. The Rate Bureau has continued to use the loss ratio ratemaking method for motorcycles because reliable exposure data are not available for motorcycles. The motorcycle premiums for the rate analysis were reported to the Rate Bureau by its member companies in response to a special call for motorcycle data. The earned premiums produced by that data call are actual collected premiums. These actual collected premiums were then adjusted to the present rate level using a method which actuaries commonly refer to as a geometric, current-level procedure.

Q.80 Are premium trends required when using the pure premium method of ratemaking?



A.80 Yes, for the physical damage coverages. The premium trend serves to reduce the otherwise indicated change in the base rate. The premium trend reflects that portion of the needed rate change which can be realized automatically through the workings of the class plan without the necessity of actually implementing a change in the current rate schedule.

Q.81 How were premium trends applied in this filing?

A.81 The symbol trend and the model-year trend were used to reduce the otherwise indicated comprehensive and collision base rates so as to reflect the expectation that the average rates will increase automatically due to new cars being insured each year. As new cars are added each year, the average rates for the comprehensive and collision coverages will increase. This is because the new and more expensive cars are charged higher rates. The addition of the new cars each year to the "fleet" of insured cars also causes some upward trend in the claim costs. That effect on claim costs is reflected in the claim loss trends used in the analysis. If the claim cost effect of the new cars is built into the claim cost trends, then it logically follows that any effect on the average rates should also be recognized in the calculations. The greater the trend in average rates, the less is needed in the way of a rate schedule change to offset the rising costs. Therefore, the higher the premium trend, the lower is the indicated change in the current rate schedule.

Q.82 Please explain how the premium trends were calculated in this filing.

A.82 The filing utilizes a model-year trend which recognizes the shift of insured cars to newer models. Since the distributions by model year for all insured cars in North Carolina are

not available, the latest available distributions of insured cars for insurers reporting to the ISO and for Automobile Committee members reporting to the ISS were utilized. The anticipated effect on the average model year rating relativity is based on the expected distribution of cars during the time the new rates will be in effect. As shown on H-603 of the filing, it is anticipated the annual increase in the comprehensive average premium will be 5.5% and the increase in the collision average premium will be 6.4%. The procedure used to calculate the model-year premium trends is consistent with the procedure used in past North Carolina filings and is reasonable.

Annual premium trends were also calculated to reflect the shift in insured cars to higher symbol categories. The trends were calculated for each deductible for a variety of time periods. The symbol trends vary by deductible and by the time period analyzed. The Automobile Committee agreed that the data as a whole indicate an annual symbol trend of +0.7% for comprehensive and +0.0% for collision should be used to reflect the effects of the expected shift of insureds into the higher symbol categories.

It is my opinion that the selected model-year and symbol trends for comprehensive and collision are well within the range of reasonable trends indicated by the historic data.

## **Incurred Losses and Allocated Loss Adjustment Expenses**

Q.83 Please describe the losses and allocated loss adjustment expenses used in this filing.

A.83 The historical losses and allocated loss adjustment expenses (ALAE) to which projection factors are applied include data from the latest three available years ending 12/31/05, 12/31/06, and 12/31/07. The claim losses and ALAE for each of the years in the database are stated on an accident-year basis for the liability coverages and on a calendar-year basis for the physical damage coverages.

The claim losses for each accident-year include paid losses plus reserves for payments yet to be made on claims which occurred during the specific accident-year.

The claim losses for each calendar-year include loss payments and changes in total reserves which transpired during the calendar-year, no matter when the claim may have occurred.

Claim losses stated on an accident-year basis typically change from the time an accident first occurs until the claim is ultimately and finally settled. As such, it is necessary to apply loss development factors to accident-year data so as to derive a reasonable estimate of the total losses which will ultimately be incurred when all claims from a specific accident-year are finally settled.

The claim losses for the physical damage coverages are reported on a paid basis. These data are adjusted to an incurred basis using the industry average ratio of incurred to paid losses and are derived from Page 15 Private Passenger Auto Physical Damage (Line 21.1) of the Annual Statement. The factors to adjust paid losses to incurred losses are calculated in Exhibit RB-7.

The allocated loss adjustment expenses (ALAE) are stated on an accident-year basis and are included with the claim losses for the liability coverages. For the physical damage coverages, all loss adjustment expenses are included on a calendar-year basis by means of a factor based on data reported to the Rate Bureau through its Annual Expense Call.

Q.84 Why are calendar-year loss data used for the physical damage coverages?

A.84 It is a common practice to use calendar-year data for physical damage ratemaking because there is usually a short time between the time an accident occurs and the time the final payment is made on the claim. As a result, there is minimal difference between loss data organized on an accident-year basis and data on a calendar-year basis for the physical damage coverages. The use of accident-year data for the liability coverages and calendar-year data for the physical damage coverages is a common actuarial practice and is the procedure used by the Rate Bureau in past auto insurance rate filings.

## Loss Development Factors

Q.85 What is the purpose of loss development factors in the ratemaking formula?

A.85 Incurred losses reported on an accident-year basis include paid amounts plus case reserves. Case reserves are amounts which a claims person expects to be paid in the future for a known claim. The sum of paid amounts and case reserves is commonly referred to as reported incurred losses. Reported incurred losses change from one evaluation date to another, because the estimate of case reserves changes as more information (including claim payments) becomes available and because claims which occurred, but were not reported, are eventually reported to the insurer. The loss development factors are used as estimates of how the reported incurred losses for each accident-year will change by the time that all claims are finally settled.

Q.86 Please describe your review and conclusions with respect to the loss development factors.

A.86 The traditional approach for calculating loss development factors (LDF's) is to observe how past accident-year losses have developed from one time period to the next, and then select an LDF based on some average of this historical experience. That is exactly the approach utilized by the Rate Bureau for the bodily injury liability, property damage liability, medical payments, and uninsured and underinsured motorist coverages. Because the physical damage rate change indications are based on a calendar-year ratemaking methodology, it was not necessary to calculate and apply loss development factors to those coverages.

The Rate Bureau calculated average LDF's based on the latest three and the latest five reported incurred factors for each time interval. The Rate Bureau relied on the LDF's based on an average of the three latest years for bodily injury, property damage and underinsured motorist bodily injury (UIM-BI). For medical payments, uninsured motorist-bodily injury (UM-BI), and uninsured motorist damage (UM-PD), the Rate Bureau relied on the LDF's based on an average of the latest five years.

In my review of the data, I also calculated LDF's as an average of the middle three of the latest five factors. This analysis produced results consistent with the LDF's used by the Rate Bureau for each of the liability coverages which caused me to conclude that the LDF's selected by the Rate Bureau for each of the liability coverages were justified by the data and were reasonable.

## Loss Trends

Q.87 What are loss trend factors?

A.87 Because ratemaking is prospective, it is necessary to adjust the historical claim losses and ALAE to reflect the anticipated future cost levels. This adjustment to the data is accomplished by the application of trend factors which reflect the estimated annual change in both the frequency of claims and the average cost of claims.

Q.88 What is the basis for the determination of the loss trends used in this filing?

A.88 The loss trends are based on a review of North Carolina claim severity, claim frequency and pure premium data as reported by all auto insurance carriers in the State. North Carolina trend data reported to the Fast-Track reporting system, as well as other external data, were also reviewed and considered.

Because auto insurance claim severities in North Carolina and countrywide have historically shown a pattern of change that appears to be non-cyclical, I have generally placed more reliance on the indicated average claim cost trends calculated over a three-year period. Because auto insurance claim frequencies generally exhibit a more cyclical behavior, I have relied on both the indicated long-term frequency trends and the indicated short-term frequency trends.

Q.89 What trends were selected by the Auto Committee for this filing?

A.89 The following table summarizes the selected severity and frequency trends, as well as the resulting pure premium trends.

**Selected Annual Trend**

<u>Coverage</u>	<u>Severity</u>	<u>Frequency</u>	<u>Pure Premium</u>
BI – Basic	+6.5%	-4.0%	+2.2%
BI – Total	+6.5%	—	—
Property Damage	+2.5%	-1.5%	+1.0%
Medical Payments	+0.5%	-0.5%	0.0%
Comprehensive	+1.5%	-1.0%	+0.5%
Collision	+0.5%	0.0%	+0.5%
Uninsured Motorist	—	—	0.0%
Underinsured Motorist	—	—	+7.5%

Q.90 Do you have an opinion as to the reasonableness of the selected loss trends?

A.90 Yes, the annual trends selected by the Rate Bureau and used in this filing are reasonable and they are supported by the all-industry North Carolina claims data.

The three-year claim severity trend for the basic limits bodily injury liability coverage is +5.7%. There has been a recent acceleration in the rate of increase, causing the trend calculated over more recent data to be +7.5%. The Rate Bureau’s selected +6.5% claim severity trend is near the midpoint of the range of indicated trends and is reasonable.

The claim severity trend for the total limits bodily injury coverage is +6.7%, when measured over the latest three years of data. The Rate Bureau’s selected severity trend of



+6.5% is consistent with this indicated trend and is reasonable based on the available data.

The Rate Bureau's selected claim severity trend of +2.5% for the property damage liability coverage is lower than the three-year trend indication and reasonably recognizes the slowing of increased severities in the latest data.

The Rate Bureau's selected claim severity trend of +0.5% for the medical payments coverage is reasonable in that it is consistent with the trends indicated by the all-industry claims data. Also considered in this trend selection was the fact that government cost indices for medical care and physician services are rising at an annual rate in excess of +3.0%. The government cost indices indicate that a +0.5% trend in medical severity may be too low.

The three-year claim severity trends for the comprehensive coverage vary by deductible amount, and range from +0.9% to +1.9%. The Rate Bureau's selected severity trend of +1.5% reasonably reflects the range of indicated severity trends across all deductibles.

The indicated claim severity trends for the collision coverage also vary by deductible. The indicated three-year trends range from -0.1% to +1.7%. The +0.5% claim severity trend selected by the Rate Bureau is at the low end of the range of indicated three-year trends across all deductibles, but reasonably reflects some improvement in the most recent data.

The Rate Bureau selected negative frequency trends for the bodily injury, property damage, medical payments, and comprehensive coverages. A frequency trend of 0.0% was selected for the collision coverage. Each of the selected frequency trends is within the range of indicated trends for the specific coverage and each selected trend is reasonably supported by the North Carolina all-industry data.

The 0.0% annual pure premium trend selected by the Rate Bureau for the uninsured motorist coverage is based on the pure premium data for the years 1996 through 2007. In those twelve years the pure premium has varied very little, with a low of \$9.20 and a high of \$10.44. Trend lines fit to the historic data are relatively flat, thereby supporting the reasonableness of the Rate Bureau's selected pure premium trend of 0.0%.

An annual loss trend of +7.5% was selected by the Rate Bureau for the underinsured motorist coverage based on an analysis of available North Carolina pure premiums for the period 2000 through 2007. The indicated trends were in the +5.0% to +10.1% range, with the +7.5% selected trend near the midpoint of the range of indicated trends.

Q.91 How much reliance did you place on the North Carolina all-industry trend data versus the North Carolina Fast-Track data?

A.91 I placed far more reliance on the North Carolina all-industry trend data than I did the Fast-Track data. I am aware that the Fast-Track data are not subject to the same level of edit procedures as are the all-industry data, but more importantly the Fast-Track data do

not include data from all North Carolina insurers. As such, the Fast-Track data can only be considered as a non-random sample of the all-industry total data. The sample data provided through Fast-Track provide less insight into the true North Carolina trends than do the all-industry data, which by definition include all North Carolina insurers. If the all-industry trend data were not available for review, then the Fast-Track data could be given more credibility and reliance. But when a total data set is available for analysis, nothing can be added by relying on a subset of the total.

Perhaps the only value that the Fast-Track data add to the analysis is that the Fast-Track data are published quicker and sometimes provide more recent data than the all-industry data. More recent data can sometimes be helpful in identifying turning points in the trends.

Q.92 Did you consider the cost of gasoline in your trend selections?

A.92 Yes. Based on past gasoline price changes, it appears to me that gas prices have not caused significant changes in driving patterns. Whatever impact on driving patterns, if any, past gas price changes have caused has been reflected in the loss trend data being reviewed.

In my opinion, the potential impact of rising or falling gas prices on auto insurance claim frequencies and claim costs is highly speculative. In the long-run the impact, if any, of changing gas prices on insurance costs will be reflected in the actual loss experience, and that loss experience will eventually be reflected in the rates.

Q.93 Were the selected annual trends applied on an exponential basis?

A.93 Yes. Projecting the annual trends into the future was done on an exponential basis. An exponential trend extension assumes the same percentage increase each year. A linear trend extension assumes a decreasing rate of increase each year.

Q.94 Which trend extension method is correct?

A.94 It depends upon the assumptions underlying the selected annual trend. If, for example, the ratemaker assumes that losses will increase 3% in each of the next two years, the trend should be extended exponentially. In this case the factor would be 1.03 for the first year times another increase of 3% (1.03) for the second year, producing a total change of 6.1% over the entire period ( $1.03 \times 1.03 = 1.061$ ).

If the ratemaker assumes that losses will not increase by a constant percentage each year, then the trend extension would be done linearly. In the linear case, the total two year increase would be 6% (1.06) produced by a 3% increase the first year compounded by an increase of approximately 2.9% in the second year.

Because trend factors are usually selected with the assumption that the percentage increase is constant over time, the technically correct procedure is an exponential trend extension.

Q.95 How far into the future were the losses trended?

A.95 Claim losses and ALAE were trended to July 13, 2010. The trend extension date assumes the revised rates will be effective on October 1, 2009. For six-month policies, the average date of claim loss will be July 1, 2010. For twelve-month policies, the average date of claim loss will be October 1, 2010. Based on an estimated distribution of policies by length of policy term, an average date of claim loss for all policies was determined to be July 13, 2009.

## **Catastrophes**

Q.96 How were potential catastrophe losses recognized in this filing?

A.96 The comprehensive coverage is subject to the potential for catastrophe losses. Page D-15 of the filing summarizes the history since 1978 of North Carolina wind and water losses of those companies reporting to the ISO. For example, as can be seen in column 5 of page D-15, wind and water losses in 2003 were more than double the usual wind and water losses, as measured over the thirty-year history.

The experience period underlying this filing (i.e., 2005 – 2007) was not affected by any catastrophe wind/water losses. If there had been catastrophe losses in the experience base they would have been removed and replaced by the long-term average catastrophe base. Since there were no catastrophe losses in the experience period, a catastrophe provision of 1.070, based on the thirty-year average, was included in the calculation of the indicated comprehensive rates.

The purpose of the catastrophe procedure is to recognize that catastrophes tend to occur with relative infrequency. Utilizing a one-, two- or three-year database would provide an insufficient history to determine expected future catastrophes. The Rate Bureau's catastrophe procedure relies on a thirty-year experience period for the catastrophe loss portion of the comprehensive rate. The long-term historical method used in this filing is consistent with the catastrophe procedure used in past Rate Bureau filings and is consistent with traditional actuarial practices for auto insurance ratemaking.

## **Claim Settlement and Underwriting Expenses**

Q.97 How are the claim settlement expenses included in the ratemaking formula?

A.97 The allocated loss adjustment expenses are reported and included with the accident-year losses for the bodily injury liability, property damage liability and medical payments coverages. The unallocated loss adjustment expenses for these coverages are derived from the Annual Expense Call which the Rate Bureau sends to its member companies.

For the comprehensive and collision coverages, the total loss adjustment expenses, both allocated and unallocated loss adjustment expenses, are derived from the Annual Expense Call.

For the uninsured motorist coverage, the allocated loss adjustment expenses are reported and included with the accident-year losses. Since the Annual Expense Call does not separately identify expense data for the uninsured motorist coverage, the procedure used in this filing is to use the same unallocated loss adjustment expense factors as are used for the bodily injury liability and property damage liability coverages. This procedure is the same procedure used in past filings.

Q.98 What is the source of the underwriting expenses used in the filing?

A.98 The expense provisions for commissions, other acquisition, general administrative and miscellaneous taxes, licenses and fees are derived from the Annual Expense Call and are summarized on pages H-608, H-609 and H-610 of the filing.

Q.99 Are there adjustments made to the expenses?

A.99 Yes. The expenses are trended so as to determine future expected expenses.

Q.100 Why does the expense trend apply only to the other acquisition, general, and unallocated loss adjustment expenses?

A.100 Commissions, taxes, licenses and fees are treated as being directly variable with premium and are expected to increase or decrease in proportion to the rate change for each coverage. Therefore, no trend factor is necessary for these expenses.

The other acquisition, general, and unallocated loss adjustment expenses are treated as “fixed” expenses. This means that while these expenses are expected to change from year to year, the change will not necessarily be directly in proportion to either the rate change or to the change in losses. The trend factor applied to the other acquisition, general and unallocated loss adjustment expenses reflects the expected annual change in these expenses.

The allocated loss adjustment expenses are directly related to losses. Therefore, it is appropriate to apply the loss trend to those expenses rather than the expense trend.

Q.101 What expense trend is used in this filing?

A.101 The annual expense trend in this filing is +3.0%.



Q.102 What is the basis for this trend?

A.102 The 3.0% annual expense trend was selected based on a review of the All-Items CPI, the All-Items CPI-Less Energy and the Total Compensation Cost Index, all published by the Bureau of Labor Statistics. The indices used to determine the expense trend result in a reasonable expense trend.

Q.103 How is this 3.0% expense trend applied?

A.103 The expense trend is applied from the mid-point of the experience period and projected to April 1, 2010. This date represents the average date of incurring expenses for policies which will be issued utilizing the new rates to be effective on October 1, 2009.

Q.104 Department witnesses raised questions in regard to the 2008 rate filing concerning the appropriateness of including the fixed expense data from Nationwide Insurance. Have you researched the nature of the expenses reported by Nationwide and the appropriateness of including those expenses in the rate calculations?

A.104 Yes. The group of Nationwide companies currently maintains policyholder records in several different computer systems. The long-term goal is to consolidate the records onto a single system. Moving to a single computer system affects the companies' North Carolina operations, as well as other states in which Nationwide does business.

The expenses associated with the consolidation project do not include the purchase of new computer systems or software. The expenses associated with the project are primarily personnel costs (i.e., salary and benefits) for employees dedicated to the

project. Some staff working on the project are regular Nationwide employees and some are independent contractors.

Nationwide reasonably expects the task of moving policyholder records to a single computer system will be a multi-year project. Like all other operating expenses, expenditures associated with this project will be reported as an expense in the year the expenses are incurred. There are no expenses related to the project which would properly be capitalized and depreciated or amortized.

The allocation of the project expenses to the various states is done consistently with the allocation procedures applied to all other operating expenses. While allocation procedures vary by type of expenses, most of the project expenses will be allocated to the various states based on a count of policies in force.

Based on the above information provided by Nationwide, it is my opinion that the expenses reported by Nationwide are expected to be recurring business expenses for several years to come and are appropriately included in the rate calculations.

## Deviations

Q.105 Do current or prospective rate deviations have any impact on the indicated average rate levels in this filing?

A.105 No. The rates actually charged, or anticipated to be charged, by auto insurers in North Carolina are not a part of the calculation of the indicated average rate levels in this filing. The indicated rate levels are calculated directly from the aggregate losses and expenses of the entire private passenger auto insurance market without reference to the current premium being charged to each insured.

Q.106 Some witnesses for the Department in past hearings have contended that deviations are being implicitly reflected in the rate calculations through the use of total market loss and expense data. Do you agree with that testimony?

A.106 No. There are no implicit provisions that affect the indicated rate level in this filing. Every provision in the indicated rates is explicitly and transparently presented in the filing. The explicit provisions included in the rate calculations are provisions for losses, loss adjustment expenses, fixed expenses, variable expenses, profit, contingencies, and policyholder dividends. The indicated rate levels in this filing would be what they are whether the average downward deviation in the market was 10%, or 50%, or any other amount.

Q.107 How then were deviations considered in this filing?

A.107 History tells us that some insureds will be charged more than the Rate Bureau's average

rates and some insureds will be charged less. Insureds that are charged rates which deviate upwards from the Rate Bureau's average rates include some Reinsurance Facility insureds and some insureds who purchase physical damage coverages utilizing the consent-to-rate procedures. Insureds who are charged rates which deviate downwards from the Rate Bureau's average rates are those insureds who purchase coverage from insurers that have filed rates below those of the Rate Bureau. To the extent that the upward and downward deviations from the Rate Bureau's average rates are offsetting, the amount of premiums collected from all non-fleet private passenger auto insureds in North Carolina will cover the anticipated losses and expenses and provide the needed profit.

Q.108 Do you expect that the upward and downward deviations from the Rate Bureau's average rates will be offsetting?

A.108 I do not expect the deviations to be precisely offsetting. I do expect the deviations to be reasonably close to being offsetting. As shown in RB-25, the actual expected future revenue for the total market (including actual premiums collected and clean-risk recoupments) is approximately 0.7% lower than what the total revenue would be if the total revenue were to be generated by charging the Rate Bureau's manual rates to every auto insured in North Carolina.

Since the off-balance in revenue is relatively close to zero there is a reasonable expectation that the overall indicated rate level increase of +1.4% will not cause the total market to be overfunded or underfunded. The Automobile Committee decided not to incorporate an explicit off-balance adjustment in the calculation of the base rates, either

upward or downward, unless the off-balance was a significant amount. In this case liability and physical damage off-balance factors are small and have not been incorporated into the base rate calculations.

## Policyholder Dividends

Q.109 What are policyholder dividends?

A.109 From an insurance accounting point of view, policyholder dividends are a return of premium by stock or mutual insurers to policyholders “on the basis of certain savings in losses or expenses realized by the insurer on the participating class of business.” This definition is from the text entitled, Property-Liability Insurance Accounting, edited by Robert W. Strain. Policyholder dividends are accounted for on the statutory insurance Annual Statement as a reduction to current income, rather than as a direct charge to surplus.

The Casualty Actuarial Society defines policyholder dividends as “non-guaranteed returns of premium charged to operations as an expense.” This definition is consistent with the accounting treatment on the statutory Annual Statement.

The Actuarial Standards Board defines policyholder dividends as “non-guaranteed returns of premium or distributions of surplus” and further indicates a provision may be included in the rates for dividends based on past dividend history and other considerations.

For Federal tax purposes, the IRS treats policyholder dividends as a return of premium, rather than taxable income to the policyholder. From the insurer’s point of view, the IRS’ treatment of policyholder dividends is equivalent to the treatment of business

expenses because both are deductible from current income.

I believe the Casualty Actuarial Society's definition most succinctly captures the accounting and legal aspects of policyholder dividends and is most consistent with tax treatments. Policyholder dividends are a return of premium. According to statutory accounting rules, policyholder dividends are accounted for as a reduction to current income. Just as current expense items reduce current profits, so do policyholder dividends.

Q.110 Are policyholder dividends the same as stockholder dividends?

A.110 Not at all. The difference is so fundamental that it is unfortunate that the word "dividend" is used in both terms. Stockholder dividends are distributions of capital or profits to its shareholders from a company's capital accounts. In the insurance business, a policyholder dividend is a return of premium revenue to customers. Policyholder dividends do not ordinarily reach the insurer's capital accounts, therefore policyholder dividends are not the same as stockholder dividends.

Q.111 Is it not true that policyholder dividends and stockholders dividends are both dividends to owners of the company?

A.111 No, not always. Stockholder dividends are clearly a distribution of capital or profits to the owners of the company. However, policyholder dividends are a return of premium to customers. In the case of a mutual company the customers also happen to be the owners, but in this case the return of premium is being made to them in their role as customers,

rather than a distribution of capital in their role as owners.

It is also possible to have policyholder dividends paid by a stock insurer using a participating policy. In that case the policyholder dividend is going to customers, most of which are probably not owners of the stock insurer.

In the case of an insurance exchange or reciprocal, a distribution of savings or a return of deposit premium to customers would be akin to a policyholder dividend rather than a distribution of capital to owners. The dual role of customers and their rights as owners of a reciprocal is not clear-cut and likely varies from one organization to the next.

Q.112 Does the Casualty Actuarial Society categorize policyholder dividends as an expense item?

A.112 No it does not. The CAS Ratemaking Principles (see Exhibit RB-14) sets forth all of the “cost” elements that are to be included in a rate calculation. Policyholder dividends are identified as a separate “cost” category. Policyholder dividends are separate from claim losses; separate from all of the claim settlement expenses; separate from profit and contingencies; and separate from the operational and administrative expenses such as commissions, other acquisition, taxes, licenses and fees and general administrative expenses.

Q.113 Do you consider policyholder dividends as an expense item?

A.113 No. I have always understood policyholder dividends to be a return of premium.



Similarities between policyholder dividends and expenses can be drawn, but within the insurance industry literature and within all of the state rating laws of which I am familiar, policyholder dividends is a category unto itself. I must assume that if the North Carolina legislature had intended dividends to be considered as an expense item there would have been no need to establish separate categories for expenses and dividends in the rate statutes.

Q.114 Do you understand that the North Carolina statutes require a unique treatment of policyholder dividends as compared to other states?

A.114 No. I understand the North Carolina statutes to simply mean that an insurer cannot pay policyholder dividends when doing so would reduce its surplus position below the legal minimum requirements. To my knowledge, North Carolina utilizes the same insurance statutory accounting rules as other states, and those accounting procedures treat policyholder dividends as a deduction from current income and not as a direct charge to surplus.

The annual accounting statement for property and casualty insurers, required by statute in North Carolina and other states, shows policyholder dividends as a deduction from current net income on line 14 of page 4 of the Annual Statement. If policyholder dividends were used as a means to distribute surplus, the deduction would need to be shown as a direct charge to surplus on a line below line 17, page 4 of the Statement, just as dividends to stockholders are shown. Any assertion that policyholder dividends are essentially the same as stockholder dividends and are somehow contained in profit is

belied by the accounting treatment by North Carolina's statutorily required accounting statement. (See N.C. Gen. Stat. §58-2-165). There is no economic incentive for insurers to use policyholder dividends as a means of distributing surplus. From a tax standpoint, the preferable approach for both the insurer and the insured is a reduction in rates or a return of premium.

Whether accounted for as a reduction to current income or accounted for as a direct charge to surplus, the ultimate result is a reduction in the surplus of the companies, just as is true for any other incurred, operating expenditure. Just because operating expenses, or claim losses, or policyholder dividends ultimately result in reduced surplus does not make any of those items a distribution of surplus.

Q.115 How should policyholder dividends be treated in the ratemaking formula?

A.115 Most often auto insurers establish rates in anticipation of no payment of policyholder dividends. Policyholder dividends are not an issue in most rate filings, because the anticipated provision for policyholder dividends is zero for most insurers. There are, however, a few insurers that plan on paying policyholder dividends and those insurers customarily do include the anticipated dividend amount in their company-specific rate calculations as a separate provision in the rate calculation.

The Rate Bureau has treated anticipated policyholder dividends as a separate provision to be included in the rate. In this particular filing the dividend provision is 0.25% of premium, based on a review of six years of North Carolina policyholder dividends. It is

actuarially sound and reasonable and consistent with the North Carolina ratemaking statutes to include a provision for anticipated policyholder dividends when there is a reasonable expectation that policyholder dividends will be declared.

Q.116 Does the Rate Bureau's ability or inability to control the declaration of policyholder dividends impact the consideration to be given dividends in the ratemaking formula?

A.116 No. The Rate Bureau has no control over the payment of policyholder dividends. But, more importantly, the controllability of any cost provision in the rate is not a criterion for inclusion of that provision in the ratemaking formula. Unless constrained by law, the indicated rates should reflect all costs expected to be incurred by the insurance operation. Nearly all cost provisions in the rate can be thought of as discretionary because they are the direct result of management decisions relating to selected markets, methods of operation, staffing levels, etc. The question isn't whether the cost provisions are discretionary, but rather whether the cost provisions are anticipated for the future. If one reasonably expects policyholder dividends to be declared in the future, then it follows that those expected costs must be acknowledged and recognized in the ratemaking formula. Further, in North Carolina the ratemaking statute separately lists policyholder dividends as one of the factors to be considered in making rates.

Under North Carolina law, the Rate Bureau is to be regarded as if it were the only insurance company operating in North Carolina and as if it had an earned premium experience, an incurred loss experience and an operating expense experience equivalent to the composite of those companies actually in operation. The operation of this single,

hypothetical insurer is a reflection of the operations and management decisions made independently by each of the insurers actually operating in the marketplace. The Rate Bureau does not and cannot manage or control this single, composite company. The actions and decisions of this single, composite company are merely the composite of the myriad of independent decisions made by the managers of the insurers actually in operation. That means that policyholder dividends will be declared regardless of what the Rate Bureau might consider to be appropriate.

Q.117 Does the declaration of dividends in the past mean that rates were excessive in the past?

A.117 No. The purpose of this rate filing is not to calculate rates which meet the statutory standards of neither excessive, inadequate, nor unfairly discriminatory for each of the individual insurers actually operating in North Carolina. The purpose of this filing is to calculate rates which meet the statutory standards for this single, hypothetical insurer with premium, loss and expense experience equivalent to the composite of all insurers. This necessarily means that the Rate Bureau rates may precisely meet the rate standards for the composite company, but be inadequate for some insurers and excessive for other insurers. Some insurers may naturally respond to this situation, as they have in the past, by declaring dividends to policyholders. That doesn't mean the Rate Bureau rates were excessive for the composite company. It only means that an individual insurer decided that it had certain savings which it wanted to pass to its policyholders in the way of dividends.

## Contingencies

Q.118 What is the purpose of a contingency provision in the calculation of property and casualty rates?

A.118 The contingency provision, as defined in the CAS Statement of Ratemaking Principles, is "a charge for any systematic variation of the estimated costs from the expected costs." The Actuarial Standards Board in its Standard of Practice No. 30 defines the term as "a provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process."

We can expect the actual losses and expenses to vary randomly from year to year around the expected costs. If the variation is random and not biased, then over a period of time, the actual results will average to the expected. However, if there is some bias or systematic variation in the rate setting process, then the average actual results will not equal the average expected results. It is this potential systematic variation which the contingency provision is intended to measure.

Q.119 What provision for contingencies did the Rate Bureau include in this filing?

A.119 The Rate Bureau has included a 0% contingency provision in this year's filing.

## Profit

Q.120 What underwriting profit provision did the Rate Bureau utilize in this filing?

A.120 The Rate Bureau utilized before-tax underwriting profit provisions of 11.0% for the liability coverages and 13.0% for the physical damage coverages. Based on the profit analysis provided to the Rate Bureau, these underwriting profit provisions, if realized, can be expected to produce overall returns that are not excessive, even if one considers investment income from capital and surplus. Therefore, it necessarily follows that the filed underwriting profit provisions will not produce excessive returns if investment income from capital and surplus is not considered.

Q.121 Did you prepare an independent analysis of the underwriting profit provisions and a recommendation for review by the Automobile Committee?

A.121 No. The profit analysis was performed by Dr. Appel and Professor Vander Weide. Their testimonies are included with this filing.

Q.122 Is it necessary for you to opine on the underwriting profit provisions in the filing in order for you to provide an actuarial opinion on the other aspects of the filing?

A.122 No. I can provide an actuarial opinion on selected elements of a rate filing as long as my opinion clearly sets forth the appropriate limitations and qualifications.

## Uninsured Motorist Coverage

Q.123 What changes are being proposed for the uninsured motorist coverage rates?

A.123 The filing includes a 3.0% increase in the uninsured motorist coverage rates. The analysis of the uninsured motorist data is presented on pages E-1 and E-2 of the filing.

Q.124 Please describe the loss trends and the loss development factors used in the calculation of the uninsured motorist rate change indication.

A.124 I previously discussed the 0.0% annual loss trend selected by the Rate Bureau. The trend selection was based on the trend calculations on page E-7 of the filing.

The loss development factors for the uninsured motorist-bodily injury coverage are calculated on pages E-3 and E-5 of the filing. The loss development factors used for the uninsured motorist-property damage coverage are calculated on pages E-4 and E-6 of the filing. The Rate Bureau relied on loss development factors based on a five-year average for both UM-BI and UM-PD.

## **Underinsured Motorist Coverage**

Q.125 What changes are proposed for the underinsured motorist coverage rates?

A.125 The filing includes a 13.4% increase for the underinsured motorist coverage.

Q.126 How was the rate change for underinsured motorist coverage calculated?

A.126 The rate change for the underinsured motorist (UIM) rates is based on a review of three years of data, just as was done for the uninsured motorist coverage. The loss development factors for the underinsured motorist coverage are based on three-year averages. I previously discussed the +7.5% annual loss trend selected by the Rate Bureau.

Q.127 Is this method of calculating indicated underinsured motorist rates a change in methodology for the Rate Bureau?

A.127 No. In rate filings prior to 2006 the Rate Bureau used a model approach to ratemaking. Models are the best alternative when sufficient data are not available. In the 2006 rate filing, the Rate Bureau placed more reliance on the actual UIM data and selected a rate change that was between the rate change indicated by the model and the rate change indicated by the UIM loss and expense experience. In this filing the Rate Bureau calculated indicated UIM rates based solely on UIM loss and expense experience.



## Rate Factors

Q.128 Did the Rate Bureau review the experience of the various rate factors used in the rating plan?

A.128 Yes. The Rate Bureau reviewed the experience for the increased limit factors for the liability coverages, deductible factors for the physical damage coverage, and driver classification factors for all applicable coverages.

Q.129 Does this filing include proposed changes for any of these rating factors?

A.129 Yes. There are revisions to some increased limit factors, some deductible factors, and some driver class factors. The proposed revisions are based on a review of three years of North Carolina loss data. The Auto Committee generally moved in the direction of the indicated factors, but tempered the changes in recognition of the limited credibility of the indicated factors.

## Motorcycles

Q.130 Has the Rate Bureau conducted an analysis of the motorcycle experience?

A.130 Yes, that analysis is presented in Section F of the filing. Page F-2 of the filing presents the calculation of an indicated 7.2% increase for the bodily injury liability, property damage liability and medical payments coverages for motorcycles.

Q.131 Please describe the calculation of the indicated 7.2% increase.

A.131 The collected premium, loss and expense data on lines (1) through (5) were reported to the Rate Bureau in response to a special call for motorcycle data.

The selected annual trends in losses are shown on line (6). They were determined by taking a weighted average of the trends used to calculate private passenger auto rates for bodily injury, property damage and medical payments coverages.

The 3.0% expense trend on line (7) is the same prospective expense trend figure that was used in the Rate Bureau's automobile rate calculations. The 3.0% figure was determined and applied in the same manner as for the automobile coverages.

The projected losses on line (8) were calculated by extending the amount shown on line (2) at the annual trend rate shown on line (6). The manner in which the trend is applied is the same as used for automobile rates. The procedures for projecting the loss adjustment

expenses, the general expenses, and the other acquisition expenses on lines (9) and (10) are also the same as used for automobile rates.

Q.132 How were the Permissible Ratios on line (13) calculated?

A.132 These ratios represent the proportion of premium which can be expended for losses, loss adjustment expenses, and general and other acquisition expenses and still be able to provide for variable expenses (i.e. commissions, taxes, licenses and fees) and the filed profit and contingency provisions.

The motorcycle liability rate calculation also includes a provision of 11.0% for profit and a 0% provision for contingencies. Both provisions are the same as those used for the private passenger auto liability coverages. When the profit provision and the contingency provision are added to the combined amounts for commission and brokerage and taxes, licenses, and fees, the results for 2005, 2006 and 2007 are 22.1%, 23.3% and 22.5%, respectively. The figures shown on line (13) of page F-2 are the difference between 1.000 and the percentage figures I have just mentioned.

Q.133 How was the rate level change on line (16) determined?

A.133 Line (16) is the premium-weighted average of the three figures shown on line (15).

Q.134 Are the premiums, losses and expenses on page F-2 distinguished as between voluntary and ceded business?

A.134 No, they are not. The Rate Bureau's special call for motorcycle experience does not distinguish between voluntary and ceded business. The motorcycle rates are based on total market data just as is done for the private passenger rates.

## Territory Base Rates

Q.135 Does the filing include a revision of the present territorial relativities?

A.135 Yes.

Q.136 Please explain how those relativities have been revised.

A.136 The indicated relationships between the territory base rates are based on the average loss experience for the three years ending December 31, 2007. The average loss costs for each territory are adjusted to remove any class distribution differences by territory and further adjusted for credibility, using standard actuarial credibility procedures. The indicated territory relativities based solely on the credibility adjusted loss experience are further modified to reflect the fact that general and other acquisition expenses are “fixed,” or non-variable with premium. This adjustment means there is a constant dollar provision for these expenses in each territory. The adjustment for fixed expenses has the effect of flattening the relativities between the various territories.

The territory ratemaking procedures in this filing are commonly accepted actuarial procedures and have been used in past North Carolina rate filings. The calculations are summarized on filing pages C-13 through C-23.

## Conclusion

Q.137 Do you have an opinion as to whether the rates proposed in the Rate Bureau's filing are neither excessive, inadequate nor unfairly discriminatory?

A.137 Yes. The indicated rates and rate factors in this filing have been calculated using generally accepted actuarial methods in all respects. I have reviewed the data and am confident that the assumptions and projections made in this filing are a reasonable reflection of past and prospective North Carolina experience. It is my actuarial opinion that the proposed rates are neither excessive nor inadequate. With respect to the standard of unfair discrimination, it is my opinion that the proposed Rate Bureau's rates reasonably reflect underlying cost differences between classes and market segments, subject to legal restrictions on certain risk classifications and the practical limitations inherent in attempting to establish average rates for the entire market.

Q.138 Are there any qualifications which you wish to attach to this opinion?

A.138 I would offer two qualifications to my opinion. As previously discussed there has been an extensive effort to identify and remove any material errors in the data which underlie the rate calculations in this filing. Based on the information available at this time there is every reason to believe it reasonable to rely on the data in this filing. However, there is always a possibility of an undiscovered, material error in this, or any, database. My opinion is based on there being no material errors in the data. My actuarial opinion of the indicated rate level change could change if material errors in the data were discovered.

I also qualify my opinion so as to clarify that I have relied on Dr. Appel and Professor Vander Weide for the determination of the appropriate profit component of the rate.

***CURRICULUM VITAE***

**NAME:** Michael J. Miller

**BUSINESS ADDRESS:** 21253 N 825 East Road  
Carlock, IL 61725  
E-Mail: [mmiller@ask-epic.com](mailto:mmiller@ask-epic.com)

**EDUCATION:** ILLINOIS STATE UNIVERSITY  
Bachelor of Science – 1968  
Major – Mathematics  
Minor – Accounting

**CONTINUING EDUCATION:** Estimated study time exceeding 3,000 hours necessary for completion of 10 qualifying exams for membership in Casualty Actuarial Society (CAS).

Participation as an attendee and on the faculty of the CAS Loss Reserve Seminar, the CAS Ratemaking Seminar, and other CAS educational seminars on special topics, such as rate of return and underwriting practices.

Meet all continuing education requirements of the American Academy of Actuaries necessary to sign a public actuarial opinion.

<b>MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS:</b>	Casualty Actuarial Society (CAS)	
	Associate Member	1971
	Fellow	1981
	American Academy of Actuaries (AAA)	1975
	Conference of Consulting Actuaries	2002-2004
	Fellow	
	International Actuarial Association	
Midwestern Actuarial Forum		
Chartered Life Underwriter (CLU)		



**PROFESSIONAL  
ACTIVITIES:**

CAS Committee on Risk Classification, Member	1982-1984
Chairman	1983-1984
CAS Committee on Principles of Ratemaking Member	1985-1987
Chairman	1991-1992
CAS Examination Consultant	1987-1990
CAS Long-Range Planning Committee	1993-1994 1997-2000
CAS Board of Directors	1992-1993 2001-2003
CAS Officer, Vice President – Research and Development	1993-1996
CAS Task Force on Non-Traditional Practice Areas Chairman	1998-2000
CAS/SOA Joint Task Force on Financial Engineers	1998-2001
AAA, Liaison Committee to the National Association of Insurance Commissioners	1985-1988
Actuarial Education and Research Fund Board of Directors	1994-1996
AAA, Casualty Practice Council	1990-1993
Property Casualty Committee of Actuarial Standards Board, Member	1987-1993
Chairman of Ratemaking Subcommittee	1987-1988
Chairman of Property/Casualty Committee	1989-1993
Midwestern Actuarial Forum Education Officer	1986-1987
President	1988

**EMPLOYMENT  
HISTORY:**

State Farm Insurance	1967-1984
M. J. Miller and Company	1984
Tillinghast	1984-1993
Miller, Herbers, Lehmann, & Associates, Inc.	1994-2002
EPIC Consulting, LLC	2003-Present

**PROFESSIONAL  
PUBLICATIONS:**

“Private Passenger Automobile Insurance  
Ratemaking”, Proceedings of CAS, Volume LXVI.

“Review – Risk Classification Standards by  
Walters”, Proceedings of CAS, Volume LXVIII.

“A History of the Rating and Regulation of  
Personal Car Insurance in the United States”,  
The Institute of Actuaries of Australia, February, 1990.

“An Evaluation of Surplus Allocation Methods  
Underlying Risk Based Capital Applications”,  
CAS Discussion Paper Program, Volume I, 1992.

“How to Successfully Manage the Pricing Decision  
Process”, CAS Discussion Paper Program, 1993.

“Building a Public Access PC-Based DFA Model”,  
CAS Forum, Summer 1997, Volume 2.

“Auto Choice: Whose Fault Is It Anyway”, Contingencies,  
January/February 1998

“Actuarial Implications of Texas Tort Reform”, CAS Forum,  
Spring 1998.

“The Relationship of Credit-Based Insurance Scores to Private  
Passenger Automobile Insurance Loss Propensity”, June 2003.

**PRESENTATIONS:**

Faculty member on National Association of Insurance  
Commissioners’ orientation program for new insurance  
commissioners, 1987-1994.

Faculty member on National Association of Independent  
Insurers’ seminars on ratemaking and loss reserving.

“Key Provision in Rate Filings”, Society of State Filers.

Numerous presentations at educational seminars and meetings  
conducted by the Casualty Actuarial Society on topics including  
ratemaking, loss reserving, underwriting, risk classification  
and rate of return.

**EXPERT TESTIMONY:**

Rate Regulatory Hearings in Alberta, California, Florida, Georgia,  
Louisiana, Maryland, Massachusetts, Michigan, Mississippi,  
New Brunswick, New Jersey, New York, North Carolina, Ohio,  
Oklahoma, Ontario, Pennsylvania, Texas, Vermont, West Virginia,  
and Wyoming.

Courts in Alabama, California, Florida, Minnesota, Mississippi, New  
Hampshire, Pennsylvania.

**Statement of Principles Regarding  
Property and Casualty Insurance Ratemaking**

(Adopted by the Board of Directors of the CAS May 1988)

The purpose of this Statement is to identify and describe principles applicable to the determination and review of property and casualty insurance rates. The principles in this Statement are limited to that portion of the ratemaking process involving the estimation of costs associated with the transfer of risk. This Statement consists of four parts:

- I. DEFINITIONS
- II. PRINCIPLES
- III. CONSIDERATIONS
- IV. CONCLUSION

The principles contained in this Statement provide the foundation for the development of actuarial procedures and standards of practice. It is important that proper actuarial procedures be employed to derive rates that protect the insurance system's financial soundness and promote equity and availability for insurance consumers.

Although this Statement addresses property and casualty insurance ratemaking, the principles contained in this Statement apply to other risk transfer mechanisms.

**I. DEFINITIONS**

*Ratemaking* is the process of establishing rates used in insurance or other risk transfer mechanisms. This process involves a number of considerations including marketing goals, competition and legal restrictions to the extent they affect the estimation of future costs associated with the transfer of risk. This Statement is limited to principles applicable to the estimation of these costs. Such costs include claims, claim settlement expenses, operational and administrative expenses, and the cost of capital. Summary descriptions of these costs are as follows:

—*Incurred losses* are the cost of claims insured.

—*Allocated loss adjustment expenses* are claims settlement costs directly assignable to specific claims.

—*Unallocated loss adjustment expenses* are all costs associated with the claim settlement function not directly assignable to specific claims.

—*Commission and brokerage expenses* are compensation to agents and brokers.

—*Other acquisition expenses* are all costs, except commission and brokerage, associated with the acquisition of business.

—*Taxes, licenses and fees* are all taxes and miscellaneous fees except federal income taxes.

—*Policyholder dividends* are a non-guaranteed return of premium charged to operations as an expense.

—*General administrative expenses* are all other operational and administrative costs.

—The *underwriting profit and contingency provisions* are the amounts that, when considered with net investment and other income, provide an appropriate total after-tax return.

## II. PRINCIPLES

Ratemaking is prospective because the property and casualty insurance rate must be developed prior to the transfer of risk.

Principle 1: A *rate* is an estimate of the expected value of future costs.

Ratemaking should provide for all costs so that the insurance system is financially sound.

Principle 2: A rate provides for all costs associated with the transfer of risk.

Ratemaking should provide for the costs of an individual risk transfer so that equity among insureds is maintained. When the experience of an individual risk does not provide a credible basis for estimating these costs, it is appropriate to consider the aggregate experience of similar risks. A rate estimated from such experience is an estimate of the costs of the risk transfer for each individual in the class.

Principle 3: A rate provides for the costs associated with an individual risk transfer.

Ratemaking produces cost estimates that are actuarially sound if the estimation is based on Principles 1, 2, and 3. Such rates comply with four criteria commonly used by actuaries: reasonable, not excessive, not inadequate, and not unfairly discriminatory.

Principle 4: A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer.

## III. CONSIDERATIONS

A number of ratemaking methodologies have been established by precedent or common usage

within the actuarial profession. Since it is desirable to encourage experimentation and innovation in ratemaking, the actuary need not be completely bound by these precedents. Regardless of the ratemaking methodology utilized, the material assumptions should be documented and available for disclosure. While no ratemaking methodology is appropriate in all cases, a number of considerations commonly apply. Some of these considerations are listed below with summary descriptions. These considerations are intended to provide a foundation for the development of actuarial procedures and standards of practice.

**Exposure Unit**—The determination of an appropriate exposure unit or premium basis is essential. It is desirable that the exposure unit vary with the hazard and be practical and verifiable.

**Data**—Historical premium, exposure, loss and expense experience is usually the starting point of ratemaking. This experience is relevant if it provides a basis for developing a reasonable indication of the future. Other relevant data may supplement historical experience. These other data may be external to the company or to the insurance industry and may indicate the general direction of trends in insurance claim costs, claim frequencies, expenses and premiums.

**Organization of Data**—There are several acceptable methods of organizing data including calendar year, accident year, report year and policy year. Each presents certain advantages and disadvantages; but, if handled properly, each may be used to produce rates. Data availability, clarity, simplicity, and the nature of the insurance coverage affect the choice.

**Homogeneity**—Ratemaking accuracy often is improved by subdividing experience into groups exhibiting similar characteristics. For a heterogeneous product, consideration should be given to segregating the experience into more homogeneous groupings. Additionally, subdividing or combining the data so as to minimize the distorting effects of operational or procedural changes should be fully explored.

**Credibility**—*Credibility* is a measure of the predictive value that the actuary attaches to a particular body of data. Credibility is increased by making groupings more homogeneous or by increasing the size of the group analyzed. A group should be large enough to be statistically reliable. Obtaining homogeneous groupings requires refinement and partitioning of the data. There is a point at which partitioning divides data into groups too small to provide credible patterns. Each situation requires balancing homogeneity and the volume of data.

**Loss Development**—When incurred losses and loss adjustment expenses are estimated, the development of each should be considered. The determination of the expected loss development is subject to the principles set forth in the Casualty Actuarial Society's *Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves*.

**Trends**—Consideration should be given to past and prospective changes in claim costs, claim frequencies, exposures, expenses and premiums.

**Catastrophes**—Consideration should be given to the impact of catastrophes on the experience and procedures should be developed to include an allowance for the catastrophe

exposure in the rate.

**Policy Provisions**—Consideration should be given to the effect of salvage and subrogation, coinsurance, coverage limits, deductibles, coordination of benefits, second injury fund recoveries and other policy provisions.

**Mix of Business**—Consideration should be given to distributional changes in deductibles, coverage limitations or type of risks that may affect the frequency or severity of claims.

**Reinsurance**—Consideration should be given to the effect of reinsurance arrangements.

**Operational Changes**—Consideration should be given to operational changes such as changes in the underwriting process, claim handling, case reserving and marketing practices that affect the continuity of the experience.

**Other Influences**—The impact of external influences on the expected future experience should be considered. Considerations include the judicial environment, regulatory and legislative changes, guaranty funds, economic variable, and residual market mechanisms including subsidies of residual market rate deficiencies.

**Classification Plans**—A properly defined classification plan enables the development of actuarially sound rates.

**Individual Risk Rating**—When an individual risk's experience is sufficiently credible, the premium for that risk should be modified to reflect the individual experience. Consideration should be given to the impact of individual risk rating plans on the overall experience.

**Risk**—The rate should include a charge for the risk of random variation from the expected costs. This risk charge should be reflected in the determination of the appropriate total return consistent with the cost of capital and, therefore, influences the underwriting profit provision. The rate should also include a charge for any systematic variation of the estimated costs from the expected costs. This charge should be reflected in the determination of the contingency provision.

**Investment and Other Income**—The contribution of net investment and other income should be considered.

**Actuarial Judgment**—Informed actuarial judgments can be used effectively in ratemaking. Such judgments may be applied throughout the ratemaking process and should be documented and available for disclosure.

#### IV. CONCLUSION

The actuary, by applying the ratemaking principles in this Statement, will derive an estimation of the future costs associated with the transfer of risk. Other business considerations are also a part of ratemaking. By interacting with professionals from various fields including underwriting,

marketing, law, claims, and finance, the actuary has a key role in the ratemaking process.



**ACTUARIAL STANDARDS BOARD**

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**ACTUARIAL STANDARD  
OF PRACTICE  
NO. 13**

**TRENDING PROCEDURES IN  
PROPERTY/CASUALTY  
INSURANCE RATEMAKING**

**Developed by the  
Subcommittee on Ratemaking of the  
Casualty Committee of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
July 1990**

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**(Doc. No. 021)**



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July 1990

**TO:** Members of the American Academy of Actuaries and Other Persons Interested in Property/Casualty Insurance Ratemaking Trending Procedures

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice No. 13

Enclosed is the final version of Actuarial Standard of Practice (ASOP) No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*. The purpose of the standard is to set forth generally accepted actuarial practices for estimating future expected values in ratemaking, based on analysis of historical data and other relevant information.

The standard was developed by the Subcommittee on Ratemaking of the Casualty Committee of the ASB. It was exposed for comment in July 1989. Twenty-two written responses to the exposure draft were received.

The Subcommittee on Ratemaking reviewed all the suggestions and concerns expressed by both members and nonmembers of the American Academy of Actuaries regarding the draft. As a result, several changes were made to the draft by the subcommittee. Specifically, some significant modifications were as follows:

1. The purpose of trending procedures was redefined in section 1.1 to emphasize the need to estimate future expected values by analyzing historical data and other relevant information. Also, the phrase *future cost levels*, which had caused some concern, was deleted.
2. The scope of the standard was broadened by eliminating the reference to *cost elements*. In addition, the scope was rewritten to make the standard explicitly applicable to all property and casualty lines of insurance.
3. Several concerns were expressed about the context in which the terms *internal data* and *external data* were being used. There appeared to be a potential for confusion, for example, as to whether *external data* encompassed data external to an insurance company or to the entire insurance industry. In the final version, the terms *internal* and *external* data have been replaced by the terms *insurance* and *non-insurance* data, respectively.
4. Various respondents felt that the draft's reference to regression and econometric analysis unduly restricted the actuary's use of modeling in trending procedures. Accordingly, specific references to regression and econometric analysis were omitted and a more general discussion of the selection of models was substituted.
5. It was suggested that the standard be more specific with regard to the manner in which the actuary should evaluate potential selected models, retrospectively and prospectively.

Section 5.2 was strengthened to require the actuary to be familiar with *and consider* various methods for measuring trends, including steps for evaluating the tentatively selected model and possibly revising the model.

6. One respondent suggested that an additional element in the criteria for determining the trending period is the length of the experience period. The final version includes this consideration, in section 5.7(a).
7. Several respondents expressed concern over the frequent use of the term *trend* in the exposure draft. They evidently felt that it was being used as shorthand for the entire trending process, or was inappropriate in some contexts. As a result, the term *trending procedure* replaced *trend* in many places in the standard, thereby also expanding the scope.
8. A wide range of concerns was expressed about the draft's communication and disclosure requirements in section 6. In the final version, the reference explicitly requiring disclosure of material changes was deleted, and so was the example of what would generally be considered a material change. However, the revised section 6.1 specifically notes that the provisions of Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking and Loss Reserving*, apply to all aspects of ratemaking. Also, sections 6.2 and 6.3 were retained; these set forth communication requirements regarding trend selections and deviations from this standard.

Some respondents felt that definitions of *monetary* or *economic inflation*, as well as *social inflation*, were necessary. However, the subcommittee believed that monetary and economic inflation were terms that are commonly used and understood, whereas the impact of social inflation is not nearly as well known.

Finally, several respondents suggested that specific references be included in the standard relating to other important actuarial procedures such as the selection of a database, assignment of the complement of credibility, etc. These nuances are expected to be addressed by standards of practice relating to these other ratemaking procedures. Therefore, reference in this trending standard to such items has been limited.

Other changes of a grammatical or editorial nature have been made, many in response to comments received. The Casualty Committee approved the revised standard for submission to the ASB for adoption.

The standard was adopted by the ASB on July 13, 1990.

Subcommittee on Ratemaking

LeRoy A. Boison Jr., Chairperson

Richard S. Biondi	Eldon J. Klaassen
Daniel J. Flaherty	R. Michael Lamb
Robert W. Gossrow	Robert J. Lindquist
Gary Grant	Paul E. Wulterkens
Steven L. Groot	

Casualty Committee

Michael J. Miller, Chairperson

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James A. Faber	R. Michael Lamb
Daniel J. Flaherty	Jerry A. Miccolis
Spencer M. Gluck	Robert A. Miller III
Robert W. Gossrow	Gary K. Ransom
David J. Grady	Paul E. Wulterkens

Actuarial Standards Board

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James C. Hickman	P. Adger Williams

## ACTUARIAL STANDARD OF PRACTICE NO. 13

### TRENDING PROCEDURES IN PROPERTY/CASUALTY INSURANCE RATEMAKING

#### PREAMBLE

##### Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—This standard of practice provides a basis for assessing procedures appropriate for estimating future expected values by analyzing historical data and other relevant information. The historical data to be considered for analysis are those referred to in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* of the Casualty Actuarial Society (CAS).
- 1.2 Scope—This standard of practice is applicable to all property and casualty lines of insurance.
- 1.3 Effective Date—This standard will be effective three months after its adoption by the Actuarial Standards Board.

##### Section 2. Definitions

- 2.1 Experience Period—The period of time to which historical data used for actuarial analysis pertain.
- 2.2 Forecast Period—The future time period to which the historical data are projected.
- 2.3 Social Inflation—The impact on insurance costs of societal changes such as changes in claim consciousness, court practices, and judicial attitudes, as well as in other noneconomic factors.
- 2.4 Trending Period—The time between the average date of writing, earning, or costs of the experience period and the corresponding projected date in the forecast period.
- 2.5 Trending Procedure—A process by which the actuary evaluates how changes over time affect such items as claim costs, claim frequencies, expenses, exposures, and premiums.

### Section 3. Background and Historical Issues

- 3.1 Inflation—Economic and social inflation have led to a need for increasingly sophisticated trending procedures.
- 3.2 Alternative Procedures—The *Proceedings* and the *Syllabus of Examinations* of the CAS, and many other publications such as statistics and economics textbooks, provide extensive information on alternative procedures. The actuary may refer to these or develop other procedures, as appropriate for each situation.

### Section 4. Current Practices and Alternatives

- 4.1 Historical Insurance Data—Trending procedures are used in ratemaking for most property/casualty insurance plans or policies. In such procedures, actuaries generally place reliance on (1) data generated by the book of business being priced; (2) other insurance data, and (3) non-insurance data, in that order of preference.
- 4.2 Models—Mathematical models are often used to smooth and extrapolate from historical data. In the absence of strong contrary indications, there is a reliance on extrapolations of historical insurance data from the mathematical models. Models based on non-insurance data are also used as trending procedures.
- 4.3 Actuarial Judgment—In trending procedures, judgmental considerations generally include, but are not limited to, the historical data used, the success of the model in making prior projections, the statistical goodness of fit of the model to the historical data, and the impact of any sudden, nonrecurring changes (e.g., tort reform) which had not yet been incorporated in the historical data.

## STANDARD OF PRACTICE

### Section 5. Analysis of Issues and Recommended Practices

- 5.1 Estimating Future Costs—Principle 1 of the CAS *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* states that “a rate is an estimate of the expected value of future costs.” Accordingly, the application of appropriate trending procedures in the ratemaking process is essential to estimate those future costs.
- 5.2 Selection of Models—The actuary should be familiar with and consider various methods in statistics and numerical analysis for measuring trends. This process also involves steps for evaluating the tentatively selected model and possibly revising the model.
- 5.3 Purpose of Trending Procedures—The purpose of trending procedures is to estimate future expected values by analyzing historical data and other relevant information. Therefore, the actuary should apply trending procedures which appropriately reflect projected changes in such components as claim costs, claim frequencies, expenses, exposures, and premiums over the trending period.
- 5.4 Analysis of Historical Insurance Data—The actuary should select trending procedures with appropriate consideration given to the analysis of historical insurance data. This includes, but is not limited to, evaluation of:
- a. trending procedures established by precedent or common usage in the actuarial profession;
  - b. trending procedures used in previous analyses;
  - c. the choice of an appropriate data base and methodology, with particular emphasis given to the credibility of the data relied upon; and
  - d. the effect of known biases or distortions on the experience relied upon (e.g., impact of catastrophic influences, seasonality, coverage changes, nonrecurring events, and distributional changes in deductibles, types of risks, and policy limits).
- 5.5 Analysis of Non-Insurance Data—Relevant non-insurance data may supplement insurance data. These non-insurance data may indicate general trends in such components as claim costs, claim frequencies, expenses, exposures, and premiums.
- 5.6 Economic and Social Influences—Many economic and social influences can have an impact on trends. In selecting the appropriate trending procedure, the actuary

should consider those economic and social influences that may have an impact on trends. It is inappropriate to analyze only those factors that have an impact on trend in only one direction.

- 5.7 Criteria for Determining Trending Period—In determining the parameters (e.g., average dates of writing, earning, or costs) associated with the experience and forecast periods, criteria such as the following should be considered:
- a. the length of the experience period;
  - b. the expected length of the forecast period (e.g., 2 years);
  - c. the term of the policies (e.g., 1 year, 3 years) contributing to the experience and forecast periods; and
  - d. the distribution of policies written or costs incurred throughout the experience and forecast periods (e.g., uniform distribution).
- 5.8 Informed Actuarial Judgment—Any trending procedure requires the actuary to exercise informed judgment, using information on historical insurance data and the impact of relevant economic and social factors, as well as statistical validation and testing procedures.

#### Section 6. Communications and Disclosures

- 6.1 Documentation and Disclosure Standard—The actuary should be mindful that the provisions of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking and Loss Reserving*, adopted by the ASB in April 1989, apply to all aspects of ratemaking.
- 6.2 Trend Selection—If a trend is selected that is substantially different from one that is suggested by the range of available relevant information, the reasons for such a selection should be documented and disclosed.
- 6.3 Deviation from Standard—An actuary who uses a procedure which differs from this standard should include, in the actuarial communication disclosing the result of the procedure, an appropriate and explicit statement with respect to the nature, rationale, and effect of such use.





**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 17**

**Expert Testimony by Actuaries**

**Revised Edition**

**Developed by the  
Expert Witness Task Force of the  
General Committee of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
March 2002**

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**(Doc. No. 087)**

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March 2002

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Expert Testimony by Actuaries

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice (ASOP) No. 17

This booklet contains the final version of ASOP No. 17, *Expert Testimony by Actuaries*.

### Background

The ASB originally adopted ASOP No. 17, *Expert Testimony by Actuaries* (Doc. No. 029) in 1991. Since that time, actuarial practice in this area has evolved. Under the direction of the ASB, the Expert Witness Task Force has revised ASOP No. 17 to be consistent with the current ASOP format adopted by the ASB in May 1996 for all future actuarial standards of practice and to reflect current practices in the area of expert testimony.

Actuarial opinions that are widely divergent may raise a question about the reasonableness of one or more opinions. This question is likely to arise when the basis for any opinion is not soundly thought out or not well explained. By contrast, actuarial opinions that are supportable and carefully prepared and explained, though divergent, can generate confidence in actuaries' competence to evaluate the costs and benefits of future contingent events. The focus of this standard is on the preparation and delivery of sound expert testimony by actuaries.

### Exposure Draft

The exposure draft of this revised standard was issued in March 2001 with a comment deadline of August 15, 2001. The Expert Witness Task Force with the help of the General Committee carefully considered the eighteen comment letters received. For a summary of the substantive issues contained in these comment letters, please see appendix 2.

The most significant changes from the exposure draft were as follows:

1. The first paragraph of section 1.2, Scope, was reworded to clarify the extent to which the standard applies to actuaries providing litigation support;
2. A sentence was added to section 3.5, Identity of Principal, to specifically address the extent to which the actuary can rely upon information and instructions received from representatives of principals;
3. The last sentence of section 3.9, Cross-Examination, which advised that the actuary should expect to be cross-examined on the basis of prior statements, was stricken as being redundant with section 3.10, Consistency with Prior Statements;
4. Section 3.12, Limitation of Expert Testimony (previously titled, "Nature of the Forum"), was retitled and substantially rewritten in response to suggestions that the disclosure and compliance obligations of the actuary be more precisely identified; and
5. Section 4.3, Prescribed Statement of Actuarial Opinion, was amended to use the alternative language provided in the Transmittal Memorandum of the exposure draft.

The task force would like to thank former General Committee members Donald F. Behan, Lee R. Steeneck, and Paul B. Zeisler for their contribution to the revision of this standard.

The ASB voted in March 2002 to adopt this standard.

#### Expert Witness Task Force

Charles L. McClenahan, Chairperson  
Frederick W. Kilbourne                      Lee A. Zinzow  
Patricia L. Scahill

#### General Committee of the ASB

William C. Cutlip, Chairperson  
William Carroll                      Donna C. Novak  
Janet M. Carstens                      William H. Odell  
Ethan E. Kra                      Robert A. Potter

#### Actuarial Standards Board

William C. Koenig, Chairperson  
Ken W. Hartwell                      Alan J. Stonewall

Roland E. King  
Michael A. LaMonica  
Heidi Rackley

Karen F. Terry  
William C. Weller  
Robert E. Wilcox

## ACTUARIAL STANDARD OF PRACTICE NO. 17

### EXPERT TESTIMONY BY ACTUARIES

#### STANDARD OF PRACTICE

##### Section 1. Purpose, Scope, Cross References, and Effective Date

- 1.1 Purpose—This actuarial standard of practice (ASOP) provides guidance to actuaries providing expert testimony.
- 1.2 Scope—This standard applies to actuaries when they testify as actuarial experts at trial, in hearing or arbitration, in deposition, or by declaration or affidavit. This standard does not apply to actuaries providing litigation support other than the expert testimony itself. However, actuaries providing such litigation support may consider the guidance in this standard to the extent that it is applicable and appropriate.

This standard supplements the *Code of Professional Conduct* and is intended to provide specific guidance with respect to expert testimony. Reference should also be made to other actuarial standards of practice concerned with the actuarial substance of the assignment.

Nothing in this standard is intended to discourage reasonable differences of actuarial opinion, or to inhibit responsible creativity in advancing the practice of actuarial science. Further, this standard is not intended to restrain unreasonably the selection of actuarial assumptions or methods, the communication of actuarial opinions, or the relationship between the actuary and a principal. Nothing in this standard is intended to prevent the actuary from challenging the application or a particular interpretation of existing precedent, law, or regulation where such application or interpretation would, in the opinion of the actuary, be inconsistent with otherwise appropriate actuarial practice.

To the extent that the guidance in this standard may conflict with the guidance in other ASOPs, the actuary should use professional judgment in reconciling such conflict. If a conflict exists between this standard and applicable law or regulation, compliance with applicable law or regulation is not considered to be a deviation from this standard.

- 1.3 Cross References—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any

successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this standard to the extent it is applicable and appropriate.

- 1.4 Effective Date—This standard is effective for all expert testimony provided on or after July 15, 2002.

## Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice.

- 2.1 Actuarial Assumption—The value of a parameter or other actuarial choice having an impact on an estimate of a future cost or other actuarial item under evaluation.
- 2.2 Actuarial Method—A procedure by which data are analyzed and utilized for the purpose of estimating a future cost or other actuarial item.
- 2.3 Actuarial Opinion—A conclusion drawn by an actuary from actuarial knowledge or from the application of one or more actuarial methods to a body of data.
- 2.4 Data—Statistical or other information that is generally numerical in nature or susceptible to quantification.
- 2.5 Expert—One who is qualified by knowledge, skill, experience, training, or education to render an opinion or otherwise testify concerning the matter at hand.
- 2.6 Material—An item is material if it has an impact on the affected actuarial opinion, which is significant to the interested parties.
- 2.7 Principal—A client or employer of the actuary.
- 2.8 Testimony—Communication presented in the capacity of an expert witness at trial, in hearing or arbitration, in deposition, or by declaration or affidavit. Such testimony may be oral or written, direct or responsive, formal or informal.



### Section 3. Analysis of Issues and Recommended Practices

An actuary providing expert testimony performs an important service to the actuary's principal, the forum, and the public by explaining complex technical concepts that can be critical to resolution of disputes. Actuaries may differ in their conclusions even when applying reasonable assumptions and appropriate methods, and a difference of opinion between actuaries is not, in and of itself, proof that an actuary has failed to meet professional standards. However, an actuary providing expert testimony should comply with the requirements of the *Code of Professional Conduct*. In particular, the actuary should act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public, and should take reasonable steps to ensure that the expert testimony is not used to mislead other parties.

- 3.1 Review and Compliance—In addition to complying with this standard, the actuary providing expert testimony should review and comply with applicable actuarial standards of practice, the *Qualification Standards for Prescribed Statements of Actuarial Opinion*, and the *Code of Professional Conduct*.
- 3.2 Conflict with Laws and Regulations—If the actuary believes that a relevant law or regulation contains a material conflict with appropriate actuarial practices, the actuary should disclose the conflict, subject to the constraints of the forum.
- 3.3 Conflict of Interest—The actuary should be alert to the possibility of conflict of interest, and should address any real or apparent conflict of interest in accordance with Precept 7 of the *Code of Professional Conduct*.
- 3.4 Advocacy—There may be occasions when an actuary acts as an advocate for a principal when giving expert testimony. Nothing in this standard prohibits the actuary from acting as an advocate. However, acting as an advocate does not relieve the actuary of the responsibility to comply with the *Code of Professional Conduct* and to use reasonable assumptions and appropriate methods (unless using prescribed or alternative methods or assumptions and so disclosing in accordance with section 3.6).
- 3.5 Identity of Principal—The actuary should identify the principal on whose behalf the actuary is to give expert testimony. This principal usually names a representative, such as an attorney or manager, to whom the actuary reports during the course of the assignment. Even though that representative may retain or pay the actuary, the actuary's ultimate obligation is to the principal and not to the principal's representative. However, in the absence of evidence to the contrary, the actuary may rely upon information and instructions from the representative as though they came directly from the principal.
- 3.6 Prescribed or Alternative Methods and Assumptions—If the actuary performs calculations using prescribed or alternative assumptions or methods different from the assumptions or methods

selected by the actuary in forming the actuary's expert opinion, the actuary should state, subject to the constraints of the forum, whether the results are consistent with the actuary's own expert opinion.

- 3.7 Hypothetical Questions—The actuary may be asked to answer hypothetical questions. Hypothetical questions may fairly reflect facts in evidence, may include only a part of the facts in evidence, or may include assumptions the actuary believes to be untrue or unreasonable. The actuary may refuse to answer hypothetical questions based upon unreasonable assumptions, subject to the constraints of the forum.
- 3.8 Testifying Concerning Other Relevant Testimony—When the actuary testifies concerning other relevant testimony, including opposing testimony, the actuary should testify objectively, focusing on the reasonableness of the other testimony and not solely on whether it agrees or disagrees with the actuary's own opinion.
- 3.9 Cross-Examination—Although the actuary must respond truthfully to questions posed during cross-examinations, the actuary need not volunteer information that may be adverse to the interest of the principal.
- 3.10 Consistency with Prior Statements—When giving expert testimony, the actuary should be mindful of statements the actuary may have made on the same subject. If the actuary employs different methods or assumptions in the current situation, the actuary should be prepared to explain why.
- 3.11 Discovery of Error—If, after giving expert testimony, the actuary discovers that a material error was made, the actuary should make appropriate disclosure of the error to the principal or the principal's representative as soon as practicable.
- 3.12 Limitation of Expert Testimony—The actuary's expert testimony should be presented in a manner appropriate to the nature of the forum. If any constraints are imposed or expected to be imposed on the actuary's ability to comply with the *Code of Professional Conduct* or other professional standards, the actuary should consider whether it is appropriate to serve or continue to serve as an expert.

#### Section 4. Communications and Disclosures

- 4.1 Written Reports—Expert testimony delivered by means of a written report should describe the scope of the assignment, including any limitations or constraints. The written report should include descriptions and sources of the data, actuarial methods, and actuarial assumptions used in the analysis in a manner appropriate to the intended audience.

- 4.2 Oral Testimony—In delivering expert testimony orally, the actuary should express opinions in a manner appropriate to the intended audience. In addition, the actuary should, to the extent practicable, be prepared to document oral testimony.
- 4.3 Prescribed Statement of Actuarial Opinion—The actuary providing expert testimony should satisfy the *Qualification Standards for Prescribed Statements of Actuarial Opinion* promulgated by the American Academy of Actuaries in each practice area that is a primary subject of the actuary's testimony.
- 4.4 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such use, subject to the constraints imposed by the nature of the forum.

## Appendix 1

### Background and Current Practices

*Note:* The following appendix is provided for informational purposes, but is not part of the standard of practice.

#### Background

The Actuarial Standards Board first adopted Actuarial Standard of Practice No. 17, *Expert Testimony by Actuaries*, in January of 1991. The standard addressed a type of practice, expert testimony, which had not been explicitly addressed in previously adopted standards. The standard also crossed traditional practice areas to apply whenever actuaries offered expert testimony concerning pensions or insurance. As such, the standard contained a significant amount of educational material.

Since the standard was first adopted, actuaries have become increasingly active as expert witnesses, appearing in a greater variety of venues and addressing an expanding range of topics. As actuaries have become more knowledgeable about providing expert testimony, the need for educational material has lessened to some degree. The Actuarial Standards Board has also adopted a new format for standards, and this standard reflects that format.

#### Current Practices

Actuaries may be called upon to give expert testimony concerning a broad range of issues, such as the following:

- a. actuarial present values of retirement or other benefits;
- b. actuarial values incident to a divorce;
- c. adequacy or appropriateness of reserves, premium rates, pricing or underwriting procedures, or provision for administrative costs;
- d. cost impact of claims-made or claims-paid financing;
- e. cost impact of risk classification systems, tort liability decisions, or legislative/regulatory proposals;

- f. lost earnings of a decedent or injured person and the actuarial present value of such lost earnings;
- g. malpractice alleged of an actuary;
- h. relationships between risk and return on investments;
- i. value of an insurance company or other entity; and
- j. withdrawal liability assessments under multiemployer benefit plans.

Actuarial expert testimony may be given in many forums including, but not limited to, the following:

- a. administrative hearings or other executive branch proceedings;
- b. arbitration or other extra-judicial proceedings;
- c. committee hearings or other legislative branch proceedings; and
- d. courts of law or other judicial branch proceedings, including depositions, declarations, and affidavits.

Actuarial testimony may be oral or written, direct or responsive, formal or informal. Actuaries may also be called upon to provide expert analysis or other litigation support in settings where they are not expected to testify.

Although actuaries sometimes provide expert testimony and support directly to a legislator, regulator, arbitrator, or judge, more typically the actuary's principal is a party to the proceedings at which testimony is to be given. Parties to such proceedings may be the shareholders of a corporation, the policyholders of an insurer, the electorate of a political jurisdiction, the employers who maintain a state fund, or another individual or group of persons. In most instances, the principal will have retained an attorney or other representative. Often, it is the attorney or representative who retains the actuary on the principal's behalf.

Actuaries may find themselves testifying in opposition to the opinions of other actuaries or other experts in another field (for example, accountants, statisticians, or economists) who are on opposite sides of a proceeding. At times, the opinions, assumptions, and/or conclusions expressed in expert testimony by others will be in conflict with those of the actuary. These situations may generate doubt in the minds of the audience as to which expert to believe. In such a situation, if asked to comment on the differences in testimony, actuaries attempt to demonstrate factually that the other expert's opinions, assumptions, and/or conclusions are based on flawed data or methods. Alternatively, depending on the

circumstances, the actuary may seek to demonstrate that differences between the actuary's conclusions and those of the other expert are not material.

One challenge faced by actuaries testifying as experts is that often the audience lacks the necessary background to readily understand an actuary's testimony. Individuals who are unfamiliar with actuarial concepts may be unable to understand communications that presuppose basic actuarial knowledge, particularly if such communications are presented using terms or acronyms with which they are unfamiliar. When an actuary testifies, it is generally important to explain technical terms and concepts so that, to the extent practicable, the audience can understand them, particularly if the audience is not sufficiently familiar with actuarial methods and assumptions to distinguish testimony that is precisely accurate but ultimately misleading. It is usually beneficial for the actuary to provide expert testimony as clearly as practicable.

Actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. An important challenge for the testifying actuary, and arguably a most difficult one, is to convey the inherent uncertainty of actuarial estimates. Because a projection necessarily has a degree of uncertainty associated with it, actuaries may be called upon to explain the concept of uncertainty and to convey to the audience whether the actuary's own expectations for future results are within a range believed to be acceptable to most actuaries. Moreover, when providing expert testimony, actuaries generally defend against the characterization of actuarial science or specific actuarial opinions as "guesses," "guesstimates," or the like. Although there are uncertainties inherent in future projections and stochastic processes, that uncertainty does not make an actuarially sound analysis the equivalent of a "guess."

Attorneys may seek on cross-examination to attack actuarial opinions and judgments incrementally, a tactic that may be harmful to the credibility of a testifying actuary who does not respond appropriately to it. For example, if an actuary has testified to an opinion that a reasonable range for a specific liability is between \$5 and \$6 million, when asked on cross-examination whether \$4,999,999 would be a reasonable liability, an appropriate response would be along the lines of, "that number would fall outside of my range of reasonable estimates and would therefore be categorized as not being reasonable." A response such as "that liability is only one dollar below my range of reasonable estimates and, therefore, could be reasonable," is likely to generate further incremental attacks (for example, "what about \$4,999,998?") that weaken the credibility of the actuary's testimony.

Disclosure of pertinent information (including, but not limited to, the name of the principal, the actuarial methods used, the assumptions selected and support therefor, and any potential conflicts of interest) strengthens the credibility of the actuary's testimony. Such disclosure can be particularly important when testimony is subsequently discovered to be in error. The actuary testifying as an expert witness may not have access to all parties who have relied upon expert testimony subsequently discovered to be in error, but an actuary who discovers a material error in testimony is usually prudent to correct the error, particularly if the actuary is recalled to the stand, and to document in writing the corrective steps taken.

Ultimately, the actuary seeks to provide the forum with a valid actuarial opinion based upon truthful expression of the underlying facts. This serves not only the actuary's principal, but others who may be directly or indirectly affected by the proceedings. These others may include the principal's opponent in a lawsuit, the current and potential policyholders in a rate hearing, the plan participants and their dependents in an employee benefit plan action, the creditors in bankruptcy court, or others. Actuaries benefit the public when they apply their professional skills in a manner that promotes the general welfare, and they enhance relations with their professional peers when they represent their work fairly and give credit where appropriate.

## Appendix 2

### Comments on the 2001 Exposure Draft and Task Force Responses

The exposure draft of this actuarial standard of practice (ASOP), titled *Expert Testimony by Actuaries*, was issued in March 2001, with a comment deadline of August 15, 2001. Eighteen comment letters were received. The Expert Witness Task Force, with the help of the General Committee, carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the task force's responses.

<b>GENERAL COMMENTS</b>	
Comment	Some commentators suggested that the standard should more explicitly address the actuary's duty to the public and the actuarial profession by emphasizing objectivity and explicitly requiring the actuary to consider all material factors.
Response	The task force believes that the standard appropriately addresses the commentators' concerns and made no change.
Comment	One commentator suggested establishing a hierarchy of actuarial standards of practice to address potential conflicts between standards.
Response	The task force believes that the actuarial standards of practice appropriately address potential conflicts and, in any event, that the establishment of such a hierarchy would be beyond the scope of this standard.
Comment	Several commentators suggested editorial changes in various sections of the standard.
Response	The task force implemented such suggestions if they enhanced clarity and did not alter the intent of the section.
<b>SECTION 1. PURPOSE, SCOPE, CROSS-REFERENCES, AND EFFECTIVE DATE</b>	
<b>Section 1.1, Purpose</b>	
Comment	One commentator suggested changing "the actuary" to "actuaries" in this section.
Response	The task force adopted the commentator's suggestion.
<b>Section 1.2, Scope</b>	
Comment	Some commentators expressed support for the scope of the proposed standard. One commentator suggested editorial changes to clarify this section. Another commentator suggested clarifying how an actuary might challenge existing precedent, law, or regulation.
Response	The task force adopted the commentators' proposed changes as appropriate.
Comment	One commentator stated that an actuary who challenges existing precedent, law or regulation should note that fact as part of the testimony.
Response	The task force believes that section 3.2 adequately addresses this point.



<b>SECTION 2. DEFINITIONS</b>	
Comment	One commentator suggested adding a definition of “declaration.”
Response	The task force believes that this term is adequately defined in common legal usage and that, therefore, no definition is needed.
Comment	One commentator suggested restoring the definition of “actuarial literature.”
Response	The term “actuarial literature” is not used in the standard and it is not the practice of the ASB to define terms that do not appear in a standard. The task force made no change.
<b>Section 2.3, Actuarial Opinion</b>	
Comment	One commentator suggested revising the definition of “actuarial opinion” to be “an opinion drawn by an actuary from actuarial knowledge or from the application of one or more actuarial methods and actuarial assumptions that the actuary endorses to a body of data.”
Response	The task force disagreed and made no change.
<b>Section 2.7, Principal</b>	
Comment	One commentator suggested changing this definition to provide a broader description of client relationships and the actuary’s duty to other participants in litigation.
Response	The definition is consistent with the <i>Code of Professional Conduct</i> and the task force believes that section 3.5 of the standard adequately addresses the actuary’s responsibilities to the various participants in litigation. No changes were made in the definition.
<b>SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES</b>	
<b>Section 3.1, Review and Compliance</b>	
Comment	One commentator thought the reference to the <i>Code of Professional Conduct</i> should have spoken to the Codes of the five U.S.-based organizations representing actuaries.
Response	The task force disagreed, noting that all of the U.S.-based organizations have adopted the same <i>Code of Professional Conduct</i> .
<b>Section 3.3, Conflict of Interest</b>	
Comment	One commentator suggested that Precept 7 of the <i>Code of Professional Conduct</i> be reprinted in this section.
Response	The task force disagreed.
<b>Section 3.4, Advocacy</b>	
Comment	One commentator suggested revising this section to be more specific in addressing particular circumstances.
Response	Although the task force did not agree that particular circumstances needed to be addressed more specifically, the task force did revise section 3.4 to emphasize the actuary’s responsibilities under the <i>Code of Professional Conduct</i>
<b>Section 3.5, Identity of Principal</b>	
Comment	One commentator suggested clarifying revisions to this section.
Response	The task force adopted the commentator’s suggestion.

<b>Section 3.6, Prescribed or Alternative Methods and Assumptions</b>	
Comment	Two commentators observed that this section was unclear.
Response	The task force disagreed, finding the guidance in this section clear and appropriate.
Comment	One commentator suggested that this section might be interpreted to require the actuary to disclose an excessively broad range of results.
Response	The task force disagreed and made no change.
Comment	One commentator suggested that this section be revised to direct the actuary to explain why the opinion lies within the reasonable range of results rather than requiring the actuary to identify particular results that might differ.
Response	The task force believes that the guidance in the standard is appropriate and made no change.
Comment	One commentator suggested that this section might be inconsistent with section 3.9, Cross-Examination.
Response	The task force disagreed.
<b>Section 3.7, Hypothetical Questions</b>	
Comment	One commentator suggested adding guidance on how the actuary should respond if required to answer a hypothetical question.
Response	The task force disagreed and made no change.
<b>Section 3.9, Cross-Examination</b>	
Comment	Some commentators believed that this section gave the actuary too much leeway to withhold information inimical to the principal.
Response	The task force disagreed, concluding that the guidance offered in this section is appropriate when considered in conjunction with section 3.4, Advocacy.
Comment	One commentator suggested deleting the last sentence of this section as unnecessary.
Response	The task force agreed that this sentence was redundant with section 3.10 and deleted it.
<b>Section 3.10, Consistency with Prior Statements</b>	
Comment	One commentator believed that the guidance in this section was generic and should be moved to the appendix.
Response	The task force believed the guidance was appropriately placed within the standard and made no change.
<b>Section 3.11, Discovery of Error</b>	
Comment	Some commentators suggested that the actuary's responsibility to disclose error should extend beyond disclosure to the actuary's principal.
Response	The task force disagreed, concluding that the scope of the actuary's responsibility is appropriately stated and noting that the <i>Code of Professional Conduct</i> and other Actuarial Standards of Practice also provide guidance on this issue.

<b>Section 3.12, Limitation of Expert Testimony (previously titled, "Nature of the Forum")</b>	
Comment	One commentator expressed discomfort with the actuary's merely reviewing and explaining the standard with the principal. Another commentator offered clarifying language which focused on the actuary's presentation within a forum and the appropriate actions to be taken when constraints occur.
Response	The task force adopted part of the second commentator's suggested language and strengthened the language dealing with constraints, thereby addressing the concerns of the first commentator as well.
<b>SECTION 4. COMMUNICATIONS AND DISCLOSURES</b>	
<b>Section 4.2, Oral Testimony (previously titled "Oral Reports and Testimony")</b>	
Comment	One commentator suggested that an actuary be required to provide a written actuarial report or memorandum to support all oral testimony.
Response	The task force disagreed and made no change.
<b>Section 4.3, Prescribed Statement of Actuarial Opinion</b>	
Comment	Some commentators objected to characterizing expert testimony as a "prescribed statement of actuarial opinion" for purposes of the <i>Qualification Standards for Prescribed Statements of Actuarial Opinion</i> . Other commentators agreed with the characterization, while still others expressed support for the more limited approach described in the transmittal memorandum accompanying the exposure draft.
Response	After carefully considering all comments received, the task force decided to adopt the more limited language described in the transmittal memorandum.



**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 17**

**Expert Testimony by Actuaries**

**Revised Edition**

**Developed by the  
Expert Witness Task Force of the  
General Committee of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
March 2002**

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**(Doc. No. 087)**

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March 2002

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Expert Testimony by Actuaries

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice (ASOP) No. 17

This booklet contains the final version of ASOP No. 17, *Expert Testimony by Actuaries*.

### Background

The ASB originally adopted ASOP No. 17, *Expert Testimony by Actuaries* (Doc. No. 029) in 1991. Since that time, actuarial practice in this area has evolved. Under the direction of the ASB, the Expert Witness Task Force has revised ASOP No. 17 to be consistent with the current ASOP format adopted by the ASB in May 1996 for all future actuarial standards of practice and to reflect current practices in the area of expert testimony.

Actuarial opinions that are widely divergent may raise a question about the reasonableness of one or more opinions. This question is likely to arise when the basis for any opinion is not soundly thought out or not well explained. By contrast, actuarial opinions that are supportable and carefully prepared and explained, though divergent, can generate confidence in actuaries' competence to evaluate the costs and benefits of future contingent events. The focus of this standard is on the preparation and delivery of sound expert testimony by actuaries.

### Exposure Draft

The exposure draft of this revised standard was issued in March 2001 with a comment deadline of August 15, 2001. The Expert Witness Task Force with the help of the General Committee carefully considered the eighteen comment letters received. For a summary of the substantive issues contained in these comment letters, please see appendix 2.

The most significant changes from the exposure draft were as follows:

1. The first paragraph of section 1.2, Scope, was reworded to clarify the extent to which the standard applies to actuaries providing litigation support;
2. A sentence was added to section 3.5, Identity of Principal, to specifically address the extent to which the actuary can rely upon information and instructions received from representatives of principals;
3. The last sentence of section 3.9, Cross-Examination, which advised that the actuary should expect to be cross-examined on the basis of prior statements, was stricken as being redundant with section 3.10, Consistency with Prior Statements;
4. Section 3.12, Limitation of Expert Testimony (previously titled, "Nature of the Forum"), was retitled and substantially rewritten in response to suggestions that the disclosure and compliance obligations of the actuary be more precisely identified; and
5. Section 4.3, Prescribed Statement of Actuarial Opinion, was amended to use the alternative language provided in the Transmittal Memorandum of the exposure draft.

The task force would like to thank former General Committee members Donald F. Behan, Lee R. Steeneck, and Paul B. Zeisler for their contribution to the revision of this standard.

The ASB voted in March 2002 to adopt this standard.

#### Expert Witness Task Force

Charles L. McClenahan, Chairperson  
 Frederick W. Kilbourne                      Lee A. Zinzow  
 Patricia L. Scahill

#### General Committee of the ASB

William C. Cutlip, Chairperson  
 William Carroll                      Donna C. Novak  
 Janet M. Carstens                      William H. Odell  
 Ethan E. Kra                              Robert A. Potter

#### Actuarial Standards Board

William C. Koenig, Chairperson  
 Ken W. Hartwell                      Alan J. Stonewall



Roland E. King  
Michael A. LaMonica  
Heidi Rackley

Karen F. Terry  
William C. Weller  
Robert E. Wilcox

## ACTUARIAL STANDARD OF PRACTICE NO. 17

### EXPERT TESTIMONY BY ACTUARIES

#### STANDARD OF PRACTICE

##### Section 1. Purpose, Scope, Cross References, and Effective Date

- 1.1 Purpose—This actuarial standard of practice (ASOP) provides guidance to actuaries providing expert testimony.
- 1.2 Scope—This standard applies to actuaries when they testify as actuarial experts at trial, in hearing or arbitration, in deposition, or by declaration or affidavit. This standard does not apply to actuaries providing litigation support other than the expert testimony itself. However, actuaries providing such litigation support may consider the guidance in this standard to the extent that it is applicable and appropriate.

This standard supplements the *Code of Professional Conduct* and is intended to provide specific guidance with respect to expert testimony. Reference should also be made to other actuarial standards of practice concerned with the actuarial substance of the assignment.

Nothing in this standard is intended to discourage reasonable differences of actuarial opinion, or to inhibit responsible creativity in advancing the practice of actuarial science. Further, this standard is not intended to restrain unreasonably the selection of actuarial assumptions or methods, the communication of actuarial opinions, or the relationship between the actuary and a principal. Nothing in this standard is intended to prevent the actuary from challenging the application or a particular interpretation of existing precedent, law, or regulation where such application or interpretation would, in the opinion of the actuary, be inconsistent with otherwise appropriate actuarial practice.

To the extent that the guidance in this standard may conflict with the guidance in other ASOPs, the actuary should use professional judgment in reconciling such conflict. If a conflict exists between this standard and applicable law or regulation, compliance with applicable law or regulation is not considered to be a deviation from this standard.

- 1.3 Cross References—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any

successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this standard to the extent it is applicable and appropriate.

- 1.4 Effective Date—This standard is effective for all expert testimony provided on or after July 15, 2002.

## Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice.

- 2.1 Actuarial Assumption—The value of a parameter or other actuarial choice having an impact on an estimate of a future cost or other actuarial item under evaluation.
- 2.2 Actuarial Method—A procedure by which data are analyzed and utilized for the purpose of estimating a future cost or other actuarial item.
- 2.3 Actuarial Opinion—A conclusion drawn by an actuary from actuarial knowledge or from the application of one or more actuarial methods to a body of data.
- 2.4 Data—Statistical or other information that is generally numerical in nature or susceptible to quantification.
- 2.5 Expert—One who is qualified by knowledge, skill, experience, training, or education to render an opinion or otherwise testify concerning the matter at hand.
- 2.6 Material—An item is material if it has an impact on the affected actuarial opinion, which is significant to the interested parties.
- 2.7 Principal—A client or employer of the actuary.
- 2.8 Testimony—Communication presented in the capacity of an expert witness at trial, in hearing or arbitration, in deposition, or by declaration or affidavit. Such testimony may be oral or written, direct or responsive, formal or informal.

### Section 3. Analysis of Issues and Recommended Practices

An actuary providing expert testimony performs an important service to the actuary's principal, the forum, and the public by explaining complex technical concepts that can be critical to resolution of disputes. Actuaries may differ in their conclusions even when applying reasonable assumptions and appropriate methods, and a difference of opinion between actuaries is not, in and of itself, proof that an actuary has failed to meet professional standards. However, an actuary providing expert testimony should comply with the requirements of the *Code of Professional Conduct*. In particular, the actuary should act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public, and should take reasonable steps to ensure that the expert testimony is not used to mislead other parties.

- 3.1 Review and Compliance—In addition to complying with this standard, the actuary providing expert testimony should review and comply with applicable actuarial standards of practice, the *Qualification Standards for Prescribed Statements of Actuarial Opinion*, and the *Code of Professional Conduct*.
- 3.2 Conflict with Laws and Regulations—If the actuary believes that a relevant law or regulation contains a material conflict with appropriate actuarial practices, the actuary should disclose the conflict, subject to the constraints of the forum.
- 3.3 Conflict of Interest—The actuary should be alert to the possibility of conflict of interest, and should address any real or apparent conflict of interest in accordance with Precept 7 of the *Code of Professional Conduct*.
- 3.4 Advocacy—There may be occasions when an actuary acts as an advocate for a principal when giving expert testimony. Nothing in this standard prohibits the actuary from acting as an advocate. However, acting as an advocate does not relieve the actuary of the responsibility to comply with the *Code of Professional Conduct* and to use reasonable assumptions and appropriate methods (unless using prescribed or alternative methods or assumptions and so disclosing in accordance with section 3.6).
- 3.5 Identity of Principal—The actuary should identify the principal on whose behalf the actuary is to give expert testimony. This principal usually names a representative, such as an attorney or manager, to whom the actuary reports during the course of the assignment. Even though that representative may retain or pay the actuary, the actuary's ultimate obligation is to the principal and not to the principal's representative. However, in the absence of evidence to the contrary, the actuary may rely upon information and instructions from the representative as though they came directly from the principal.
- 3.6 Prescribed or Alternative Methods and Assumptions—If the actuary performs calculations using prescribed or alternative assumptions or methods different from the assumptions or methods

selected by the actuary in forming the actuary's expert opinion, the actuary should state, subject to the constraints of the forum, whether the results are consistent with the actuary's own expert opinion.

- 3.7 Hypothetical Questions—The actuary may be asked to answer hypothetical questions. Hypothetical questions may fairly reflect facts in evidence, may include only a part of the facts in evidence, or may include assumptions the actuary believes to be untrue or unreasonable. The actuary may refuse to answer hypothetical questions based upon unreasonable assumptions, subject to the constraints of the forum.
- 3.8 Testifying Concerning Other Relevant Testimony—When the actuary testifies concerning other relevant testimony, including opposing testimony, the actuary should testify objectively, focusing on the reasonableness of the other testimony and not solely on whether it agrees or disagrees with the actuary's own opinion.
- 3.9 Cross-Examination—Although the actuary must respond truthfully to questions posed during cross-examinations, the actuary need not volunteer information that may be adverse to the interest of the principal.
- 3.10 Consistency with Prior Statements—When giving expert testimony, the actuary should be mindful of statements the actuary may have made on the same subject. If the actuary employs different methods or assumptions in the current situation, the actuary should be prepared to explain why.
- 3.11 Discovery of Error—If, after giving expert testimony, the actuary discovers that a material error was made, the actuary should make appropriate disclosure of the error to the principal or the principal's representative as soon as practicable.
- 3.12 Limitation of Expert Testimony—The actuary's expert testimony should be presented in a manner appropriate to the nature of the forum. If any constraints are imposed or expected to be imposed on the actuary's ability to comply with the *Code of Professional Conduct* or other professional standards, the actuary should consider whether it is appropriate to serve or continue to serve as an expert.

#### Section 4. Communications and Disclosures

- 4.1 Written Reports—Expert testimony delivered by means of a written report should describe the scope of the assignment, including any limitations or constraints. The written report should include descriptions and sources of the data, actuarial methods, and actuarial assumptions used in the analysis in a manner appropriate to the intended audience.

- 4.2 Oral Testimony—In delivering expert testimony orally, the actuary should express opinions in a manner appropriate to the intended audience. In addition, the actuary should, to the extent practicable, be prepared to document oral testimony.
- 4.3 Prescribed Statement of Actuarial Opinion—The actuary providing expert testimony should satisfy the *Qualification Standards for Prescribed Statements of Actuarial Opinion* promulgated by the American Academy of Actuaries in each practice area that is a primary subject of the actuary's testimony.
- 4.4 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such use, subject to the constraints imposed by the nature of the forum.

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- a. actuarial present values of retirement or other benefits;
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- d. cost impact of claims-made or claims-paid financing;
- e. cost impact of risk classification systems, tort liability decisions, or legislative/regulatory proposals;

- f. lost earnings of a decedent or injured person and the actuarial present value of such lost earnings;
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Actuaries may find themselves testifying in opposition to the opinions of other actuaries or other experts in another field (for example, accountants, statisticians, or economists) who are on opposite sides of a proceeding. At times, the opinions, assumptions, and/or conclusions expressed in expert testimony by others will be in conflict with those of the actuary. These situations may generate doubt in the minds of the audience as to which expert to believe. In such a situation, if asked to comment on the differences in testimony, actuaries attempt to demonstrate factually that the other expert's opinions, assumptions, and/or conclusions are based on flawed data or methods. Alternatively, depending on the



circumstances, the actuary may seek to demonstrate that differences between the actuary's conclusions and those of the other expert are not material.

One challenge faced by actuaries testifying as experts is that often the audience lacks the necessary background to readily understand an actuary's testimony. Individuals who are unfamiliar with actuarial concepts may be unable to understand communications that presuppose basic actuarial knowledge, particularly if such communications are presented using terms or acronyms with which they are unfamiliar. When an actuary testifies, it is generally important to explain technical terms and concepts so that, to the extent practicable, the audience can understand them, particularly if the audience is not sufficiently familiar with actuarial methods and assumptions to distinguish testimony that is precisely accurate but ultimately misleading. It is usually beneficial for the actuary to provide expert testimony as clearly as practicable.

Actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. An important challenge for the testifying actuary, and arguably a most difficult one, is to convey the inherent uncertainty of actuarial estimates. Because a projection necessarily has a degree of uncertainty associated with it, actuaries may be called upon to explain the concept of uncertainty and to convey to the audience whether the actuary's own expectations for future results are within a range believed to be acceptable to most actuaries. Moreover, when providing expert testimony, actuaries generally defend against the characterization of actuarial science or specific actuarial opinions as "guesses," "guesstimates," or the like. Although there are uncertainties inherent in future projections and stochastic processes, that uncertainty does not make an actuarially sound analysis the equivalent of a "guess."

Attorneys may seek on cross-examination to attack actuarial opinions and judgments incrementally, a tactic that may be harmful to the credibility of a testifying actuary who does not respond appropriately to it. For example, if an actuary has testified to an opinion that a reasonable range for a specific liability is between \$5 and \$6 million, when asked on cross-examination whether \$4,999,999 would be a reasonable liability, an appropriate response would be along the lines of, "that number would fall outside of my range of reasonable estimates and would therefore be categorized as not being reasonable." A response such as "that liability is only one dollar below my range of reasonable estimates and, therefore, could be reasonable," is likely to generate further incremental attacks (for example, "what about \$4,999,998?") that weaken the credibility of the actuary's testimony.

Disclosure of pertinent information (including, but not limited to, the name of the principal, the actuarial methods used, the assumptions selected and support therefor, and any potential conflicts of interest) strengthens the credibility of the actuary's testimony. Such disclosure can be particularly important when testimony is subsequently discovered to be in error. The actuary testifying as an expert witness may not have access to all parties who have relied upon expert testimony subsequently discovered to be in error, but an actuary who discovers a material error in testimony is usually prudent to correct the error, particularly if the actuary is recalled to the stand, and to document in writing the corrective steps taken.

Ultimately, the actuary seeks to provide the forum with a valid actuarial opinion based upon truthful expression of the underlying facts. This serves not only the actuary's principal, but others who may be directly or indirectly affected by the proceedings. These others may include the principal's opponent in a lawsuit, the current and potential policyholders in a rate hearing, the plan participants and their dependents in an employee benefit plan action, the creditors in bankruptcy court, or others. Actuaries benefit the public when they apply their professional skills in a manner that promotes the general welfare, and they enhance relations with their professional peers when they represent their work fairly and give credit where appropriate.

## Appendix 2

### Comments on the 2001 Exposure Draft and Task Force Responses

The exposure draft of this actuarial standard of practice (ASOP), titled *Expert Testimony by Actuaries*, was issued in March 2001, with a comment deadline of August 15, 2001. Eighteen comment letters were received. The Expert Witness Task Force, with the help of the General Committee, carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the task force's responses.

<b>GENERAL COMMENTS</b>	
Comment	Some commentators suggested that the standard should more explicitly address the actuary's duty to the public and the actuarial profession by emphasizing objectivity and explicitly requiring the actuary to consider all material factors.
Response	The task force believes that the standard appropriately addresses the commentators' concerns and made no change.
Comment	One commentator suggested establishing a hierarchy of actuarial standards of practice to address potential conflicts between standards.
Response	The task force believes that the actuarial standards of practice appropriately address potential conflicts and, in any event, that the establishment of such a hierarchy would be beyond the scope of this standard.
Comment	Several commentators suggested editorial changes in various sections of the standard.
Response	The task force implemented such suggestions if they enhanced clarity and did not alter the intent of the section.
<b>SECTION 1. PURPOSE, SCOPE, CROSS-REFERENCES, AND EFFECTIVE DATE</b>	
<b>Section 1.1, Purpose</b>	
Comment	One commentator suggested changing "the actuary" to "actuaries" in this section.
Response	The task force adopted the commentator's suggestion.
<b>Section 1.2, Scope</b>	
Comment	Some commentators expressed support for the scope of the proposed standard. One commentator suggested editorial changes to clarify this section. Another commentator suggested clarifying how an actuary might challenge existing precedent, law, or regulation.
Response	The task force adopted the commentators' proposed changes as appropriate.
Comment	One commentator stated that an actuary who challenges existing precedent, law or regulation should note that fact as part of the testimony.
Response	The task force believes that section 3.2 adequately addresses this point.

<b>SECTION 2. DEFINITIONS</b>	
Comment	One commentator suggested adding a definition of “declaration.”
Response	The task force believes that this term is adequately defined in common legal usage and that, therefore, no definition is needed.
Comment	One commentator suggested restoring the definition of “actuarial literature.”
Response	The term “actuarial literature” is not used in the standard and it is not the practice of the ASB to define terms that do not appear in a standard. The task force made no change.
<b>Section 2.3, Actuarial Opinion</b>	
Comment	One commentator suggested revising the definition of “actuarial opinion” to be “an opinion drawn by an actuary from actuarial knowledge or from the application of one or more actuarial methods and actuarial assumptions that the actuary endorses to a body of data.”
Response	The task force disagreed and made no change.
<b>Section 2.7, Principal</b>	
Comment	One commentator suggested changing this definition to provide a broader description of client relationships and the actuary’s duty to other participants in litigation.
Response	The definition is consistent with the <i>Code of Professional Conduct</i> and the task force believes that section 3.5 of the standard adequately addresses the actuary’s responsibilities to the various participants in litigation. No changes were made in the definition.
<b>SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES</b>	
<b>Section 3.1, Review and Compliance</b>	
Comment	One commentator thought the reference to the <i>Code of Professional Conduct</i> should have spoken to the Codes of the five U.S.-based organizations representing actuaries.
Response	The task force disagreed, noting that all of the U.S.-based organizations have adopted the same <i>Code of Professional Conduct</i> .
<b>Section 3.3, Conflict of Interest</b>	
Comment	One commentator suggested that Precept 7 of the <i>Code of Professional Conduct</i> be reprinted in this section.
Response	The task force disagreed.
<b>Section 3.4, Advocacy</b>	
Comment	One commentator suggested revising this section to be more specific in addressing particular circumstances.
Response	Although the task force did not agree that particular circumstances needed to be addressed more specifically, the task force did revise section 3.4 to emphasize the actuary’s responsibilities under the <i>Code of Professional Conduct</i>
<b>Section 3.5, Identity of Principal</b>	
Comment	One commentator suggested clarifying revisions to this section.
Response	The task force adopted the commentator’s suggestion.

<b>Section 3.6, Prescribed or Alternative Methods and Assumptions</b>	
Comment	Two commentators observed that this section was unclear.
Response	The task force disagreed, finding the guidance in this section clear and appropriate.
Comment	One commentator suggested that this section might be interpreted to require the actuary to disclose an excessively broad range of results.
Response	The task force disagreed and made no change.
Comment	One commentator suggested that this section be revised to direct the actuary to explain why the opinion lies within the reasonable range of results rather than requiring the actuary to identify particular results that might differ.
Response	The task force believes that the guidance in the standard is appropriate and made no change.
Comment	One commentator suggested that this section might be inconsistent with section 3.9, Cross-Examination.
Response	The task force disagreed.
<b>Section 3.7, Hypothetical Questions</b>	
Comment	One commentator suggested adding guidance on how the actuary should respond if required to answer a hypothetical question.
Response	The task force disagreed and made no change.
<b>Section 3.9, Cross-Examination</b>	
Comment	Some commentators believed that this section gave the actuary too much leeway to withhold information inimical to the principal.
Response	The task force disagreed, concluding that the guidance offered in this section is appropriate when considered in conjunction with section 3.4, Advocacy.
Comment	One commentator suggested deleting the last sentence of this section as unnecessary.
Response	The task force agreed that this sentence was redundant with section 3.10 and deleted it.
<b>Section 3.10, Consistency with Prior Statements</b>	
Comment	One commentator believed that the guidance in this section was generic and should be moved to the appendix.
Response	The task force believed the guidance was appropriately placed within the standard and made no change.
<b>Section 3.11, Discovery of Error</b>	
Comment	Some commentators suggested that the actuary's responsibility to disclose error should extend beyond disclosure to the actuary's principal.
Response	The task force disagreed, concluding that the scope of the actuary's responsibility is appropriately stated and noting that the <i>Code of Professional Conduct</i> and other Actuarial Standards of Practice also provide guidance on this issue.

<b>Section 3.12, Limitation of Expert Testimony (previously titled, "Nature of the Forum")</b>	
Comment	One commentator expressed discomfort with the actuary's merely reviewing and explaining the standard with the principal. Another commentator offered clarifying language which focused on the actuary's presentation within a forum and the appropriate actions to be taken when constraints occur.
Response	The task force adopted part of the second commentator's suggested language and strengthened the language dealing with constraints, thereby addressing the concerns of the first commentator as well.
<b>SECTION 4. COMMUNICATIONS AND DISCLOSURES</b>	
<b>Section 4.2, Oral Testimony (previously titled "Oral Reports and Testimony")</b>	
Comment	One commentator suggested that an actuary be required to provide a written actuarial report or memorandum to support all oral testimony.
Response	The task force disagreed and made no change.
<b>Section 4.3, Prescribed Statement of Actuarial Opinion</b>	
Comment	Some commentators objected to characterizing expert testimony as a "prescribed statement of actuarial opinion" for purposes of the <i>Qualification Standards for Prescribed Statements of Actuarial Opinion</i> . Other commentators agreed with the characterization, while still others expressed support for the more limited approach described in the transmittal memorandum accompanying the exposure draft.
Response	After carefully considering all comments received, the task force decided to adopt the more limited language described in the transmittal memorandum.



**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 23**

**Data Quality**

**Revised Edition**

**Developed by the  
General Committee of the  
Actuarial Standards Board and  
Applies to All Practice Areas**

**Adopted by the  
Actuarial Standards Board  
December 2004**

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**(Doc. No. 097)**

**ASOP No. 23—December 2004**

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## ASOP No. 23—December 2004

December 2004

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Data Quality

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice (ASOP) No. 23

This booklet contains the final version of a revision of ASOP No. 23, *Data Quality*.

### Background

The ASB originally adopted ASOP No. 23, *Data Quality* (Doc. No. 044), in 1993. The previous ASOP was prepared by the Data Quality Task Force of the Specialty Committee of the ASB. The General Committee has prepared this revision of ASOP No. 23 to be consistent with the current ASOP format, to reflect current, generally accepted practice with respect to data quality, and to provide guidance concerning other information relevant to the use of data.

### Exposure Draft

The exposure draft of this ASOP was approved for exposure in October 2003 with a comment deadline of March 31, 2004. Twenty-eight comment letters were received and considered in developing the final standard. A summary of the substantive issues contained in the exposure draft comment letters and the General Committee's responses are provided in appendix 2.

The most significant changes from the exposure draft were as follows:

1. Section 1.2, Scope, has been clarified to indicate that if this standard establishes requirements in addition to those imposed by law, the actuary should satisfy the requirements of both the standard and the law.
2. When data are supplied by others, section 3.3 clarifies that the actuary should follow the guidance of section 3.5, Review of Data, before relying on such data. This means that the actuary should review the data for reasonableness and consistency unless, in the actuary's professional judgment, such a review is not necessary or not practical.

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3. Similarly, section 3.4, Reliance on Other Information Relevant to the Use of Data, allows reliance on such information, but now does so “unless it is or becomes apparent to the actuary during the time of the assignment that the information contains material errors or is otherwise unreliable.”
4. The standard clarifies that section 3.5, Review of Data, applies whether the actuary prepared the data or received the data from a third party. The section also suggests that, in doing the review of the data, the actuary attempt to determine the definition of each data element used in the analysis. A definition of “review” has been added to section 2, pointing out that this is an informal examination of the obvious characteristics of the data.
5. The sentence that appeared in the previous ASOP No. 23 but was removed from the exposure draft of this revision, which stated that the actuary is not expected to “develop additional data compilations solely for the purpose of searching for questionable or inconsistent data,” was reinserted in section 3.6, Limitation of the Actuary’s Responsibility.
6. Section (c) of 3.7, Use of Data, was expanded to apply to results that are highly uncertain, in addition to those that have a material bias. Appropriate disclosure is required in section 4.1 if the actuary decides to complete the assignment in such circumstances.
7. The committee clarified section 3.8 by explicitly requiring the actuary to document any material defects in the data, in keeping with the requirements of ASOP No. 41, *Actuarial Communications*.

The General Committee thanks everyone who took the time to contribute comments on the exposure draft.

The ASB voted in December 2004 to adopt this standard.

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**General Committee of the ASB**

**W.H. Odell, Chairperson**

<b>Phillip N. Ben-Zvi</b>	<b>Ethan E. Kra</b>
<b>Thomas K. Custis</b>	<b>Mark E. Litow</b>
<b>Larry M. Gorski</b>	<b>Donna C. Novak</b>
<b>Burton D. Jay</b>	<b>Ronnie Susan Thierman</b>

**Actuarial Standards Board**

**Michael A. LaMonica, Chairperson**

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<b>Lew H. Nathan</b>	<b>Karen F. Terry</b>
<b>Godfrey Perrott</b>	<b>William C. Weller</b>

**ASOP No. 23—December 2004**

**ACTUARIAL STANDARD OF PRACTICE NO. 23**

**DATA QUALITY**

**STANDARD OF PRACTICE**

**Section 1. Purpose, Scope, Cross References, and Effective Date**

1.1 **Purpose**—The purpose of this actuarial standard of practice (ASOP) is to give guidance to the actuary in the following:

- a. selecting the data that underlie the actuarial work product;
- b. relying on data supplied by others;
- c. reviewing data;
- d. using data; and
- e. making appropriate disclosures with regard to data quality.

1.2 **Scope**—This standard applies to actuaries when providing professional actuarial services in all practice areas. Other actuarial standards of practice may contain additional considerations related to data quality that are applicable to particular areas of practice or types of actuarial assignment.

This standard does not require the actuary to audit data.

If this standard establishes requirements in addition to those imposed by applicable law, regulation, or other binding authority, the actuary should satisfy the requirements of both the applicable law and the standard. To the extent applicable law conflicts with this standard, compliance with such applicable law shall not be deemed a deviation from this standard, provided the actuary discloses that the actuarial assignment was performed in accordance with the requirements of such applicable law.

1.3 **Cross References**—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this standard to the extent it is applicable and appropriate.

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- 1.4 **Effective Date**—This standard will be effective for any actuarial work product for which data were provided to or developed by the actuary on or after May 1, 2005. In all cases, this standard will be effective for any actuarial work product commenced on or after July 1, 2006.

**Section 2. Definitions**

The terms below are defined for use in this actuarial standard of practice.

- 2.1 **Appropriate Data**—For purposes of data quality, data are appropriate if they are suitable for the intended purpose of an analysis and relevant to the system or process being analyzed.
- 2.2 **Audit**—To conduct a formal and systematic examination of a set of data for the purpose of testing its accuracy, using techniques commonly employed by audit professionals.
- 2.3 **Comprehensive Data**—For purposes of data quality, data obtained from inventory or sampling methods are comprehensive if they contain sufficient data elements or records needed for the analysis.
- 2.4 **Data**—For purposes of this standard, the term refers to numerical, census, or classification information and not to general or qualitative information. Assumptions are not data, but data are commonly used in the development of actuarial assumptions.
- 2.5 **Data Element**—An item of information, such as date of birth or risk classification.
- 2.6 **Practical**—Realistic in approach during the time of the assignment, given the purpose and nature of the assignment and any constraints, including cost and time considerations.
- 2.7 **Review**—An informal examination of the obvious characteristics of the selected data to determine if such data appear reasonable and consistent for purposes of the assignment. A review is not an audit of data.

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### Section 3. Analysis of Issues and Recommended Practices

- 3.1 Overview—Data that are completely accurate, appropriate, and comprehensive are frequently not available. The actuary should use available data that, in the actuary's professional judgment, allow the actuary to perform the desired analysis. However, if material data limitations are known to the actuary, the actuary should disclose those limitations and their implications. The following sections discuss such considerations in more detail.
- 3.2 Selection of Data—In undertaking an analysis, the actuary should consider what data to use. The actuary should consider the scope of the assignment and the intended use of the analysis being performed in order to determine the nature of the data needed and the number of alternative data sets or data sources, if any, to be considered. The actuary should do the following:
- a. consider the data elements that are desired and possible alternative data elements; and
  - b. select the data with due consideration of the following:
    - 1. appropriateness for the intended purpose of the analysis, including whether the data are sufficiently current;
    - 2. reasonableness and comprehensiveness of the necessary data elements, with particular attention to internal and external consistency;
    - 3. any known, material limitations of the data;
    - 4. the cost and feasibility of obtaining alternative data, including the ability to obtain the information in a reasonable time frame;
    - 5. the benefit to be gained from an alternative data set or data source as balanced against its availability and the time and cost to collect and compile it; and
    - 6. sampling methods, if used to collect the data.
- 3.3 Reliance on Data Supplied by Others—In most situations, the data are provided to the actuary by others. The accuracy and comprehensiveness of data supplied by others are the responsibility of those who supply the data. The actuary may rely on data supplied by others, subject to the guidance in section 3.5. In doing so, the actuary should disclose such reliance in an appropriate actuarial communication.

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- 3.4 **Reliance on Other Information Relevant to the Use of Data**—In many situations, the actuary is provided with other information relevant to the appropriate use of data, such as contract provisions, plan documents, and reinsurance treaties. The validity and comprehensiveness of such information are the responsibility of those who supply such information. The actuary may rely on such information supplied by another, unless it is or becomes apparent to the actuary during the time of the assignment that the information contains material errors or is otherwise unreliable. The actuary should disclose reliance on information provided by another in an appropriate actuarial communication.
- 3.5 **Review of Data**—A review of data may not always reveal existing defects. Nevertheless, whether the actuary prepared the data or received the data from others, the actuary should review the data for reasonableness and consistency, unless, in the actuary's professional judgment, such review is not necessary or not practical. In exercising such professional judgment, the actuary should take into account the extent of any checking, verification, or auditing that has already been performed on the data, the purpose and nature of the assignment, and relevant constraints.

When determining the nature and extent of such a review, the actuary should consider the following:

- a. **Data Definitions**—The actuary should make a reasonable effort to determine the definition of each data element used in the analysis, as described in section 3.2.
- b. **Identify Questionable Data Values**—The actuary should review the data used directly in the actuary's analysis for the purpose of identifying data values that are materially questionable or relationships that are materially inconsistent. If the actuary believes questionable or inconsistent data values could have a material effect on the analysis, the actuary should consider further steps, when practical, to improve the quality of the data.
- c. **Review of Prior Data**—If similar work has been previously performed for the same or recent periods, the actuary should consider reviewing the current data for consistency with the data used in the prior analysis. If the actuary does not have the prior data, the actuary should consider requesting the prior data.

If, in the actuary's professional judgment, it is not appropriate to perform a review of the data, the actuary should disclose that the actuary has not done such a review and should disclose any resulting limitation on the use of the actuarial work product.



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- 3.6 **Limitation of the Actuary's Responsibility**—The actuary is not required to do any of the following:
- a. determine whether data or other information supplied by others are falsified or intentionally misleading;
  - b. develop additional data compilations solely for the purpose of searching for questionable or inconsistent data; or
  - c. audit the data.
- 3.7 **Use of Data**—Because data that are completely accurate, appropriate, and comprehensive are frequently not available, the actuary should make a professional judgment about which of the following is applicable:
- a. the data are of sufficient quality to perform the analysis;
  - b. the data require enhancement before the analysis can be performed, and it is practical to obtain additional or corrected data that will allow the analysis to be performed;
  - c. judgmental adjustments or assumptions can be applied to the data that allow the actuary to perform the analysis. If the actuary judges that the use of the data, even with adjustments and assumptions applied, may cause the results to be highly uncertain or contain a material bias, the actuary may choose to complete the assignment, but should disclose the potential existence of the uncertainty or bias, and, if reasonably determinable, their nature and potential magnitude;
  - d. if the actuary believes that the data are likely to contain material defects, the actuary should determine, if practical, the nature and extent of any checking, verification, or auditing that may have been performed on the data. Then, if, in the actuary's professional judgment, a more extensive review is needed, the actuary should arrange for such a review prior to completing the assignment; or
  - e. if, in the actuary's professional judgment, the data are so inadequate that the data cannot be used to satisfy the purpose of the analysis, then the actuary should obtain different data or decline to complete the assignment.
- 3.8 **Documentation**—The actuary should comply with the requirements of ASOP No. 41, *Actuarial Communications*, regarding the preparation and retention of the documentation. In addition, the actuary's documentation should include the following:

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- a. the process the actuary followed to evaluate the data, including the review or consideration of prior data;
- b. a description of any material defects the actuary believes are in the data;
- c. a description of any adjustments or modifications made to the data, other than routine corrections made by reference to source documents, including the rationale for any such adjustments or modifications; and
- d. any other documentation necessary to comply with the disclosure requirements of section 4.1.

**Section 4. Communications and Disclosures**

- 4.1 **Disclosure**—When issuing communications under this standard, the actuary should refer to ASOP No. 41. In addition, the actuary should disclose the following items:
- a. the source(s) of the data;
  - b. whether the actuary reviewed the data and, if not, any resulting limitations on the use of the actuarial work product;
  - c. the extent of the actuary's reliance on data and other information relevant to the use of data supplied by others;
  - d. any material judgmental adjustments or assumptions that the actuary applied to the data, or are known by the actuary to have been applied to the data, to allow the actuary to perform the analysis;
  - e. any limitations on the use of the actuarial work product due to uncertainty about the quality of the data;
  - f. any unresolved concerns the actuary may have about the data that could have a material effect on the actuarial work product;
  - g. (1) the existence of results that are highly uncertain or have a potentially material bias of which the actuary is aware due to the quality of the data; and (2) the nature and potential magnitude of such uncertainty or bias, if they can be reasonably determined; and
  - h. any conflicts that arose from complying with applicable law, regulation, or other binding authority.

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- 4.2 **Prescribed Statement of Actuarial Opinion**—This ASOP does not require a prescribed statement of actuarial opinion (PSAO) as described in the *Qualification Standards for Prescribed Statements of Actuarial Opinion* promulgated by the American Academy of Actuaries. However, law, regulation, or accounting requirements may also apply to an actuarial communication prepared under this standard, and as a result, such actuarial communication may be a PSAO.
- 4.3 **Deviation from Standard**—The actuary must be prepared to justify to the actuarial profession's disciplinary bodies, or to explain to a principal, another actuary, or other intended users of the actuary's work, the use of any procedures that depart materially from those set forth in this standard. If a conflict exists between this standard and applicable law or regulation, compliance with applicable law or regulation is not considered to be a deviation from this standard.

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### **Appendix 1**

#### **Background and Current Practices**

*Note:* The following appendix is provided for informational purposes, but is not part of the standard of practice.

#### **Background**

An actuarial analysis is based upon an analysis of data, along with practical knowledge of the field of practice and training in actuarial theory, which together enable the actuary to interpret the results of calculations. Throughout the analytic process, data play an important role. The accuracy and validity of the actuarial analysis are dependent on, among other things, the quality of the data used. Hence, an actuarial standard of practice concerning data quality is appropriate.

Data frequently contain errors, are not fully complete, and are not precisely appropriate for the intended analysis. Actuaries deal with these limitations, the majority of which are non-critical. However, actuaries are often called upon to perform actuarial services in situations where data limitations may be critical. Actuaries use professional judgment when determining whether and how to refine data or make modifications within the analysis.

#### **Current Practices**

Actuaries use informed judgment to determine what kinds of data are appropriate for a particular analysis. It is important that the data used are relevant to the system or process being analyzed.

Persons or organizations responsible for generating, collecting, or publishing data may apply different standards of quality assurance, ranging from straightforward compilation of figures to extensive verification. Actuaries, in turn, deal with the question of the quality of data underlying their work products in a variety of ways and with varying levels of review or checking.

Actuaries are called upon to provide analyses for a broad range of uses, from limited distribution within an organization to public exposure.

Important aspects of data utilization include documentation and disclosure of (1) the sources of data; (2) review of data; (3) material biases resulting from data used by the actuary; (4) adjustments or corrections made to the data; and (5) the extent of reliance on data supplied by others. Typically, actuaries do not audit data.

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**APPENDIX 2**

**Comments on the Exposure Draft and Committee Responses**

The exposure draft of this revision of ASOP No. 23, *Data Quality*, was issued in October 2003 with a comment deadline of March 31, 2004. Twenty-eight comment letters were received, some of which were submitted on behalf of multiple commentators, such as by firms or committees. For purposes of this appendix, the term “commentator” may refer to more than one person associated with a particular comment letter. The General Committee carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the committee’s responses. Unless otherwise noted, the section numbers and titles used below refer to those in the exposure draft.

<b>GENERAL COMMENTS</b>	
Several commentators suggested various editorial changes in addition to those addressed specifically below. The committee implemented such suggestions if they enhanced clarity and did not alter the intent of the section.	
In the transmittal memorandum of the exposure draft, the committee asked readers to comment on whether the exposure draft clarified the previous standard. Most commentators believed that the revisions did clarify the standard, and others had suggestions that are addressed in the following responses.	
Comment	One commentator suggested that the standard should address issues concerning how results vary when using data with different time horizons.
Response	The committee believed that issue was more about credibility than data quality and made no change in the standard.
Comment	A commentator believed that the standard should also provide guidance on privacy, confidentiality, and distribution of the actuarial report.
Response	The committee believed such issues were beyond the scope of this standard. ASOP No. 41, <i>Actuarial Communications</i> , provides guidance with respect to actuarial reports.
Comment	One commentator recommended expanding the title of the standard to add “Actuaries’ Responsibilities in Selecting, Reviewing, and Using Data.”
Response	The committee believed that this was unnecessary, because section 1.1, Purpose, identifies the specific professional services discussed in the standard.
Comment	A commentator suggested that, since it is common for actuaries to extract their own data for use in their analyses, the standard should more clearly indicate the actuary’s responsibility to review data that the actuary has independently created.
Response	The committee agreed and revised section 3.5, Review of Data, in response.
Comment	One commentator thought that the actuary should be required to disclose and resolve material differences between prior and current period data.
Response	The committee believed that the actuary should be satisfied that the current data are appropriate and should disclose other concerns related to data quality in accordance with section 4.1(g) (now 4.1(f)). The reconciliation of data from one period to the next is beyond the scope of this standard.

**ASOP No. 23—December 2004**

<b>SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE</b>	
<b>Section 1.2, Scope</b>	
Comment	One commentator objected to not requiring the actuary to audit the data, while several others supported the statement in the standard that audits are not required.
Response	The committee believed that the actuary should generally be required to review, but not audit the data, and left this scope limitation unchanged.
Comment	Several commentators recognized that the actuary must comply with law, regulation, or other binding authority, but disagreed that the actuary should disclose such a conflict.
Response	The committee disagreed and retained the disclosure requirement, consistent with other standards. In response to another comment, the committee also added a sentence clarifying that the actuary must comply with both the standard and the law when the standard has more extensive requirements than the law. Finally, the wording of this section was modified to clarify that the standard applied only to professional “actuarial” services.
<b>Section 1.4, Effective Date</b>	
Comment	A commentator pointed out that it is common in some practice areas to use a significant amount of data collected in prior years and then perform the current analysis after the latest data have been added to the database or using relevant current data. The commentator believed that the prior data should be subject only to requirements in effect when the data were originally collected and not be subject to any new requirements in the standard.
Response	The committee discussed this point and made no change to this section, because it believed that other sections of the standard gave sufficient guidance to the actuary regarding the extent to which the actuary should review the data, including consideration of practicality and materiality.
<b>SECTION 2. DEFINITIONS</b>	
Some commentators suggested adding definitions of other terms. In most cases, the committee did not believe that was necessary. However, it did add a definition of “review,” as suggested by one commentator, to clarify that a review is less formal than an audit and does not verify the accuracy of data, but merely consists of observing its obvious characteristics and abnormalities.	
<b>Section 2.1, Appropriate (now Appropriate Data)</b>	
Comment	Several commentators suggested adding the word “data” to the title of this section.
Response	The committee agreed and added “data” here and in the title of section 2.3.
Comment	One commentator suggested deleting the phrase “relevant to the system or process being analyzed.”
Response	The committee thought the existing language was necessary and sufficiently clear and made no change.
<b>Section 2.2, Audit</b>	
Comment	Some editorial suggestions were made to improve the definition.
Response	The committee adopted some of the suggestions, adding “for the purpose of testing its accuracy” and removing “or review,” because that latter term is now defined and differentiated from an audit.
<b>Section 2.3, Comprehensive (now Comprehensive Data)</b>	
Comment	A commentator recommended that “sufficient data elements” be used in this definition in place of “each data element.”
Response	The committee agreed that this was more appropriate wording and made the change.
Comment	One commentator suggested adding a discussion of inventory or sampling methods.
Response	The committee did not see the need for such a discussion.

**ASOP No. 23—December 2004**

<b>Section 2.4, Data</b>	
Comment	A commentator pointed out that actuaries often use data contained in reports prepared by other professionals and suggested that such data be covered by this definition.
Response	The committee made no change to this definition, because sections 3.3 and 3.4 address reliance on data and other information supplied by others.
Comment	One commentator suggested expanding the definition to indicate that sometimes assumptions are used to develop certain data elements.
Response	The committee did not believe such an expansion was necessary. The use of assumptions to perform such analyses is referenced in section 3.7(c).
<b>Section 2.6, Practical</b>	
Comment	A number of comments were received on the inclusion of the defined term “practical” in response to the committee’s request in the transmittal letter of the exposure draft. Some commentators thought the definition was unnecessary, and some offered suggestions for further improvement.
Response	Because the concept of practicality is an important consideration in this standard in aiding an actuary to make professional judgments regarding selection of data, and whether and to what extent to review the data, among other things, the committee strongly believed that a definition of this term should be included.
Comment	One commentator pointed out that use of hindsight would be inappropriate in determining what was practical.
Response	The committee agreed and added “during the time of the assignment” to the definition.
Comment	One commentator wanted to add guidance on considerations for evaluating materiality.
Response	The committee believed that materiality is a subjective concept that depends on the actuary’s professional judgment, and that it was beyond the scope of this standard to define or provide guidance on materiality.
<b>SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES</b>	
<b>Section 3.1, Overview</b>	
Comment	One commentator pointed out that some assignments do, in fact, require perfect data, and that the standard should recognize this.
Response	The committee disagreed that the standard should be written to address specific situations that would require more diligent treatment. Sections 3.2 and 3.5 state that consideration should be given to the purpose and nature of the assignment.
<b>Section 3.2, Selection of Data</b>	
Comment	One commentator wanted to clarify the language relating to “review.”
Response	The committee decided to delete reference to “review” in this section as it is thoroughly covered in section 3.5.

**ASOP No. 23—December 2004**

Comment	One commentator believed that section 3.2(b)(5) should be eliminated or at least restricted to alternate data sources reasonably known to the actuary.
Response	The committee believed this guidance is important and, in view of the comment, carefully considered the wording again and revised the wording to clarify that the actuary is provided adequate leeway to consider the benefits of seeking alternative data sources versus the effort necessary to get them.
Comment	One commentator suggested that the terms “data sets” and “data sources” should be consistent here and in section 3.2(b)(5).
Response	The committee agreed and made changes to accomplish this.
Comment	One commentator believed “subject to the limitations presented by the actuary’s reliance on others...” should be added to clarify how this section relates to sections 3.3 and 3.4.
Response	The committee believed that the guidance for selection of data should not depend on whether or not the actuary needs to rely on others to supply the data and did not believe such an addition was necessary or appropriate.
Comment	One commentator suggested deleting “relative availability” and adding “time and” in front of the word “cost” in section 3.2(b)(5).
Response	The committee did drop “relative” and did add “time and.”
<b>Section 3.3, Reliance on Data Supplied by Others</b>	
Comment	One commentator supported the concept of what was labeled “blind reliance.” A couple of commentators were uncertain as to whether the implication of such reliance was appropriate and consistent with sections 3.1 or 3.5. Several others commented that such reliance was inappropriate.
Response	After much discussion and careful consideration, the committee ultimately agreed that additional clarity was needed. Accordingly, the committee added the phrase “subject to the guidance in section 3.5,” and that section provides that the actuary should review the data for reasonableness and consistency unless, in the actuary’s professional judgment, it is not practical or not necessary to do so.
<b>Section 3.4, Reliance on Other Information Relevant to the Use of Data</b>	
Comment	Two commentators were uncomfortable with the implication of absolute reliance in this section, believing that it could conflict with the guidance in other sections of the ASOP by setting a different standard.
Response	The committee believed a lower standard was appropriate but agreed that the actuary should not proceed with the analysis based on information that is known by the actuary to be suspect. Accordingly, the committee added the phrase “unless it is or becomes apparent to the actuary during the time of the assignment that the information contains material errors or is otherwise unreliable.”
Comment	Two commentators thought that “or summaries of such documents” should be specifically added to the list.
Response	Because the list provides examples only, the committee believed that this added language was not needed.
<b>Section 3.5, Review of Data</b>	
Comment	Several commentators questioned the meaning of the word “appropriate.”
Response	The committee deleted the word “appropriate” where it might be confusing.
Comment	Several commentators questioned whether it was always necessary to review prior data and suggested adding the word “consider” in section 3.5(a) regarding review of prior data.
Response	The committee agreed and incorporated this wording change in what is now section 3.5(c).



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Comment	One commentator believed that a new section on the time period of the data should be added.
Response	The committee believed this was sufficiently covered in section 3.2(b)(1).
Comment	Two commentators were unclear if this section applied to data received from others.
Response	The committee clarified that it does apply and that the actuary should review for reasonableness and consistency “unless, in the actuary’s professional judgment, such review is not necessary or not practical.”
Comment	One commentator suggested adding a new consideration: “Data Definitions—The actuary should make a reasonable effort to determine the definition of each data element provided.”
Response	The committee agreed and added what is now section 3.5(a).
Comment	One commentator interpreted section 3.5(b) as requiring a datum-by-datum review and a datum-by-datum correction process, thereby precluding any type of sampling procedure.
Response	The committee disagreed with this interpretation. Section 3.2 specifically allows for sampling procedures. Based on the definition of “review,” the committee believed guidance for the actuary to look for obvious errors or inconsistencies that may materially affect the analysis was appropriate.
<b>Section 3.6, Limitation of the Actuary’s Responsibility</b>	
Comment	Several commentators responded to a question requesting comments about whether it was appropriate to delete the following language from section 5.3(a) of the previous ASOP No. 23: “The actuary is not required to develop additional data compilations solely for the purpose of searching for questionable or inconsistent data.” While a couple of commentators believed the deletion was appropriate, most believed that the language should be put back into the revision.
Response	The committee agreed with the majority and reinserted what is now section 3.6(b).
Comment	Several comments suggested eliminating the word “intentionally” inaccurate.
Response	The committee disagreed and left this wording, because just removing the word “intentionally” would weaken the standard by implying that the actuary is relieved of any responsibility for inaccurate data, whether intentional or not. However, after lengthy discussions the committee revised the section by amending the wording of what is now section 3.6(a), in addition to reinserting section 3.6(b).
<b>Section 3.7, Use of Data</b>	
Comment	One commentator suggested clarifying section (d) to apply when material defects are likely, not just possibilities.
Response	The committee agreed and added the words “are likely to” to this subsection.
Comment	One commentator suggested changing the word “should” to “must,” eliminating the words “when practical,” and specifying that this disclosure should be in the summary level presentation of the results.
Response	The committee disagreed and left the wording as is.
Comment	Two commentators suggested changing the wording in the opening paragraph to clarify that data are rarely completely accurate, appropriate, and comprehensive.
Response	The committee agreed and changed the wording in the opening paragraph.

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Comment	One commentator suggested that section 3.7 could be viewed to be in conflict with section 4.1, Disclosure.
Response	The committee disagreed that there would be a conflict. If the actuary believes there is a material defect in the data, the actuary can still perform the assignment and make the disclosures in section 4.1.
Comment	One commentator suggested removing the words “if practical” from section (d).
Response	The committee disagreed and left this wording.
Comment	One commentator suggested defining a process for what to do if material defects have been found or are known to exist in the data.
Response	The committee prepared this section to provide guidance to the actuary in discriminating between different types of situations. The committee believed that sections (d) and (e) provided adequate guidance in this respect.
Comment	One commentator suggested removing the first sentence of this section since all items in this section are based on the premise that the actuary is aware of data deficiencies.
Response	The committee revised the first paragraph of section 3.7 to clarify that the actuary should decide which of the circumstances in sections (a)–(e) apply, even if the actuary is not necessarily aware of material defects in the data.
Comment	One commentator suggested removing the first sentence from section (d).
Response	The committee disagreed and left the first sentence.
Comment	One commentator suggested that this section provides only two alternatives for inadequate data.
Response	The committee disagrees and refers the commentator to the four alternatives contained in sections (b)–(e). The committee also added a consideration in section (c) to address results that may be highly uncertain.
<b>Section 3.8, Documentation</b>	
Comment	One commentator suggested adding a section requiring a description of any material defects the actuary believes are in the data and the review conducted by the actuary on this data.
Response	The committee agreed in respect of material defects and added appropriate wording to section 3.8(b).
Comment	Two commentators suggested eliminating the first sentence since it was confusing.
Response	The committee agreed with this commentator and eliminated the first sentence of this section.
Comment	One commentator suggested changing the wording of section (b) by replacing it with “whether the actuary reviewed the data as contemplated by section 3.5 and, if so, the scope of the review.”
Response	The committee agreed that additional clarity was needed and revised the entire section 3.8.
Comment	One commentator suggested changing the wording of section (c) by inserting the words “if reasonably estimable, the” before “effect.”
Response	The committee agreed that this language could be too burdensome and revised the language in section (c).

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Comment	One commentator suggested adding words to this section similar to those in the disclosure section pertaining to a description of the insufficiencies or issues with the data that may have an impact on the results.
Response	The committee revised section 3.8, adding sections (b) and (d) to deal with this issue.
Comment	One commentator suggested that this section is not needed as long as the disclosure section exists.
Response	The committee believed there is a need for this section, because this section applies to the work papers of the actuary and not the disclosure that goes along with a work product. In addition, some items that should be documented need not be disclosed.
Comment	Numerous commentators suggested changes to section (b).
Response	The committee agreed with these commentators and reworded section (b) with consequential changes to section (a).
<b>SECTION 4. COMMUNICATIONS AND DISCLOSURES</b>	
<b>Section 4.1, Disclosure</b>	
Comment	One commentator suggested that the standard does not appear to require disclosure of the actuary's unresolved concerns, particularly in the case of an actuarial opinion, regarding data that could have a material effect on the actuarial work product.
Response	Section (g) (now (f)) requires the actuary to disclose any unresolved concerns the actuary may have about the data. That disclosure is required in an appropriate actuarial communication, regardless of whether it is an actuarial opinion.
Comment	One commentator suggested adding the words "to the principal" after "following items" to clarify to whom the disclosure is to be made and also wanted to add the words "if other than the principal" to item (a).
Response	The committee did not concur with this commentator.
Comment	Several commentators believed that section (b) was unclear or unnecessary.
Response	The committee deleted section (b).
Comment	One commentator suggested changing the wording in section (c) (now (b)) to reflect the fact that the standard seems to mandate that actuaries almost always review data. Another commentator believed that section (c) (now (b)) should read, "the extent of the actuary's review of the data" rather than "whether the actuary reviewed the data."
Response	The committee very carefully considered this issue and revised what is now section (b) to require, where no review was performed, disclosure of any resulting limitations on the use of the actuarial work product.
Comment	Two commentators suggested adding "material" before "judgmental adjustments" in section (e) (now section (d)).
Response	The committee agreed and made this change.

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Comment	One commentator believed that section (f) (now (e)) would be clearer if it ended after the phrase “work product.”
Response	The committee revised the language to omit reference to “not sufficiently reviewed,” thereby including situations where the actuary did not review the data as well as situations where the actuary did review the data but is uncertain about the data.
Comment	One commentator believed that section (g) (now (f)) was unnecessary because it was covered by section (h) (now (g)). The commentator believed it was burdensome for the actuary to disclose concerns that would not have a material effect.
Response	The committee disagreed and believed that both sections are needed to fully describe required disclosure because they cover different situations. However, the committee did agree that only “unresolved concerns the actuary may have about the data that could have a material effect...” are required to be disclosed, and the wording of these two sections incorporates the word “material” to support this.
Comment	One commentator believed that section (g) (now (f)) could conflict with section 3.7, which does not contain an option for producing a work product with adequate disclosure if there is a material effect in the data.
Response	The committee did not believe there was a conflict, but revised section 3.7(c) to clarify that the actuary may produce a work product even if the data (after judgmental adjustments or assumptions have been applied) may produce results that “are highly uncertain or contain a material bias” as long as this is disclosed.
<b>APPENDIX (now Appendix 1)</b>	
<b>Current Practices</b>	
Comment	One commentator suggested inserting the words “important aspects of data utilization include such” in the last paragraph of this section as well as deleting the words “of such items” after the word “disclosure” in this same section. The commentator also suggested deleting the word “the” after “reliance on” and deleting the words “are important aspects of utilization of data” in the last paragraph of this section.
Response	The committee agreed with the general thrust of these comments and made appropriate changes.
Comment	One commentator suggested removing the words “complete and independent verification of the data” in the second paragraph of this section. The commentator went on to suggest that actuaries deal with the quality of data in a variety of ways and “with varying levels of review or checking.”
Response	The committee agreed with this commentator and changed the wording as suggested.



**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 25**

**Credibility Procedures Applicable to Accident and Health,  
Group Term Life, and Property/Casualty Coverages**

**Developed by the  
Casualty and Health Committees of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
October 1996**

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**(Doc. No. 051)**

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November 1996

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Credibility Procedures

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice No. 25

This booklet contains the final version of Actuarial Standard of Practice (ASOP) No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*.

### Background

Credibility procedures are an integral part of ratemaking and prospective experience rating, and may be used for other purposes. The purpose of this ASOP is to provide guidance to actuaries in the assignment of credibility values to data.

The Subcommittee on Ratemaking of the Casualty Committee of the ASB named three members as a task force to prepare an initial draft of a proposed standard on credibility procedures. A task force of the Health Committee of the ASB was also starting to draft a proposed actuarial standard of practice on credibility procedures, this one for accident and health (A&H) coverages. The ASB decided that a single standard of practice on credibility, which would apply to both casualty and A&H coverages, would be preferable, if it were possible to develop such a text.

The initial casualty draft of this proposed standard was shared with the health task force, which then collaborated with the casualty task force to extend the draft to encompass A&H coverages. In the process, the draft was also expanded to apply to group term life and to address applications of credibility to subjects other than ratemaking. This revised draft was reviewed by the full Casualty Committee and the full Health Committee, and some changes were indicated. The two task forces addressed the committee members' comments and made revisions to the document, which was then sent again to the full operating committees for approval to submit it to the ASB for exposure. The board approved the exposure draft at its April 1994 meeting.

### Adoption

The proposed standard was exposed to the profession in April 1994, with a comment deadline of August 31, 1994. A total of thirty-three comment letters were received. The comment letters were reviewed by representatives of the Casualty and Health Committees (a newly formed task force) and the text was revised in response to these comment letters. Summaries of substantive issues from the comment letters, and the drafting task force's responses to such issues, are summarized in appendix 2.

## Format Changes

A number of format changes have also been made since publication of the exposure draft. The ASB voted in May 1996 to change the format of all future actuarial standards of practice. Thus, sections 3 and 4 of the exposure draft now form an appendix titled, Background and Current Practices. (Appendix 1 of this standard contains sections 3 and 4 of the exposure draft.) Further, sections 5 and 6 of the exposure draft have now been renumbered as sections 3 and 4. The new sections 3 and 4, along with sections 1 and 2, now form the actual standard of practice. The heading *Preamble*, which used to apply to the first four sections of the standard, has been deleted. The board made these format changes to help the reader distinguish between a standard's substantive requirements and language intended for general information.

The ASB voted in October 1996 to adopt the final standard.

### Task Force of the Casualty and Health Committees

Frederick F. Cripe  
Gary Grant  
William H. Odell

Joe P. Sternfeld  
Jonathan White

### Casualty Committee of the ASB

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Martin Adler  
Douglas J. Collins  
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Robert S. Miccolis  
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Margaret W. Tiller  
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Paul E. Wulterkens



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## ACTUARIAL STANDARD OF PRACTICE NO. 25

### CREDIBILITY PROCEDURES APPLICABLE TO ACCIDENT AND HEALTH, GROUP TERM LIFE, AND PROPERTY/CASUALTY COVERAGES

#### STANDARD OF PRACTICE

##### Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—The purpose of this standard of practice is to provide guidance to actuaries in the selection of a credibility procedure and the assignment of credibility values to sets of data including subject experience and related experience.
- 1.2 Scope—This standard of practice is applicable to accident and health; group term life; property/casualty coverage; and other forms of non-life coverage. This standard also applies to other financial security systems, such as self-insurance, that provide similar coverages. This standard is applicable to ratemaking, prospective experience rating, and whenever else credibility procedures are used, including but not limited to reserve analysis, solvency testing, and asset/liability management. This standard does not apply to annuities and pension plans.
- 1.3 Effective Date—This standard will be effective with respect to work performed after March 1, 1997.

##### Section 2. Definitions

The definitions below are defined for use in this actuarial standard of practice.

- 2.1 Credibility—A measure of the predictive value in a given application that the actuary attaches to a particular body of data (*predictive* is used here in the statistical sense and not in the sense of predicting the future).
- 2.2 Full Credibility—The level at which the subject experience is assigned full predictive value based on a selected confidence interval.
- 2.3 Ratemaking—The process of determining estimates of the expected value of future costs per unit of exposure for a group of risks.
- 2.4 Related Experience—Premiums, losses, exposures, expenses, and other relevant data for coverage analogous to the coverage under consideration. Other data may include

established rate levels or differentials. Such data might also be external to the client or the insurance industry, such as information on trends in claim costs or patterns of claim frequencies.

- 2.5 Subject Experience—Premiums, losses, exposures, expenses, and other data relevant to the coverage under consideration.

### Section 3. Analysis of Issues and Recommended Practices

- 3.1 Purpose and Use of Credibility Procedures—The purpose of credibility procedures is to blend information from subject experience with information from one or more sets of related experience when the subject experience does not have full credibility in order to improve the estimate of expected values, or to determine when the subject experience should have full credibility and blending is unnecessary. Credibility procedures should be used in ratemaking and prospective experience rating and may be used for other purposes. When such procedures are used, this standard applies.
- 3.2 Selection of Credibility Procedures—The actuary should be familiar with and consider various methods of determining credibility. The models selected may be different for different applications. The selection process involves testing the tentatively selected model and possibly revising the model. The actuary should recognize those instances where it may not be cost-effective to perform this selection process. Additional calculations may be made to satisfy applicable regulations and statutes.

The actuary should select credibility procedures that do the following:

- a. produce results that are reasonable in the professional judgment of the actuary,
  - b. do not tend to bias the results in any material way,
  - c. are practical to implement, and
  - d. give consideration to the need to balance responsiveness and stability.
- 3.3 Choice of Related Experience—The actuary should use care in selecting the related experience that is to be blended with the subject experience. Such related experience should have frequency, severity, or other determinable characteristics that may reasonably be expected to be similar to the subject experience. If the proposed related experience does not or cannot be adjusted to meet such criteria, it should not be used. The actuary should apply credibility procedures that appropriately reflect the characteristics of both the subject experience and the related experience.
- 3.4 Informed Actuarial Judgment—Any credibility procedure requires the actuary to exercise informed judgment, using relevant information. The use of credibility procedures is not always a precise mathematical process.

- 3.5 Homogeneity of Data—In carrying out credibility procedures, the actuary should consider the homogeneity of both the subject experience and the related experience. Within each set of experience, there may be segments that are not representative of the experience set as a whole. Credibility can sometimes be enhanced by separate treatment of these segments.

#### Section 4. Communications and Disclosures

- 4.1 Disclosure—Whenever appropriate in the actuary's professional judgment, the actuary should disclose the credibility procedures used. Any material changes from prior credibility procedures should be disclosed and supported.
- 4.2 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such departures.

## Appendix 1

### Background and Current Practices

*Note:* This appendix is provided for informational purposes, but is not part of the standard of practice.

#### Background

Classical Credibility Procedures—Classical credibility procedures make assumptions as to the form of the underlying probability distribution. From this probability distribution function, the appropriate number of claims, amount of premium, or other measure of volume is calculated such that the probability that the subject loss experience is within a specified percentage ( $k$ ) of the expected value is equal to a specified parameter ( $P$ ). This measure of volume is the full credibility standard.

Empirical Credibility Procedures—Empirical credibility procedures measure the statistical relationships of the subject experience to its mean and to comparable experience of prior experience periods, without reference to the underlying distribution.

Bayesian Credibility Procedures—Bayesian analysis procedures merge prior distributions representing the statistical information of the related experience with the statistical information of the subject experience to produce posterior distributions that reflect both. Bayesian credibility procedures provide a least squares approximation to the mean of the a posteriori distribution that would result from a Bayesian analysis.

Historical Development—The concept of credibility has been a fundamental part of actuarial practice since the beginning of the profession. Applications of credibility procedures have recognized the traditional concerns regarding the proper balance between responsiveness and stability. Early discussions of credibility tended to focus on estimating mean claim frequency using classical and empirical credibility procedures. The earliest recorded paper on this subject, “How Extensive a Payroll Exposure Is Necessary to Give a Dependable Pure Premium,” was published by Albert H. Mowbray in Volume I of the *Proceedings of the Casualty Actuarial and Statistical Society* (published by the Casualty Actuarial Society in 1914). Later writers have developed formulas for the credibility of claim severity and for the credibility of total losses including Bayesian credibility procedures. Credibility concepts have also been used in other actuarial work.

#### Current Practices

Historical Bases—The most commonly used bases for determining credibility are numbers or amounts of claims, losses, premiums, and exposures.

Credibility Procedures for Ratemaking—The sample size required for full credibility may be based on the variance of an assumed underlying probability distribution. If using an assumed frequency distribution, the actuary usually adjusts the required sample size to recognize variation in claim size or other factors.

Credibility Procedures for Prospective Experience Rating—Prospective experience rating formulas assign credibility to actual experience of a single risk or a group of risks (the subject experience). In some instances, the subject experience may be subdivided into different components, for example, primary and excess losses, with different credibility levels appropriate for each piece.

Partial Credibility—Partial credibility is used in a weighting process to combine the subject experience with relevant related experience when the subject experience is determined to be not fully credible. Several common practices are used to determine partial credibility. A common practice is to use a selected fractional exponent of the ratio of the volume of subject experience—such as claims, expected losses, premiums, or exposures—to the full credibility standard. Another common practice is to use a ratio  $N/(N + K)$ , where  $N$  is the volume of subject experience and  $K$  is a constant that may be derived from variances in the subject and related experience. The  $N/(N + K)$  formula is sometimes modified for those applications where the possibility of attaining full credibility is desired.

## Appendix 2

### Comments on the Exposure Draft and Committee Responses

The proposed standard of practice was exposed for review in April 1994. Thirty-three comment letters were received. A task force of representatives from the Casualty and Health Committees reviewed these comments and reached the following conclusions. Summaries of substantive issues raised in the comment letters are in lightface, and task force responses are in **boldface**.

#### Section 1. Purpose, Scope, and Effective Date

Section 1.2, Scope—Concerns were expressed that the scope was too restrictive and should be expanded to all actuarial practice that relies on experience data. **Although the scope was modified slightly, the substance of the text was not changed since it was found to be adequately inclusive. In response to other concerns, the text was streamlined.**

#### Section 2. Definitions

Section 2.1, Credibility—It was suggested that *credibility* should be defined such that it is relative to another body of data. **In order to avoid eliminating the use of classical credibility, the text was changed to include these ideas, but to still permit the use of classical credibility.**

Section 2.2, Experience Period—**Since this definition is not used within the standard, the task force decided to remove it from the definitions section.**

Section 2.3, Full Credibility (now section 2.2)—Concerns were expressed that no data will have sufficient volume to have full credibility. **The text was changed to clarify that full credibility is based on a selected confidence interval.**

Section 2.4, Manual Ratemaking (now section 2.3 and titled Ratemaking)—Concerns were expressed that sections 2.4 and 2.6 were inconsistent. Also, the reference to “subject experience” was considered unnecessary. **The term defined was changed from *manual ratemaking* to *ratemaking*. The reference to “subject experience” was removed, and the definition in section 2.6 (*rate*) was incorporated into the definition of *ratemaking* (see section 2.3 of this text).**

Section 2.5, Process Variance—As noted by several individuals, this term is not used in the standard. **The term was deleted. The remaining sections were renumbered.**

Section 2.6, Rate—**Since this term is not used in the standard, it was deleted. The remaining sections were renumbered.**

Section 2.7, Related Experience (now section 2.4)—Concerns were expressed about the type of data that could be used as related experience and whether the phrase *with predictive value* was necessary. **To help clarify the data question, the term *relevant* was added before *data* in the first sentence of the definition. The phrase *with predictive value* was deleted.**

### Section 3. Background and Historical Issues (now in Appendix 1 under Background)

Section 3.1, Background—It was suggested that a section describing the goal of the use of credibility procedures be included. **This section was merged with the old section 3.5 into a new section, Historical Development, which can be found in appendix 1. The purpose of credibility procedures is discussed in the new section 3.1.**

Section 3.2, Classical Credibility Procedures (this section can now be found in appendix 1)—Suggestions were received recommending that the probability distribution should be identified as underlying the subject experience. Suggestions were also received that the method of determining the full credibility standard should be more precisely described. **The task force changed the text in response to these comments.**

Section 3.3, Bayesian Credibility Procedures (this section can now be found in appendix 1)—It was suggested that the terms *Bayesian* and *classical* are out-of-date and should be replaced with *least squares* and *limited fluctuation*. **The terms *Bayesian* and *classical* are more widely understood, particularly in a historical context.**

It was also suggested that the description of Bayesian credibility was actually a description of Bayesian analysis, and that Bayesian credibility procedures produce a least squares approximation to the results of a Bayesian analysis. **The task force changed the text in response to this comment.**

Section 3.4, Empirical Credibility Procedures (this section can now be found in appendix 1)—Suggestions were received questioning the need for a discussion of empirical credibility. **The discussion of empirical credibility distinguishes *distribution free* methods from nontraditional Bayesian credibility procedures that require assumptions about the underlying distribution.**

Section 3.5, Historical Development (this section can now be found in appendix 1)—Some felt that this section was biased in favor of Bayesian credibility procedures. **The section has been revised to eliminate any real or apparent bias.**

### Section 4. Current Practices and Alternatives (now in Appendix 1 under Current Practices)

Section 4.1, Historical Bases (this section can now be found in appendix 1)—Concerns were expressed that the text implied that other bases are not acceptable. **The text was revised to enumerate the most common bases and to omit any comment about other bases.**



Section 4.2, Credibility Procedures for Manual Ratemaking (this section can now be found in appendix 1 under the heading, Credibility Procedures for Ratemaking)—Concerns were expressed about the paragraph referring to the variance of a cumulative loss distribution. **This paragraph was deleted. The first paragraph was revised to eliminate the differentiation between frequency and cumulative losses. The term *manual* was removed from the section title.**

Section 4.3, Credibility Procedures for Experience Rating (this section can now be found in appendix 1 under the heading, Credibility Procedures for Prospective Experience Rating)—As noted by several individuals, greater homogeneity of the related experience used in experience rating does not imply smaller required sample sizes. **The sentence referring to this matter was deleted. The term *prospective* was added to the section title.**

Section 4.4, Partial Credibility (this section can now be found in appendix 1)—Concerns were expressed regarding the term *credibility measure*. **The text was revised to use the phrase *volume of subject experience*.**

It was also suggested that generalizations of  $N/(N + K)$  be mentioned and that it be specified that other practices may also be acceptable. **The text was revised to clarify that several practices are common.**

Section 4.5, Data Homogeneity—Numerous concerns were expressed that this section was potentially misleading and unnecessary. **The section was deleted.**

### Section 5. Analysis of Issues and Recommended Practices (now Section 3)

Section 5.1, Estimating Future Costs (now section 3.1)—The consensus of comments received was that section 5.1 should be deleted and replaced with section 5.3, and that the language relating to *costs* and the references to the lines of business should be clarified. **Section 5.1 is now section 3.1, Purpose and Use of Credibility Procedures, and the old section 5.3 was merged with the former section 5.1. References to costs and lines of business were dropped.**

Section 5.2, Selection of Credibility Procedures (now section 3.2)—Several comments referred to Bayesian credibility and the absence of other methods. Other comments expressed concern that certain words might make compliance very difficult. The words *distort* and *any known* in section 5.2(b) were of particular concern. Other language changes were also suggested. **In addition to making several wording changes, the task force deleted the reference to Bayesian credibility. In addition, section 5.2(b) (now section 3.2(b)) has been revised to be consistent with the suggestions.**

Section 5.3, Credibility Procedures Should Reflect Experience Characteristics—**This section has been deleted and the remaining sections renumbered.**

Section 5.4, Choice of Related Experience (now section 3.3)—**The last sentence of the old section 5.3 was added to the new section 3.3.**

Section 5.5, Informed Actuarial Judgement (now section 3.4)—The suggestions indicated that the first sentence was not clear, especially the phrase beginning with *on past insurance*. **That portion of the first sentence was deleted, and the type of information required was clarified to be *relevant information*.**

Section 5.6, Homogeneity of Data (now section 3.5)—There were several suggestions on how to improve the readability of the first sentence as well as other minor language suggestions for the remainder of the section. In addition, one individual suggested that the last sentence of this section confused credibility with classification ratemaking. **The section has been rewritten, incorporating several suggestions. The last sentence was deleted.**

#### Section 6. Communications and Disclosures (now Section 4)

Section 6.1, Other Relevant Standards of Practice—**This section was deleted.**

Section 6.2, Credibility Selection—Several comments expressed concern that there is no single “degree of credibility” suggested by subject data. **This section was deleted.**

Section 6.3, Disclosure (now section 4.1)—Concerns were expressed that this section requires disclosure beyond the requirements of Actuarial Standard of Practice (ASOP) No. 9. **The task force does not believe that this section creates a disclosure requirement that exceeds that of ASOP No. 9.**

Both the Casualty and Health Committees thank everyone who took the time and made the effort to write comment letters. All of the letters were helpful in developing the final standard.



**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 29**

**Expense Provisions in  
Property/Casualty Insurance Ratemaking**

**Developed by the  
Subcommittee on Ratemaking of the  
Casualty Committee of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
July 1997**

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**(Doc. No. 056)**

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August 1997

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Expense Provisions in Property/Casualty Insurance Ratemaking

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice No. 29

This booklet contains the final version of actuarial standard of practice (ASOP) No. 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*.

### Background

This standard was developed by the Subcommittee on Ratemaking of the ASB's Casualty Committee. The Casualty Actuarial Society's *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* identifies and describes principles applicable to the determination and review of property/casualty insurance rates. These principles are limited to that portion of the ratemaking process involving the estimation of costs associated with the transfer of risk. For most lines of business, the expense component is a significant portion of the rate. For some lines of business, the expense component can actually exceed the loss component. For this reason, it is necessary to have a standard of practice to provide guidance to actuaries in the determination of a proper expense component.

### Exposure Draft

This standard was exposed for review in October 1994, with a comment deadline of March 15, 1995. Thirty-one comment letters were received. The Subcommittee on Ratemaking reviewed all the comments carefully, and many of the suggestions were incorporated into the final standard. In particular, the subcommittee expanded the discussions concerning (1) residual market and statutory assessment provisions, (2) the provision for reinsurance, and (3) policyholder dividends. (For a detailed discussion of the issues raised in the comment letters, and the subcommittee's responses to such, please see appendix 2.)

### Format Changes

A number of format changes have also been made since publication of the exposure draft. The ASB voted in May 1996 to change the format of all future actuarial standards of practice. Thus, sections 3 and 4 now form an appendix titled, Background and Current Practices. (Appendix 1 of this standard contains sections 3 and 4 of the exposure draft.) Further, sections 5 and 6 of the exposure draft have now been renumbered as sections 3 and 4. The "new" sections 3 and 4,

along with sections 1 and 2, now form the actual standard of practice. The heading *Preamble*, which used to apply to the first four sections of the standard, has been deleted. The board made these format changes to help the reader distinguish between a standard's substantive requirements and language intended for general information.

The Subcommittee on Ratemaking and the Casualty Committee thank everyone who provided input during the exposure process. The comments were helpful in making revisions. The Casualty Committee also thanks the following former subcommittee members, who made significant contributions to this work: Daniel J. Flaherty, Gary Grant, and Robert Lindquist. The ASB voted in July 1997 to adopt the final standard.

#### Subcommittee on Ratemaking of the Casualty Committee

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## ACTUARIAL STANDARD OF PRACTICE NO. 29

### EXPENSE PROVISIONS IN PROPERTY/CASUALTY INSURANCE RATEMAKING

#### STANDARD OF PRACTICE

##### Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—The purpose of this standard of practice is to provide guidance to actuaries in estimating costs for property/casualty insurance ratemaking other than (1) incurred losses, (2) the provision for profit and contingencies, (3) investment expenses, and (4) federal and foreign income taxes.
- 1.2 Scope—This standard of practice applies to all property/casualty insurance coverages. This standard also applies to property/casualty risk financing systems, such as self-insurance, that provide similar coverages. References in the standard to *risk transfer* should be interpreted to include risk financing systems that provide for risk retention in lieu of risk transfer.
- 1.3 Effective Date—This standard will be effective with respect to work performed after December 1, 1997.

##### Section 2. Definitions

The definitions below are defined for use in this actuarial standard of practice.

- 2.1 Commission and Brokerage Fees—Compensation to agents and brokers.
- 2.2 Expense Limitations—Legislative or regulatory rules that disallow or limit certain categories of expenses in determining rates.
- 2.3 General Administrative Expenses—All operational and administrative expenses (other than investment expenses) not specifically defined elsewhere in this section.
- 2.4 Loss Adjustment Expenses (LAE)—All expenses incurred in investigating and settling claims.
- 2.5 Other Acquisition Expenses—All costs, other than commission and brokerage fees, associated with the acquisition of business.
- 2.6 Policyholder Dividends—Nonguaranteed returns of premium or distributions of surplus.



- 2.7 Premium-Related Expenses—Those expenses that vary in direct proportion to premium, e.g., premium taxes. These expenses are sometimes referred to as *variable expenses*.
- 2.8 Rate—An estimate of the expected value of future costs.
- 2.9 Residual Market Provision—A provision for the entity's costs that represents its share of residual market profits or losses.
- 2.10 Statutory Assessment Provision—A provision for the entity's costs stemming from any mandated assessment.
- 2.11 Taxes, Licenses, and Fees—All taxes and miscellaneous fees except federal and foreign income taxes.

### Section 3. Analysis of Issues and Recommended Practices

- 3.1 Categorizing Expenses—The actuary should be familiar with the pertinent requirements for defining expenses, such as those prescribed in the *Instructions for Uniform Classification of Expenses*, published by the National Association of Insurance Commissioners (NAIC), or Regulation 30 of the New York State Insurance Department. The actuary should also be familiar with the entity's own methods of classifying and assigning expenses.
- 3.2 Determining Expense Provisions—The actuary should determine the provisions for loss adjustment expenses; commission and brokerage fees; other acquisition expenses; general administrative expenses; and taxes, licenses, and fees that are appropriate for the policies to be written or coverages provided during the time the rates are expected to be in effect. In addition, where appropriate, the actuary should consider subdividing the expense categories. Expense provisions should reflect the conditions expected during the time these policies or coverages are expected to be in effect and should include all expenses expected to be incurred in connection with the transfer of risk.

For expenses other than premium-related expenses, the actuary should consider estimating these expenses on a basis that is not directly proportional to premium, such as per policy, per coverage, a percentage of claim losses, or per unit of exposure. Studies or actuarial judgment may support such estimates.

- 3.3 Start-Up Costs—The actuary may amortize start-up or development costs using an appropriate amortization period.
- 3.4 Expense Trending—In determining the future expense components of the rate, the actuary should be guided by Actuarial Standard of Practice (ASOP) No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*.

- 3.5 Policyholder Dividends—The *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* of the Casualty Actuarial Society (CAS) classifies policyholder dividends as an expense to operations. When the actuary determines that policyholder dividends are a reasonably expected expense and are associated with the risk transfer, the actuary may include a provision in the rate for the expected amount of policyholder dividends. In making this determination, the actuary should consider the following: the company's dividend payment history, its current dividend policy or practice, whether dividends are related to loss experience, the capitalization of the company, and other considerations affecting the payment of dividends.
- 3.6 Residual Market and Statutory Assessment Provisions—The actuary should include a provision in the rate for any residual market costs or statutory assessments expected to occur during the period of time the rates are expected to be in effect. If these costs are assessed retrospectively, it may be appropriate to include a provision to recover these costs to the extent they were not included in previous rates.
- 3.7 Provision for Reinsurance—The actuary may elect whether to include the cost of reinsurance as an expense provision. If a provision for reinsurance is included, the actuary should consider the amount to be paid to the reinsurer; ceding commissions or allowances; expected reinsurance recoveries; and other relevant information specifically relating to cost, such as a retrospective profit-sharing agreement and reinstatement premiums between the reinsured and the reinsurer.

#### Section 4. Communications and Disclosures

- 4.1 Conflict with Law or Regulation—The rate filed with a regulator may differ from an actuarially determined rate because of expense limitations. If a law or regulation conflicts with the provisions of this standard, the actuary should develop a rate in accordance with the law or regulation, and disclose any material difference between the rate so developed and the actuarially determined rate to the client or employer.
- 4.2 Documentation—The actuary should be guided by the provisions of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*.
- 4.3 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such departures.

## Appendix 1

### Background and Current Practices

*Note:* This appendix is provided for informational purposes, but is not part of the standard of practice.

#### Background

Inflation—Prior to the relatively high inflation of the 1970s, a predominant ratemaking technique involved including expenses, other than loss adjustment expenses, as a percentage of premium. In doing so, it was assumed that the expense portion of the rate was subject to the same trend (usually very low) to which the loss and loss adjustment expense portions were subjected. However, higher levels of inflation had a rather significant impact on the expected change in the various components of the rate. By the 1970s, the assumption that the trend in expenses would approximate the trend in losses was being questioned. Although the actuarially determined loss trend may have been applied to the loss and loss adjustment expenses as usual, a separate analysis and trend may have been necessary to properly reflect the anticipated change in certain other expenses.

Expense Flattening—Expense flattening techniques assign expenses to policies or other units of exposure rather than in proportion to premium or losses. Thus, expense flattening is a procedure sometimes used to determine that portion of the rate that does not vary in direct proportion to premium or losses.

Expense Trending—Expense trending reflects how changes over time affect expenses. Over the years, separate trending of expenses has become a more common ratemaking technique. However, including expenses as a proportion of premium is still used.

Actuarial Literature—Although the property/casualty actuarial literature is relatively sparse on the topic of expense provisions in ratemaking, techniques for separately trending losses and expenses and alternatives to premium-related expense provisions have been included in such literature. Also included are discussions about the inappropriateness, in some cases, of assuming proportional expenses for administrative ease when, in fact, some expense categories do not vary in direct proportion to premium.

Regulation—Beginning in the late 1970s, some regulators have applied expense limitations in either limiting or disallowing certain expenses and in requiring expense flattening.

## Current Practices

Categories—Expenses other than investment expenses are generally divided into five broad categories to determine the expense component of the rate. These expenses are (1) loss adjustment expenses, (2) commission and brokerage fees, (3) other acquisition expenses, (4) general administrative expenses, and (5) taxes, licenses, and fees. Studies may be conducted to determine which expenses vary in direct proportion to premium, losses, number of policies, or other units of exposure, and which expenses may be independent.

Loss Adjustment Expenses—Loss adjustment expenses are generally of two types: allocated and unallocated. Allocated loss adjustment expenses (ALAE) are sometimes combined with and, thus, treated the same as, incurred losses (IL). ALAE are combined with unallocated loss adjustment expenses (ULAE) for some lines of business. ULAE may be expressed as a function of IL plus ALAE, but may also be expressed as a function of premium. For lines of business in which all loss adjustment expenses are combined, the loss adjustment expenses are generally expressed as a function of either IL or premium.

Commissions and Premium Taxes—Commissions and premium taxes are typically paid as a percentage of direct written premium. Such expenses are generally treated as premium-related expenses.

General Administrative Expenses and Other Acquisition Expenses—General administrative expenses and other acquisition expenses may be expressed as a function of premium; or may be partially related to premium, partially related to the number of policies, and partially related to the number of exposures.

Current Information—Historical expenses are generally analyzed in light of current relevant information to determine whether they will be representative of future costs.

Budgeted versus Historical Expenses—Because of the prospective nature of ratemaking, certain expenses, such as commissions, are generally based on budgets rather than determined from historical data.

Expense Trending—Historical expenses may be adjusted to reflect changes over time.

Residual Market and Statutory Assessment Provisions—Residual market costs and statutory assessments are often included as expenses. For those classes of business written in the voluntary market that caused the insurer to receive a share of the residual market, the residual market provision may be separately identified or embedded in the rate.

## Appendix 2

### Comments on the Exposure Draft and Subcommittee Responses

The proposed standard of practice was approved for release as an exposure draft in October 1994, with a comment deadline of March 15, 1995. Thirty-one comment letters were received and reviewed by the Subcommittee on Ratemaking of the ASB's Casualty Committee. Summarized below are the substantive issues raised and questions contained in the comment letters, printed in lightface. The subcommittee's responses to those issues appear in **boldface**.

Note also that, as mentioned in the transmittal memorandum to this standard of practice (see page vi), the ASB adopted on May 1, 1996, a new format for all actuarial standards of practice. Thus, the section numbers below refer to section numbers in the exposure draft, unless otherwise noted (some section numbers have remained the same).

#### Section 1. Purpose, Scope, and Effective Date

Section 1.1, Purpose—Several comments were received asking for clarification of the issues covered by the standard. **The subcommittee added the phrase *for property/casualty insurance ratemaking* to clarify that the standard is limited to ratemaking. Further, the section was revised to note that the subject of federal and foreign income taxes is clearly *excluded* by the standard. The subject of investment expenses was also specifically excluded since the subcommittee agreed that the subject should not be considered in this standard. One commentator questioned whether allocated loss adjustment expenses were included in the standard. The subcommittee revised the section to make it clear that all loss adjustment expenses are included in this standard.**

Section 1.2, Scope—A few commentators noted that this section is ambiguous in its use of examples. **The subcommittee modified the text to clearly note that the standard applies to all property/casualty coverages.**

#### Section 2. Definitions

Section 2.1, Allocated Loss Adjustment Expenses—**This definition was deleted since it is not used in the standard.**

Section 2.4, General Administrative Expenses (now section 2.3)—Several comments were received regarding reinsurance expenses. **The subcommittee added a new section, Provision for Reinsurance (see section 3.7), to discuss the treatment of reinsurance expenses. No changes were made to the definition of *general administrative expenses*.**

Section 2.5, Guaranty Fund Assessments (now section 2.10 and titled, Statutory Assessment Provision)—**The subcommittee developed a broader definition that refers to all statutory assessments in order to reflect guaranty fund assessments, and emerging statutory insurance and reinsurance mechanisms, such as the Florida Hurricane Catastrophe Fund, the Florida Windstorm Underwriting Association, and the California Earthquake**

**Authority, as well as various administrative and special fund expenses for which entities are assessed. The subcommittee also replaced the word *insurer* with *entity* to further broaden the application.**

**Section 2.8, Policyholder Dividends (now section 2.6)—One comment letter noted that this was a weak definition. Although the definition was slightly modified, the subcommittee believes that the revised definition is the most descriptive and definitive one available. The subcommittee deleted the phrase *charged to operations* at the end of the definition and added the phrase *or distributions of surplus*.**

**Section 2.9, Rate (now section 2.8)—No change was made. This definition is the same as the one found in the *CAS Statement of Principles Regarding Property and Casualty Insurance Ratemaking*.**

**Section 2.10, Residual Market Provision (now section 2.9)—Per comments received, the entire second sentence of the section was moved to section 4.9 of the exposure draft, which can now be found in appendix 1 under the title, Residual Market and Statutory Assessment Provisions.**

**Section 2.11, Taxes, Licenses, and Fees—Based on comments received and on an analysis of the insurance expense exhibit breakout, the subcommittee inserted the words *federal and foreign* before *income taxes* to make clear that state income, municipal, police department, fire department, etc., premium taxes should be considered.**

**Section 2.12, Unallocated Loss Adjustment Expenses—Some commentators noted that since some companies contract claim handling as a percentage of each claim cost, some types of claim costs could be classified as “allocated” for one company and “unallocated” for another. This definition was deleted since it is not used in the standard.**

**Section 2.13, Variable Expenses (now section 2.7 and titled Premium-Related Expenses)—One commentator suggested that this section be titled, Premium Variable Expenses. The subcommittee agreed in concept and changed the title to, Premium-Related Expenses.**

**Other commentators suggested that the standard define *nonvariable expenses*, since the term is used in section 4.8 (this section can now be found in appendix 1, Current Practices, with the title, Expense Trending) and section 5.4, Measurement Base. The subcommittee deleted use of this term. Thus, no definition is necessary. Expenses that are not related to premiums are treated in the second paragraph of section 3.2, Determining Expense Provisions, in this standard.**

### Section 3. Background and Historical Issues (Now in Appendix 1 under Background)

**Section 3.1, Inflation and Price Controls (this section can now be found in appendix 1 under the title, Inflation)—It was noted that *price controls* are not mentioned elsewhere in the section. This phrase was deleted. The subcommittee also modified the wording in the last sentence of the paragraph to make the application of the loss trend less restrictive.**

Section 3.2, Expense Flattening (this section can now be found in appendix 1)—It was suggested that the word *policies* be expanded to *policies or other units of exposure*. **The subcommittee agreed and made the modification. In addition, the wording in the last sentence was changed to make the definition of *expense flattening* more explicit.**

Section 3.3, Expense Trending (this section can now be found in appendix 1 under Background)—It was noted that the phrase *expense trending* does not need to be italicized. **The subcommittee deleted the italics and replaced *measures* with *reflects*, since expense trending is not a true measure of changes.**

Section 3.4, Actuarial Literature (this section can now be found in appendix 1)— **In the first sentence, the subcommittee replaced the word *expenses* with the phrase *expense provisions in ratemaking* to make it consistent with the subject of the standard of practice. In the last sentence, the wording was modified to be consistent with the section, Expense Flattening.**

Section 3.5, Regulation (this section can now be found in appendix 1)—It was suggested that the second sentence (*These expense limitations should be taken into account when establishing the premium rate filed with the regulator.*) reflects procedure rather than background. **The subcommittee deleted this sentence from the section, and modified the wording in section 4.1 of the standard to reflect this change.**

#### Section 4. Current Practices and Alternatives (Now in Appendix 1 under Current Practices)

Section 4.1, Categories (this section can now be found in appendix 1)—Suggestions included rearranging this section to remove the reference to specific loss adjustment expenses and inserting this reference into section 4.2. It was also suggested that the draft may be too limiting regarding current practice. **The subcommittee moved a portion of this section to the section directly below it (i.e., the old section 4.2, Loss Adjustment Expenses), and rewrote the remaining text to broaden the scope of current practice. Also, the word *special*, describing the studies that could be conducted, was deleted.**

Section 4.2, Loss Adjustment Expenses (this section can now be found in appendix 1)—It was suggested that the third and fourth sentences were inconsistent. **The subcommittee revised the third and fourth sentences of this section to clarify that unallocated expenses may be expressed as a function of premium.**

Section 4.3, Commissions and Premium Taxes (this section can now be found in appendix 1)—A concern was expressed that this section did not mention “truly variable commissions, e.g., ones that include profit-sharing based on loss ratios.” In addition, minor editorial changes were recommended. **The subcommittee is satisfied that this section is broad enough to allow the actuary to work with variable commissions. The editorial suggestions were adopted.**

Section 4.4, General Administrative Expenses and Other Acquisition Expenses (this section can now be found in appendix 1)—One commentator suggested that this section is inconsistent with sections 4.1 and 5.1 of the exposure draft. In addition, minor editorial suggestions were offered.

**The subcommittee does not agree that an inconsistency exists among the sections, but it did incorporate the suggested editorial changes.**

Section 4.5, Specific Jurisdiction versus Nationwide—Minor editorial changes were suggested. **After further consideration, the subcommittee concluded that this section was not necessary and deleted it.**

Section 4.8, Nonvariable Expenses (this section can now be found in appendix 1, Current Practices, with the title, Expense Trending)—Concern was expressed that this section restricts expense trending to only nonvariable expenses. It was also suggested that this section be broadened to include a discussion of the prospective treatment of expenses. **The subcommittee renamed this section Expense Trending, modifying the text to acknowledge that expenses may need to be adjusted to reflect changes over time.**

Section 4.9, Residual Market Provisions and Guaranty Fund Assessments (this section can now be found in appendix 1 with the title, Residual Market and Statutory Assessment Provisions)—A few comment letters requested making this section more general by removing references to *guaranty funds* and removing the reference to *state-specific residual market costs*. **The phrase *guaranty fund* was replaced with the term *statutory* in the title, and the phrase *state-specific* was eliminated from the section. The subcommittee also added language to identify an appropriate treatment of a residual market provision.**

#### Section 5. Analysis of Issues and Recommended Practices (Now Section 3)

Section 5.1, Categorizing Expenses (now section 3.1)—Concerns were expressed that requiring the actuary to be familiar with the *Instructions for Uniform Classification of Expenses* and with the entity's own methods of classifying expenses is too onerous. **This information (i.e., that contained in the NAIC publication and the entity's own methods) is important to the selection of an appropriate expense methodology. The section was left unchanged.** It was also suggested that the National Council on Compensation Insurance statistical plan be added to the list of expense definitions. **The subcommittee believes that the requirement to be "familiar with the entity's own methods" covers this issue.**

Section 5.2, Determining Expense Components (now section 3.2 and titled Determining Expense Provisions)—Several concerns were expressed about the discussion of ULAE and ALAE. Also, several comments requested that residual market costs be discussed in a separate section. **The discussion of ULAE and ALAE was deleted. Also, the subcommittee added a new section, Residual Market and Statutory Assessment Provisions (see section 3.6), and a new paragraph providing direction for handling expenses that do not vary directly with premium. This new paragraph replaces section 5.4 of the exposure draft.**

Section 5.3, Start-Up Costs (now section 3.3)—Comments were received that start-up costs should be more precisely defined. **The subcommittee believes that the determination of which costs are start-up costs and which are not should be made by the actuary in each unique situation. The subcommittee changed the language to include development costs, and made**



**other editorial changes, but did not think it appropriate to more explicitly define these costs.**

Section 5.4, Measurement Base—Several comment letters stated that the term *nonvariable expenses* needs to be defined. It was also suggested that the reference to *premium discounts or expense constants* be deleted. **As noted earlier regarding comments on section 5.2, the subcommittee deleted this section and moved the discussion of expenses that do not vary directly with premium to the second paragraph of section 3.2 of this standard.**

Section 5.5, Expense Trending (now section 3.4)—It was suggested that this section specifically identify the pertinent sections of ASOP No. 13, so that actuaries would not need to review the other standard of practice. **ASOP No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*, should be reviewed whenever an actuary is engaged in ratemaking. No changes were made to this section.**

Section 5.6, Policyholder Dividends (now section 3.5)—Concerns were expressed that this section is unclear as to when policyholder dividends are (or are not) associated with the transfer of risk. **The subcommittee rewrote this section for clarification and to provide additional guidance.**

Note, as well, that two new sections have been added: section 3.6, Residual Market and Statutory Assessment Provisions (see the comments above regarding section 5.2 of the exposure draft), and section 3.7, Provision for Reinsurance (see the comments above regarding section 2.4 of the exposure draft).

#### Section 6. Communications and Disclosure (Now Section 4)

Section 6.1, Conflict with Law or Regulation (now section 4.1)—It was suggested that the actuary should quantify the economic impact of any limitations or exclusions. It was also suggested that conflicts should be disclosed to the regulator, in addition to the client or employer. **The subcommittee revised this section to note that, if a law or regulation conflicts with the provisions of this standard, the actuary should develop a rate in accordance with the law or regulation, and disclose any material difference between the rate so developed and the actuarially determined rate to the client or employer. In those situations where the regulator is neither a client nor an employer, it could be inappropriate for an actuary to disclose information directly to the regulator. Thus, the section was modified accordingly.**

Section 6.2, Documentation—One comment letter suggested that this section should simply reference ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*. **The subcommittee made the suggested change.** The Subcommittee on Ratemaking of the Casualty Committee thanks everyone who took the time and made the effort to write comment letters. The input was helpful in developing the final standard.



**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 30**

**Treatment of Profit and Contingency Provisions and the Cost of  
Capital in Property/Casualty Insurance Ratemaking**

**Developed by the  
Task Force on Rate of Return of the  
Casualty Committee of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
July 1997**

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**(Doc. No. 057)**

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August 1997

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice No. 30

This booklet contains the final version of Actuarial Standard of Practice (ASOP) No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*.

#### First and Second Exposure Drafts

The first draft of this standard was exposed for review in October 1994, with a comment deadline of March 15, 1995. Thirty-one comment letters were received. The second draft of this standard was exposed for review in August 1996, with a comment deadline of December 2, 1996. Ten comment letters were received on the second exposure draft. (For a copy of either exposure draft, please contact the ASB office.) The Task Force on Rate of Return of the ASB's Casualty Committee reviewed and carefully considered all comments received on both exposure drafts. As was the case after the first exposure, the task force revised the second exposure draft after participating in many conference calls and listening to comments made during question-and-answer sessions held at various Casualty Actuarial Society (CAS) meetings.

#### Substantive Issues

Following the first exposure draft, the task force received a number of comment letters regarding the discussion of rates versus prices. Although several changes were made in the second exposure draft to more clearly indicate that the proposed standard intended only to address the evaluation of costs (i.e., rates), some of the commentators' letters on the second exposure draft still expressed confusion on this point. In response, the task force further revised several sections to make clear that the standard does not address considerations such as marketing goals, competition, and legal restrictions that may affect price.

In addition to the "rates versus prices" issue, several commentators questioned whether the cost of capital is truly equivalent for stock, mutual, and other insurance organizations. After extensive discussion, the task force changed the language of the standard to focus the practitioner on assessing the cost of capital as an opportunity cost and to recognize that all risk transfers have an opportunity cost. The task force also combined section 3.8 with section 3.2 to indicate that the cost of capital may differ for various capital providers due to their differing risk characteristics,

and that such differences play a role in assessing the cost of capital for a specific capital provider. (For a detailed discussion of the comments and the task force's responses to such, please see appendix 2 of this standard.)

The task force is grateful to the many individuals who contributed written comments or participated in the numerous discussions of the proposed standard at CAS meetings. The task force believes that the final standard benefitted significantly from this professional debate.

The ASB voted in July 1997 to adopt the final standard.

#### Task Force on Rate of Return of the Casualty Committee

Mark Whitman, Chairperson

David Appel	Claus S. Metzner
Robert A. Bailey	Michael J. Miller
Robert P. Butsic	Richard G. Woll
Steven G. Lehmann	

#### Casualty Committee of the ASB

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Steven G. Lehmann	Mark Whitman
Robert S. Miccolis	

#### Actuarial Standards Board

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## ACTUARIAL STANDARD OF PRACTICE NO. 30

# TREATMENT OF PROFIT AND CONTINGENCY PROVISIONS AND THE COST OF CAPITAL IN PROPERTY/CASUALTY INSURANCE RATEMAKING

### STANDARD OF PRACTICE

#### Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—According to the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* (hereafter the *Statement of Principles*) of the Casualty Actuarial Society, insurance rates should provide for the cost of capital through underwriting profit and contingency provisions. This standard of practice provides guidance to actuaries in estimating the cost of capital and evaluating underwriting profit and contingency provisions.
- 1.2 Scope—This standard of practice applies to all property/casualty insurance coverages. This standard also applies to property/casualty risk financing systems, such as self-insurance, that provide similar coverages. References in the standard to *risk transfer* should be interpreted to include risk financing systems that provide for risk retention in lieu of risk transfer. Further, as is true of the *Statement of Principles*, this standard is limited to defining a *rate* as the estimation of future *costs* and does not address other considerations that may affect a *price*, such as marketing goals, competition, and legal restrictions.
- 1.3 Effective Date—This standard will be effective with respect to work performed after December 1, 1997.

#### Section 2. Definitions

The definitions below are defined for use in this actuarial standard of practice.

- 2.1 Capital—The funds intended to assure payment of obligations from insurance contracts, over and above those funds backing the liabilities.
- 2.2 Contingency Provision—A provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process.
- 2.3 Cost of Capital—The rate of return that capital could be expected to earn in alternative investments of equivalent risk; also known as *opportunity cost*.

- 2.4 Insurance Cash Flows—Funds from premiums and miscellaneous (non-investment) income from insurance operations, and payments for losses, expenses, and policyholder dividends. Associated income taxes are recognized when the analysis is on a post-tax basis.
- 2.5 Insurance Risk—The extent to which the level or timing of actual insurance cash flows is likely to differ from expected insurance cash flows.
- 2.6 Investment Income—Proceeds (other than the return of principal) derived from the investment of assets, minus investment expenses. Associated income taxes are recognized when the analysis is on a post-tax basis.
- 2.7 Investment Income from Insurance Operations—The income associated with the investment of insurance cash flows. (This is sometimes referred to as *investment income on policyholder-supplied funds*.)
- 2.8 Investment Risk—The extent to which the level or timing of actual investment proceeds is likely to differ from what is expected.
- 2.9 Leverage—A measure of the relative amount of risk to which capital is exposed, typically expressed as the ratio of an exposure measure (such as premium or liabilities) to the capital amount.
- 2.10 Operating Profit—The sum of underwriting profit, miscellaneous (non-investment) income from insurance operations, and investment income from insurance operations. Associated income taxes are recognized when the analysis is on a post-tax basis.
- 2.11 Rate—An estimate of the expected value of future costs.
- 2.12 Total Return—The sum of operating profit and investment income on capital, usually after income taxes, often expressed in percentage terms.
- 2.13 Underwriting Expenses—All expenses except losses, loss adjustment expenses, investment expenses, policyholder dividends, and income taxes.
- 2.14 Underwriting Profit—Premiums less losses, loss adjustment expenses, underwriting expenses, and policyholder dividends.
- 2.15 Underwriting Profit Provision—The provision for underwriting profit in the actuarially developed rate, typically expressed as a percentage of the rate.



### Section 3. Analysis of Issues and Recommended Practices

- 3.1 Estimating the Cost of Capital and the Underwriting Profit Provision—Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after taking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

For historical and practical reasons, this standard separately discusses the underwriting profit provision, investment income from insurance operations, and investment income on capital. The actuary should keep in mind that evaluation of whether the cost of capital is appropriately recognized does not necessarily require these distinctions.

- 3.2 Basis for Cost of Capital Estimates—In estimating the cost of capital, the actuary should consider the relationship between risk and return. The methods used for estimating the cost of capital should reflect the risks involved in the risk transfer under consideration. These risks may include insurance, investment, inflation, and regulatory risks, as well as diversification, debt structure, leverage, reinsurance, market structure, and other appropriate aspects of the social, economic, and legal environments.

Thus, the cost of capital is likely to vary from one insurer to another. The actuary should recognize that the capital which is needed to support any risk transfer has an opportunity cost regardless of the source of capital or the structure of the insurer.

- 3.3 Estimates of Future Costs—Since all components of a rate should be estimates of future costs relating to the risk transfer during the prospective period of time to which the rate applies, capital costs, investment income, income taxes, cash flows, and leverage factors used in calculating the profit provision should all be based on expected future values.
- 3.4 Parameters of the Risk Transfer —The actuary should recognize that the cost of capital associated with an individual risk transfer may vary, based on the specific parameters of the transfer. To the extent that deductibles, dividend or return of premium plans, reinsurance, etc., affect the risk of the insurer, the cost of capital and the amount of capital needed to support the transaction may be affected.
- 3.5 Investment Income—There are two elements of investment income that the actuary should consider: investment income from insurance operations and investment income on capital.

The actuary should assess the investment risk, since the amount and cost of capital should reflect investment risk as well as the risk associated with the insurance cash flows. Investment risk addresses the cost of default, reinvestment risk, and other investment uncertainties. Such risks can result in a significantly different yield than the stated yield rate.

Any of several general approaches may be used by the actuary to estimate investment income, as long as the assumptions are reasonable and appropriate. The investment yield rates used should be appropriate for the cash flow patterns associated with the coverages under consideration. If historical balance sheet and cash flow data are used to project investment income, the data should be adjusted to represent future investment income from the associated coverages.

The actuary may use any of a number of methods for recognizing investment income from insurance operations. Two such approaches are as follows:

- a. Methods that estimate investment income based on projected insurance cash flows. The insurance cash flows are projected for each future period, and the expected investment yield rate appropriate for each future period is applied to the insurance cash flow for that period. The investment yield rates should be appropriate for the cash flow patterns associated with the coverages under consideration.
  - b. Methods that apply an expected investment yield rate to assets representing the liabilities for losses, loss adjustment expenses, and unearned premium net of agents' balances and prepaid expenses. If historic liability-to-premium relationships are used, they should be adjusted to reflect expected future relationships between liabilities and premiums. The actuary should also consider, for example, the effects of growth, changes in expected loss or expense patterns, and the effect of the delayed receipt of investment income. The investment yield rate selected should represent the expected investment yield for the insurer during the period the rates are expected to be in effect.
- 3.6 Income Taxes—To the extent income taxes are not included in the expense provision, the actuary should use provisions for expected income taxes that are consistent with the earnings expected from the insurance transaction being evaluated.
- 3.7 Contingency Provision—The actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.

While the estimated costs are intended to equal the average actual costs over time, differences between the estimated and actual costs of the risk transfer are to be expected in any given year. If a difference persists, the difference should be reflected in the ratemaking calculations as a contingency provision. The contingency provision is not

intended to measure the variability of results and, as such, is not expected to be earned as profit.

- 3.8 Use of Different Bases—The cost of capital can be expressed as a percentage of capital, a percentage of assets, a percentage of premium, or other appropriate base. The actuary may choose any such appropriate base. Actuaries may use different bases, which can be converted from one to another. Regardless of which base is used to reflect the cost of capital, the actuary should clearly identify the base used and should document the relevant assumptions.
- 3.9 Accounting Rules for Comparing the Cost of Capital—The accounting rules employed within any model should be internally consistent. When comparing one industry with another, the actuary should make any necessary adjustments so that costs of capital of industries with different accounting methods can be properly compared.

#### Section 4. Communications and Disclosures

- 4.1 Conflict with Law or Regulation—If a law or regulation conflicts with the provisions of this standard, the actuary should develop a rate in accordance with the law or regulation, and disclose any material difference between the rate so developed and the actuarially determined rate to the client or employer.
- 4.2 Documentation—The actuary should be guided by the provisions of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*.
- 4.3 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such departures.

## Appendix 1

### Background and Current Practices

*Note:* This appendix is provided for informational purposes, but is not part of the standard of practice.

#### Background

Historical Procedures—Until the 1970s, it was common practice to include in rate calculations a standard underwriting profit and contingency provision of 2.5% for workers compensation insurance and 5% for other property/casualty lines of insurance (6% for some property lines). These provisions did not explicitly reflect investment income, since there was general agreement at the time that these standard provisions implicitly reflected investment income and insurance risk in a reasonable fashion. However, economic and structural changes in the insurance industry over time began to lead to the explicit recognition of investment income in calculating insurance rates.

Historical Issues—A number of issues have historically accompanied the development and evaluation of the underwriting profit and contingency provisions: (1) how to measure risk and reflect it in the underwriting profit provision, (2) how or whether to measure any systematic variation from expected costs and reflect it in the contingency provision, (3) which accounting rules should be used to measure insurance returns and to compare them with returns in other industries, (4) how or whether to allocate investment income and capital, and (5) how to relate underwriting profit provisions in rates to the cost of capital.

Role of Capital—Capital plays several roles in an insurance transaction, including providing the initial investment in physical plant and equipment and providing working capital. However, the primary role is to assure payment of obligations from insurance contracts, over and above those funds backing the liabilities.

Capital has a value and its use entails a cost. The cost is the expected return the capital could earn in alternative investments of equivalent risk. Judicial decisions dealing with the cost of capital and profit provisions (see, e.g., *Federal Power Commission v. Hope Natural Gas*, 320 U.S. 591 (1944)) provide background and definitions for the determination of the cost of capital in a regulatory setting.

Role of the Underwriting Profit Provision—The underwriting profit provision, together with all other cost and revenue components as defined in section 2.12, provides the risk taker with an expected total return to cover the cost of capital.

Role of the Contingency Provision—A common assumption underlying property/casualty insurance ratemaking is that the expected costs included in the rate calculations will equal the actual costs over the long run. If not, and the expected difference cannot be explicitly attributed

to a specific component of the rate (and thereby eliminated), then this difference is incorporated in the ratemaking process by including a contingency provision.

### Current Practices

A method commonly used to develop or test the underwriting profit provision in insurance rates is to estimate the cost of capital and translate that cost into an underwriting profit provision. Some methods currently used to estimate the cost of capital, and financial models to relate that cost to the underwriting profit provision, are described below.

Underwriting profit provisions can also be developed using models that do not directly relate the cost of capital to the underwriting profit provision. Some of these models are also described below.

Inclusion of a particular model in this appendix should not be interpreted as an endorsement, but rather a recognition that such a model is used. Some applications of these models may not be consistent with section 3 of this standard.

Estimating the Cost of Capital—Several techniques are used to estimate the cost of capital. These include, but are not limited to, the following:

1. **Comparable Earnings Model**—The comparable earnings model is used to analyze historical returns on equity for entities or industries of comparable risk. The cost of capital is related to the average rate of return over a historical period.
2. **Discounted Cash Flow Model**—One form of the discounted cash flow (DCF) model, the dividend discount model, is used to analyze the current prices and dividend levels of publicly traded securities that pay dividends. The cost of capital is calculated as the sum of the expected first-year dividend yield plus the expected annual growth rate in dividends.
3. **Risk Premium Model**—The risk premium model is used to analyze the spread in returns for investments of different risk. The cost of capital is estimated as the sum of the expected return on a reference investment plus a margin to reflect relative risk. One widely used form of risk premium analysis is known as the capital asset pricing model (CAPM), in which the reference security is a risk free Treasury security, and the risk margin is determined using a measure of risk known as *beta*, defined as the covariance of an investment's return with returns in capital markets as a whole.

Relating the Cost of Capital to the Underwriting Profit Provision—This section describes various models currently used regarding the relation of the cost of capital to the underwriting profit provision.

1. Models that directly develop an underwriting profit provision are as follows:

- a. Net Present Value Model—The net present value (NPV) model is used to discount the estimated net cash flow to the capital provider at a rate equal to the cost of capital. For the purpose of these calculations, *net cash flow* is defined as the residual amounts of cash that flow to and from the equity account, after all policy obligations are met. The net cash flow reflects the timing of each of the individual cash flows, including the commitment and release of capital in support of the insurance transaction. The internal rate of return (IRR) model, a specific application of the general NPV model, uses an iteration technique to calculate the rate(s) of return that will set the net present value of a risk transfer's cash inflows and outflows equal to zero.
  - b. Other Discounting Models—Other discounting models can be used to estimate the present value of the individual cash flows from the insurance transaction. The present value of the premium and miscellaneous (non-investment) income, before profit, is set equal to the present value of the associated losses, expenses, policyholder dividends, and income taxes. The present values are estimated using appropriate prospective investment yield rates. A margin can be added to the present value of the premium so that the margin plus the expected investment income on capital generate a post-tax return that, when divided by the required capital, equals the cost of capital.
  - c. Total Financial Needs Model—Total financial needs models are used to develop the underwriting profit provision such that the sum of underwriting profit, miscellaneous (non-investment) income, investment income from insurance operations, and investment income on capital, after income taxes, will equal the cost of capital. Each of these components is explicitly quantified.
2. Models that do not directly relate the cost of capital to the underwriting profit provision are as follows:
- a. State X Model—The State X model (originally appearing in some Insurance Services Office, Inc. rate filings as the *State X method*) is used to estimate the investment income from insurance operations. The method does not, in itself, allow for development of the total return or of a profit provision; it is used merely to develop one component of the total rate of return—the estimated investment income from insurance operations.
  - b. Risk Adjusted Net Present Value Model—The risk adjusted net present value (RANPV) model is used to estimate the risk adjusted present value of the insurance cash flows. Each of the flows is analyzed for its specific risk, and the otherwise attainable prospective investment yield rate is adjusted by the risk component prior to calculating the present value. Using the RANPV model, one calculates the premium directly, so that the risk adjusted present value of the premium and miscellaneous (non-investment) income equals the risk adjusted present value of the losses, expenses, policyholder dividends, and associated in-

come taxes. The expected underwriting profit in the premium can be derived from the RANPV model by summing all components using their undiscounted values.

- c. **Growth Requirement Model**—The growth requirement model is used to set the level of retained earnings based on the expected future growth rate of the entity or industry.
- d. **Additional Models**—Other models that do not directly relate the cost of capital to the underwriting profit provision include options pricing models, arbitrage pricing models, models based on ruin theory, models based on utility theory, and shareholder value models.

Developing and Evaluating a Contingency Provision—Contingency provisions have been developed in practice using methods that measure differences between expected and actual costs.

## Appendix 2

### Comments on the 1996 Second Exposure Draft and Task Force Responses

The second draft of this standard was exposed for review in August 1996, with a comment deadline of December 2, 1996. Ten comment letters were received and reviewed carefully by the Task Force on Rate of Return of the ASB's Casualty Committee. Summarized below are the significant issues and questions contained in the comment letters, printed in lightface. The task force's responses appear in **boldface**.

#### General Observations

Of the ten comment letters received on the second exposure draft, most of the comments were favorable. Even those commentators who provided suggestions for changes seemed pleased with the overall direction the task force took in developing the second exposure draft. Samples of such satisfaction were found in comments such as follows: "I think this is an example of the type of standards that the profession should be developing," "[t]his draft represents an overall improvement over the initial exposure draft," and "the [task force] has taken great pains in carefully defining many critical concepts that our standards omit today." Most of the suggestions for revising text were to further clarify concepts already present within the second exposure draft.

However, it was also evident from the comments that some confusion still exists surrounding the "rate versus price" issue. For example, one commentator believes that the standard should not limit actuarial practice in setting profit margins that are either explicit or implicit in actual prices in the marketplace. The commentator further raises potential legal issues were the actuarial profession to engage in limiting actuarial practice in this area. **The task force agrees with the commentator that the standard does not apply to final (market) prices—the standard is entirely focused on the evaluation of costs. In fact, the task force has consistently and consciously focused on costs (not on prices) in its deliberations in consideration of the legal environment and has obtained competent legal advice as appropriate.**

The commentator also questions whether a consensus on acceptable actuarial practice currently exists in this area. **The task force believes such consensus exists and is embodied in the standard. The current syllabus upon which actuarial examinations are based is one indicator that a consensus exists. The extensive presentations and discussions of the proposed standard at Casualty Actuarial Society (CAS) meetings and seminars is another indication that such a consensus exists.**

#### Section 1. Purpose, Scope, and Effective Date

Section 1.1, Purpose—One commentator thought that the use of the phrase *include the cost of capital* in the first sentence of this section implied that the *Statement of Principles Regarding*



*Property and Casualty Insurance Ratemaking* of the CAS requires that an explicit provision for the cost of capital be included in rates. **The task force revised the text by replacing *include* with *provide for* to more closely match its understanding of the *Statement of Principles*.**

Section 1.2, Scope—**The task force revised this section to more clearly distinguish between *rate* and *price*. In addition, the task force added language to clarify that the standard applies to property/casualty risk financing systems, such as self-insurance.**

## Section 2. Definitions

Section 2.2, Contingency Provision—One commentator suggested clarifying the language in this section to note that, in addition to quantification, a contingency provision might be provided for in other ways. **The task force reworded the section, making it more consistent with section 3.7.** Another commentator questioned the definition's lack of consideration of the potential variance in results. **The task force did not expand the definition, since it believes that the profit provision more appropriately should reflect variance in results.**

Section 2.3, Cost of Capital—Two commentators suggested changes. One suggested inclusion of specific components in the definition; the second suggested that *cost of capital* be defined as the *cost of capital desired by the capital provider*. **The task force did not modify the definition, as section 3.2 references a number of influences on the cost of capital. The task force did, however, revise section 3.2 by including additional explanatory language and believes these revisions to section 3.2 address the concerns raised by the second commentator.**

Section 2.4, Insurance Cash Flows—One commentator suggested changing the title of this section to Net Insurance Cash Flows, while another suggested referencing the treatment of taxes directly rather than indirectly. **The task force modified the language to clarify that miscellaneous (non-investment) income is from insurance operations. The revised section 2.4 also presents the components of insurance cash flow as items in a list to avoid the appearance of a calculation and directly references the treatment of income taxes.**

Section 2.6, Investment Income—Two commentators suggested clarifying the language with respect to the treatment of income taxes. **The task force adopted the suggestions and also adopted consistent language in sections 2.4 and 2.10.**

Section 2.8, Investment Risk—Two commentators pointed out an inconsistency in the usage of the terms *proceeds* and *income* in other definitions. **The task force clarified the text by using the term *proceeds* consistently.**

Section 2.10, Operating Profit, and Section 2.13, Underwriting Profit (now sections 2.10, Operating Profit; 2.13, Underwriting Expenses; and 2.14, Underwriting Profit)—Three commentators questioned the usage of the terms included (or excluded) in these definitions. There also appeared to be some confusion as to which expense items were included in the term *expenses*. **After careful review and discussion of the comments, the task force made changes in these definitions and added a new section (2.13, Underwriting Expenses). The intent of**

**the commentators was incorporated in the three definitions, and the task force believes the revisions achieve the clarity and consistency suggested. These definitions are consistent with the categories used in the underwriting and investment exhibit statement of income in the National Association of Insurers Commissioners (NAIC) annual statement blank for property and casualty insurers. Specifically, the definition of *underwriting profit* is consistent with the definition of *net underwriting gain (or loss)* from the NAIC statement blank.**

Section 2.12, Total Return—One commentator suggested that the definition include some examples of commonly used bases of total return. **The task force did not make any changes, since it believes the definition is clear as stated.**

### Section 3. Analysis of Issues and Recommended Practices

Section 3.1, Estimating the Cost of Capital and the Underwriting Profit Provision—One commentator wanted to change the beginning of the third sentence of this section from *Similarly* to *Alternatively*. **The task force made the change.**

Section 3.2, Basis for Cost of Capital Estimates—One commentator suggested that in the second sentence, the phrase *business activity* be changed to *risk transfer*. **The task force made this change.** Another commentator suggested adding *currency* to the list of risks included and noted that the list could be construed as “limiting or as a checklist of specific requirements.” **The task force disagrees. Since the types of risk to consider are many and diverse, the task force believes that it is necessary to provide a reasonable set of examples. The language of the standard (i.e., *These risks may include*) clearly indicates that the list is not exhaustive.**

Another commentator suggested that the reference to the *Hope Natural Gas* case be placed in the background section, i.e., in appendix 1. **The task force agrees and moved the reference accordingly (see the section titled, Role of Capital).**

**Note as well that a new paragraph was added to section 3.2 (see the discussion below regarding comments received on section 3.8).**

Section 3.3, Estimates of Future Costs—Several commentators disagreed that capital costs should be based upon expected future values, since the cost is dependent on the risk or variability to which it is exposed. **The task force agrees that risk or variability is an element of capital costs. Risk or variability is appropriately considered in deriving the expected value; therefore, no change in the language used is necessary.**

Section 3.4, Risk Sharing (now titled Parameters of the Risk Transfer)—One commentator suggested that the title of this section should be changed, noting that insurance is a risk transfer device, and not a risk sharing device. This commentator also suggested alternative wording to clarify the roles of the two main parties to the insurance transaction: the insured and the insurer. **The task force agrees with the commentator and rewrote the section to indicate that the cost of capital may vary with the specific parameters of the risk transfer.**

Another commentator noted that deductibles, limits, etc., affect the *structure* of the risk transfer rather than the parties involved. **The task force agrees that these factors affect the structure of the risk transfer and believes that the revised language addresses this concern.**

Section 3.5, Investment Income—One commentator suggested a revised second sentence in paragraph two as follows: *Investment risk includes the estimated cost of default and reinvestment risk on the assets associated with the proposed transaction, since such costs can result in a significantly different yield than the stated yield rate.* **The task force agrees with the commentator and changed the text to be substantially similar to the suggested revision.**

This commentator also suggested revising paragraph (b) to add *retention of business* as a subject for the actuary's consideration. **The task force agrees that retention of business may be a consideration, but the standard is not intended to provide an exhaustive list of considerations. The phrase *for example* was added to clarify that the section does not provide a complete list.**

Section 3.6, Income Taxes—One commentator suggested adding the following sentence: *The income tax position of the risk assuming entity, such as tax loss carry forwards, and alternative minimum taxes, may also be relevant to accepting or rejecting the proposed risk transfer.* **The task force disagrees with this suggestion, because it believes this suggestion addresses considerations that are not relevant to the cash flows for the risks being transferred. Therefore, no change was made.**

Section 3.7, Contingency Provision—One commentator suggested adding a sentence which would state that the actuary need not explicitly identify the contingency provision separate from the profit provision, and that the contingency provision is not intended as a risk margin for catastrophic events. **The task force believes the definition of *contingency provision* makes it clear that it is *not* a risk margin for catastrophic events. The task force disagrees that a contingency provision can implicitly be combined with a profit provision, because the two provisions are distinctly different, both subject to explicit determination.**

Another commentator suggested that the use and meaning of a contingency provision was unclear and needed to be clarified in the standard. **The task force believes that, with the clarifying changes made to the second paragraph of this section, the standard adequately explains the use of the contingency provision as a correction factor when the ratemaking process has produced in the past, and is expected to produce in the future, cost estimates not equal to average actual costs.**

Section 3.8, Structure of Insurer—This section of the second exposure draft addressed the structure of the insurer, such as stock, mutual, etc. Several commentators expressed concern that the requirements of the capital providers should be taken into account when considering the cost of the insurance product, and that non-stock organizations might have different requirements than stock companies. One commentator specifically suggested making a greater distinction between the cost of capital and the desired return on capital. **The task force rewrote the text of this section to place greater emphasis on the economic concept of *opportunity cost*, which**

refers specifically to the value of capital in its next best alternative use. Under this definition, the proper cost of capital is the return that the capital could earn in an alternative investment of equivalent risk. The task force does not believe that this differs depending on the ownership structure (i.e., stock, mutual, or other) of the insurer per se. However, as discussed in section 3.4, the actuary's estimate of the cost of capital should reflect characteristics of the risk transfer that may arise due to ownership structure (such as, for example, the availability of policyholder dividends). Note, in addition, that the text of this section was moved to section 3.2 in order to enhance clarity.

One commentator who questioned section 3.8 also wished to add to the standard a new section, which would read as follows:

*Several of the models used for estimating the underwriting profit provision also permit the actuary to rank potential risk transfer undertakings. An actuary should be prepared to rank the risk versus the reward (the total return, from underwriting and from investment income) for various scenarios involving the allocation of capital towards a certain line of insurance or a specific product.*

The commentator's rationale for this suggestion is that "the actuary of the future may often be called upon to estimate not only the reward (the total return from allocating capital towards a certain line of insurance or a specific product), and not only the associated risk, but also to rank several risk/reward scenarios for a client or employer." **The task force agrees that an actuary can be asked to estimate and rank various risk/reward scenarios for a client or an employer. However, the task force thinks that while this is implicit in the role an actuary plays, the matter is beyond the scope of the standard.**

#### Appendix 1—Background and Current Practices

**Role of the Underwriting Profit Provision—**One commentator found the references to *all other cost and revenue components* too vague. **The task force agrees that the reference is not precise, but the next clause of the sentence refers to total [rate of] return, which is precisely defined in section 2.12. Hence, no change was made.**

**Estimating the Cost of Capital—**One commentator suggested adding a parenthetical phrase, (*generally a risk free investment*), to the description of the risk premium model (in the second sentence of item (3), after the phrase, *reference investment*). **The task force disagrees with this change. In the typical (perhaps the most common) implementation of the risk premium method, the reference security is a long-term utility bond, which is not risk free. Thus, the second sentence was left unchanged. However, the task force did modify the next sentence as follows: *One widely used form of risk premium analysis is known as the capital asset pricing model (CAPM), in which the reference security is a risk free Treasury security, and the risk margin is determined...* This correctly identifies that in the CAPM variant of risk premium analysis, the reference security is risk free.**

Relating the Cost of Capital to the Underwriting Profit Provision—One commentator expressed concern about the use of the singular *rate* in the last sentence of the section that discusses the net present value model, and another suggested alternative wording for clarity, in the definition of the IRR model. **The task force changed *rate* to *rate(s)*, and adopted the proposed wording to note that the IRR calculates the rate(s) of return by setting the net present value of a risk transfer's cash inflows and outflows equal to zero.**

The task force thanks everyone who took the time and made the effort to write comment letters. The input was helpful in developing the final standard.

**North Carolina Rate Bureau  
Data Reviewed**

<u>Rate Element</u>	<u>Type of Data</u>	<u>Number of Years Reviewed</u>
<b><i>Loss Provision:</i></b>		
BI, PD, Med Pay, UM	Accident Year	3
Comprehensive, Collision	Calendar Year	3
Motorcycles	Calendar Year	3
BI – Increased Limits	Accident Year	3
PD – Increased Limits	Accident Year	3
<b><i>Loss Adjustment Factors:</i></b>		
Loss Trends (except UM and UIM)	Calendar Year	6.75
Loss Trends – UM	Accident Year	12
Loss Trends – UIM	Accident Year	8
Loss Development	Accident Year	14
Catastrophe Losses - Comprehensive	Calendar Year	30
<b><i>Rating Exposure Trends:</i></b>		
Symbol Trend	Calendar Year	4.5
Model Year Trend	Model Year	10
<b><i>Expenses:</i></b>		
ULAE	Calendar Year	3
General	Calendar Year	3
Other Acquisition	Calendar Year	3
Taxes, Licenses, & Fees	Calendar Year	3
Expense Trends	Calendar Year	4
<b><i>Other Factors:</i></b>		
Territory Rating Factors	Calendar Year	3
Dividends	Calendar Year	6
Capital Gains	Calendar Year	10
Installment Income	Calendar Year	10

Personal Auto  
North Carolina

Test of Responsiveness  
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Pure Premium			Difference		
		Latest Year	3-Year Average	Actual Next Year	Latest Year	3-Year Average	1-Year Better?
Bodily Injury	1995	\$88.55	\$80.67	\$88.97	-0.005	-0.093	Yes
	1996	88.97	85.20	88.53	0.005	-0.038	Yes
	1997	88.53	85.57	84.91	0.043	0.008	No
	1998	84.91	85.25	86.45	-0.018	-0.014	Tie
	1999	86.45	86.47	80.46	0.074	0.075	Tie
	2000	80.46	82.69	78.95	0.019	0.047	Yes
	2001	78.95	79.41	72.88	0.083	0.090	Yes
	2002	72.88	76.23	73.12	-0.003	0.043	Yes
	2003	73.12	75.78	75.01	-0.025	0.010	No
	2004	75.01	74.97	103.18	-0.273	-0.273	Tie
	2005	103.18	103.81	105.12	-0.018	-0.012	No
	2006	105.12	106.33	103.29	0.018	0.029	Yes
	2007	103.29	106.30	106.81	-0.033	-0.005	No
2008	106.81	107.12	108.11	-0.012	-0.009	Tie	
2009	108.11	107.23					
	Average Absolute Value				0.045	0.053	6/4/4
Property Damage	1995	\$57.16	\$51.98	\$64.73	-0.117	-0.197	Yes
	1996	64.73	58.40	70.44	-0.081	-0.171	Yes
	1997	70.44	64.11	75.30	-0.065	-0.149	Yes
	1998	75.30	69.94	76.61	-0.017	-0.087	Yes
	1999	76.61	74.95	79.53	-0.037	-0.058	Yes
	2000	79.53	77.98	82.38	-0.035	-0.053	Yes
	2001	82.38	79.81	82.36	0.000	-0.031	Yes
	2002	82.36	81.08	79.93	0.030	0.014	No
	2003	79.93	81.30	79.61	0.004	0.021	Yes
	2004	79.61	80.54	100.77	-0.210	-0.201	No
	2005	100.77	99.65	98.66	0.021	0.010	No
	2006	98.66	99.82	99.39	-0.007	0.004	Tie
	2007	99.39	100.27	101.63	-0.022	-0.013	No
2008	101.63	101.01	101.14	0.005	-0.001	No	
2009	101.14	100.74					
	Average Absolute Value				0.047	0.072	8/5/1

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

**Personal Auto  
North Carolina**

**Test of Responsiveness  
Loss and LAE Per Exposure**

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Pure Premium</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Average</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Average</u>	<u>1-Year Better?</u>
<b>Med Pay</b>	1995	\$18.63	\$17.40	\$19.09	-0.024	-0.089	Yes
	1996	19.09	18.43	19.52	-0.022	-0.056	Yes
	1997	19.52	19.11	19.32	0.010	-0.011	Tie
	1998	19.32	19.44	18.90	0.022	0.029	Yes
	1999	18.90	19.52	18.14	0.042	0.076	Yes
	2000	18.14	18.99	18.76	-0.033	0.012	No
	2001	18.76	18.89	18.48	0.015	0.022	Yes
	2002	18.48	18.76	18.63	-0.008	0.007	Tie
	2003	18.63	18.78	19.65	-0.052	-0.044	No
	2004	19.65	19.10	22.55	-0.129	-0.153	Yes
	2005	22.55	22.49	22.18	0.017	0.014	Tie
	2006	22.18	22.66	21.69	0.023	0.045	Yes
	2007	21.69	22.16	22.20	-0.023	-0.002	No
	2008	22.20	21.66	21.89	0.014	-0.011	Tie
2009	21.89	21.57					
Average Absolute Value					0.031	0.041	7/3/4

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005



Personal Auto  
North Carolina

Test of Responsiveness  
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Pure Premium			Difference		
		Latest Year	3-Year Average	Actual Next Year	Latest Year	3-Year Average	1-Year Better?
Comprehensive	1995	\$53.51	\$45.73	\$50.07	0.069	-0.087	Yes
	1996	50.07	48.78	54.43	-0.080	-0.104	Yes
	1997	54.43	52.14	68.31	-0.203	-0.237	Yes
	1998	68.31	57.90	62.11	0.100	-0.068	No
	1999	62.11	62.16	67.20	-0.076	-0.075	Tie
	2000	67.20	66.50	72.04	-0.067	-0.077	Yes
	2001	72.04	67.67	72.96	-0.013	-0.073	Yes
	2002	72.96	71.25	64.01	0.140	0.113	No
	2003	64.01	69.72	70.12	-0.087	-0.006	No
	2004	70.12	68.92	82.40	-0.149	-0.164	Yes
	2005	82.40	76.97	67.98	0.212	0.132	No
	2006	67.98	75.81	64.57	0.053	0.174	Yes
	2007	64.57	71.69	71.48	-0.097	0.003	No
2008	71.48	68.10	68.04	0.051	0.001	No	
2009	68.04	68.37					
	Average Absolute Value				0.100	0.094	7/6/1
Collision	1995	\$100.93	\$93.18	\$111.48	-0.095	-0.164	Yes
	1996	111.48	99.66	120.20	-0.073	-0.171	Yes
	1997	120.20	109.69	134.71	-0.108	-0.186	Yes
	1998	134.71	122.20	131.24	0.026	-0.069	Yes
	1999	131.24	128.89	132.67	-0.011	-0.028	Yes
	2000	132.67	132.90	142.02	-0.066	-0.064	Tie
	2001	142.02	135.19	148.69	-0.045	-0.091	Yes
	2002	148.69	141.18	139.71	0.064	0.011	No
	2003	139.71	143.53	147.55	-0.053	-0.027	No
	2004	147.55	145.22	165.06	-0.106	-0.120	Yes
	2005	165.06	166.37	161.20	0.024	0.032	Yes
	2006	161.20	165.94	159.64	0.010	0.039	Yes
	2007	159.64	162.24	160.11	-0.003	0.013	Yes
2008	160.11	160.76	160.09	0.000	0.004	Tie	
2009	160.09	161.04					
	Average Absolute Value				0.049	0.073	10/2/2

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

Personal Auto  
North Carolina

Test of Responsiveness  
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Pure Premium			Difference		
		Latest Year	3-Year Wtd. Avg.	Actual Next Year	Latest Year	3-Year Wtd. Avg.	1-Year Better?
Bodily Injury	1995	\$88.55	\$83.10	\$88.97	-0.005	-0.066	Yes
	1996	88.97	86.34	88.53	0.005	-0.025	Yes
	1997	88.53	86.40	84.91	0.043	0.018	No
	1998	84.91	85.23	86.45	-0.018	-0.014	Tie
	1999	86.45	86.38	80.46	0.074	0.074	Tie
	2000	80.46	82.02	78.95	0.019	0.039	Yes
	2001	78.95	79.13	72.88	0.083	0.086	Tie
	2002	72.88	75.32	73.12	-0.003	0.030	Yes
	2003	73.12	74.95	75.01	-0.025	-0.001	No
	2004	75.01	74.80	103.18	-0.273	-0.275	Tie
	2005	103.18	103.72	105.12	-0.018	-0.013	No
	2006	105.12	106.07	103.29	0.018	0.027	Yes
	2007	103.29	105.45	106.81	-0.033	-0.013	No
	2008	106.81	106.97	108.11	-0.012	-0.011	Tie
2009	108.11	107.54					
	Average Absolute Value				0.045	0.049	5/4/5
Property Damage	1995	\$57.16	\$53.50	\$64.73	-0.117	-0.173	Yes
	1996	64.73	60.26	70.44	-0.081	-0.145	Yes
	1997	70.44	66.01	75.30	-0.065	-0.123	Yes
	1998	75.30	71.60	76.61	-0.017	-0.065	Yes
	1999	76.61	75.66	79.53	-0.037	-0.049	Yes
	2000	79.53	78.37	82.38	-0.035	-0.049	Yes
	2001	82.38	80.57	82.36	0.000	-0.022	Yes
	2002	82.36	81.50	79.93	0.030	0.020	No
	2003	79.93	81.01	79.61	0.004	0.018	Yes
	2004	79.61	80.17	100.77	-0.210	-0.204	No
	2005	100.77	99.92	98.66	0.021	0.013	No
	2006	98.66	99.63	99.39	-0.007	0.002	No
	2007	99.39	99.92	101.63	-0.022	-0.017	No
	2008	101.63	101.11	101.14	0.005	0.000	Tie
2009	101.14	100.93					
	Average Absolute Value				0.047	0.064	8/5/1

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

**Personal Auto  
North Carolina  
Test of Responsiveness  
Loss and LAE Per Exposure**

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Pure Premium</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Wtd. Avg.</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Wtd. Avg.</u>	<u>1-Year Better?</u>
<b>Med Pay</b>	1995	\$18.63	\$17.79	\$19.09	-0.024	-0.068	Yes
	1996	19.09	18.64	19.52	-0.022	-0.045	Yes
	1997	19.52	19.24	19.32	0.010	-0.004	No
	1998	19.32	19.45	18.90	0.022	0.029	Yes
	1999	18.90	19.34	18.14	0.042	0.066	Yes
	2000	18.14	18.75	18.76	-0.033	-0.001	No
	2001	18.76	18.82	18.48	0.015	0.018	Tie
	2002	18.48	18.70	18.63	-0.008	0.004	Tie
	2003	18.63	18.72	19.65	-0.052	-0.047	No
	2004	19.65	19.25	22.55	-0.129	-0.146	Yes
	2005	22.55	22.57	22.18	0.017	0.018	Tie
	2006	22.18	22.53	21.69	0.023	0.039	Yes
	2007	21.69	21.99	22.20	-0.023	-0.009	No
	2008	22.20	21.77	21.89	0.014	-0.005	No
2009	21.89	21.66					
Average Absolute Value					0.031	0.036	6/5/3

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

Personal Auto  
North Carolina

Test of Responsiveness  
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Pure Premium			Difference		
		Latest Year	3-Year Wtd. Avg.	Actual Next Year	Latest Year	3-Year Wtd. Avg.	1-Year Better?
Comprehensive	1995	\$53.51	\$47.84	\$50.07	0.069	-0.045	No
	1996	50.07	49.52	54.43	-0.080	-0.090	Yes
	1997	54.43	52.59	68.31	-0.203	-0.230	Yes
	1998	68.31	60.78	62.11	0.100	-0.021	No
	1999	62.11	62.80	67.20	-0.076	-0.065	No
	2000	67.20	66.30	72.04	-0.067	-0.080	Yes
	2001	72.04	69.05	72.96	-0.013	-0.054	Yes
	2002	72.96	71.87	64.01	0.140	0.123	No
	2003	64.01	68.32	70.12	-0.087	-0.026	No
	2004	70.12	68.76	82.40	-0.149	-0.166	Yes
	2005	82.40	78.63	67.98	0.212	0.157	No
	2006	67.98	74.10	64.57	0.053	0.148	Yes
	2007	64.57	69.19	71.48	-0.097	-0.032	No
	2008	71.48	68.78	68.04	0.051	0.011	No
2009	68.04	68.66					
	Average Absolute Value				0.100	0.089	6/8/0
Collision	1995	\$100.93	\$95.11	\$111.48	-0.095	-0.147	Yes
	1996	111.48	103.03	120.20	-0.073	-0.143	Yes
	1997	120.20	112.99	134.71	-0.108	-0.161	Yes
	1998	134.71	125.80	131.24	0.026	-0.041	Yes
	1999	131.24	130.19	132.67	-0.011	-0.019	Yes
	2000	132.67	132.67	142.02	-0.066	-0.066	Tie
	2001	142.02	136.98	148.69	-0.045	-0.079	Yes
	2002	148.69	143.54	139.71	0.064	0.027	No
	2003	139.71	142.90	147.55	-0.053	-0.032	No
	2004	147.55	145.34	165.06	-0.106	-0.119	Yes
	2005	165.06	166.44	161.20	0.024	0.033	Yes
	2006	161.20	164.47	159.64	0.010	0.030	Yes
	2007	159.64	161.37	160.11	-0.003	0.008	Yes
	2008	160.11	160.54	160.09	0.000	0.003	Tie
2009	160.09	161.01					
	Average Absolute Value				0.049	0.065	10/2/2

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

Personal Auto  
North Carolina

Test of Responsiveness  
General and Other Acquisition Expenses  
Per Exposure

Coverage	Year of Filing/Review	Expenses Per Exposure			Difference		
		Latest Year	3-Year Average	Actual Next Year	Latest Year	3-Year Average	1-Year Better?
Bodily Injury	1995	\$15.23	\$14.05	\$15.42	-0.012	-0.089	Yes
	1996	15.42	14.85	18.36	-0.160	-0.191	Yes
	1997	18.36	16.35	18.04	0.018	-0.094	Yes
	1998	18.04	17.38	16.80	0.074	0.035	No
	1999	16.80	17.79	16.84	-0.002	0.056	Yes
	2000	16.84	17.22	18.37	-0.083	-0.063	No
	2001	18.37	17.35	17.17	0.070	0.010	No
	2002	17.17	17.47	15.93	0.078	0.097	Yes
	2003	15.93	17.02	15.87	0.004	0.072	Yes
	2004	15.87	15.59	18.79	-0.155	-0.170	Yes
	2005	18.79	18.35	20.94	-0.103	-0.124	Yes
	2006	20.94	19.47	20.36	0.028	-0.044	Yes
	2007	20.36	20.15	22.99	-0.114	-0.124	Yes
2008	22.99	21.53	23.70	-0.030	-0.092	Yes	
2009	23.70	22.08					
	Average Absolute Value				0.067	0.090	11/3/0
Property Damage	1995	\$9.92	\$10.49	\$10.33	-0.040	0.015	No
	1996	10.33	10.50	10.64	-0.029	-0.013	No
	1997	10.64	10.40	9.72	0.095	0.070	No
	1998	9.72	10.28	12.03	-0.192	-0.145	No
	1999	12.03	10.83	13.32	-0.097	-0.187	Yes
	2000	13.32	11.69	14.51	-0.082	-0.194	Yes
	2001	14.51	13.30	13.74	0.056	-0.032	No
	2002	13.74	13.85	14.78	-0.070	-0.063	No
	2003	14.78	14.39	16.15	-0.085	-0.109	Yes
	2004	16.15	14.34	19.66	-0.179	-0.271	Yes
	2005	19.66	17.68	20.40	-0.036	-0.133	Yes
	2006	20.40	19.39	19.67	0.037	-0.014	No
	2007	19.67	20.01	22.21	-0.114	-0.099	No
2008	22.21	20.84	21.16	0.050	-0.015	No	
2009	21.16	20.74					
	Average Absolute Value				0.083	0.097	5/9/0

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

Personal Auto  
North Carolina

Test of Responsiveness  
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Expenses Per Exposure			Difference		
		Latest Year	3-Year Average	Actual Next Year	Latest Year	3-Year Average	1-Year Better?
Med Pay	1995	\$3.22	\$2.95	\$3.27	-0.015	-0.098	Yes
	1996	3.27	3.11	3.69	-0.114	-0.157	Yes
	1997	3.69	3.39	3.53	0.045	-0.040	No
	1998	3.53	3.52	3.47	0.017	0.014	Tie
	1999	3.47	3.57	3.53	-0.017	0.011	No
	2000	3.53	3.50	3.83	-0.078	-0.086	Yes
	2001	3.83	3.61	3.66	0.046	-0.014	No
	2002	3.66	3.67	3.44	0.064	0.067	Tie
	2003	3.44	3.63	3.53	-0.025	0.028	Tie
	2004	3.53	3.40	3.99	-0.115	-0.148	Yes
	2005	3.99	3.69	4.62	-0.136	-0.201	Yes
	2006	4.62	4.07	3.51	0.316	0.160	No
	2007	3.51	3.44	3.85	-0.088	-0.106	Yes
2008	3.85	3.67	4.30	-0.105	-0.147	Yes	
2009	4.30	3.85					
Average Absolute Value					0.084	0.091	7/4/3

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

Personal Auto  
North Carolina

Test of Responsiveness  
General and Other Acquisition Expenses  
Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Expenses Per Exposure</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Average</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Average</u>	<u>1-Year Better?</u>
Comprehensive	1995	\$8.53	\$8.58	\$8.21	0.039	0.045	Yes
	1996	8.21	8.14	8.99	-0.087	-0.095	Yes
	1997	8.99	8.95	7.99	0.125	0.120	No
	1998	7.99	8.34	10.56	-0.243	-0.210	No
	1999	10.56	9.03	11.71	-0.098	-0.229	Yes
	2000	11.71	10.24	13.33	-0.122	-0.232	Yes
	2001	13.33	11.61	13.12	0.016	-0.115	Yes
	2002	13.12	12.51	12.65	0.037	-0.011	No
	2003	12.65	12.93	13.32	-0.050	-0.029	No
	2004	13.32	12.67	14.79	-0.099	-0.143	Yes
	2005	14.79	14.69	13.81	0.071	0.064	No
	2006	13.81	14.37	14.09	-0.020	0.020	Tie
	2007	14.09	14.36	16.71	-0.157	-0.141	No
2008	16.71	14.93	14.68	0.138	0.017	No	
2009	14.68	14.71					
	Average Absolute Value				0.093	0.105	6/7/1
Collision	1995	\$17.12	\$18.95	\$16.25	0.054	0.166	Yes
	1996	16.25	16.85	18.16	-0.105	-0.072	No
	1997	18.16	18.13	15.91	0.141	0.140	Tie
	1998	15.91	16.90	21.72	-0.267	-0.222	No
	1999	21.72	18.17	24.60	-0.117	-0.261	Yes
	2000	24.60	21.08	27.37	-0.101	-0.230	Yes
	2001	27.37	24.09	26.89	0.018	-0.104	Yes
	2002	26.89	25.89	26.58	0.012	-0.026	Yes
	2003	26.58	26.86	27.82	-0.045	-0.035	No
	2004	27.82	26.40	32.37	-0.141	-0.184	Yes
	2005	32.37	31.95	32.60	-0.007	-0.020	Yes
	2006	32.60	32.01	32.93	-0.010	-0.028	Yes
	2007	32.93	32.75	38.36	-0.142	-0.146	No
2008	38.36	34.72	33.50	0.145	0.036	No	
2009	33.50	33.92					
	Average Absolute Value				0.093	0.119	8/5/1

Data Source: NCRB Personal Auto Rate Filings  
Note: Tie if absolute difference less than .005

Personal Auto  
North Carolina

Indicated Rate Level Changes

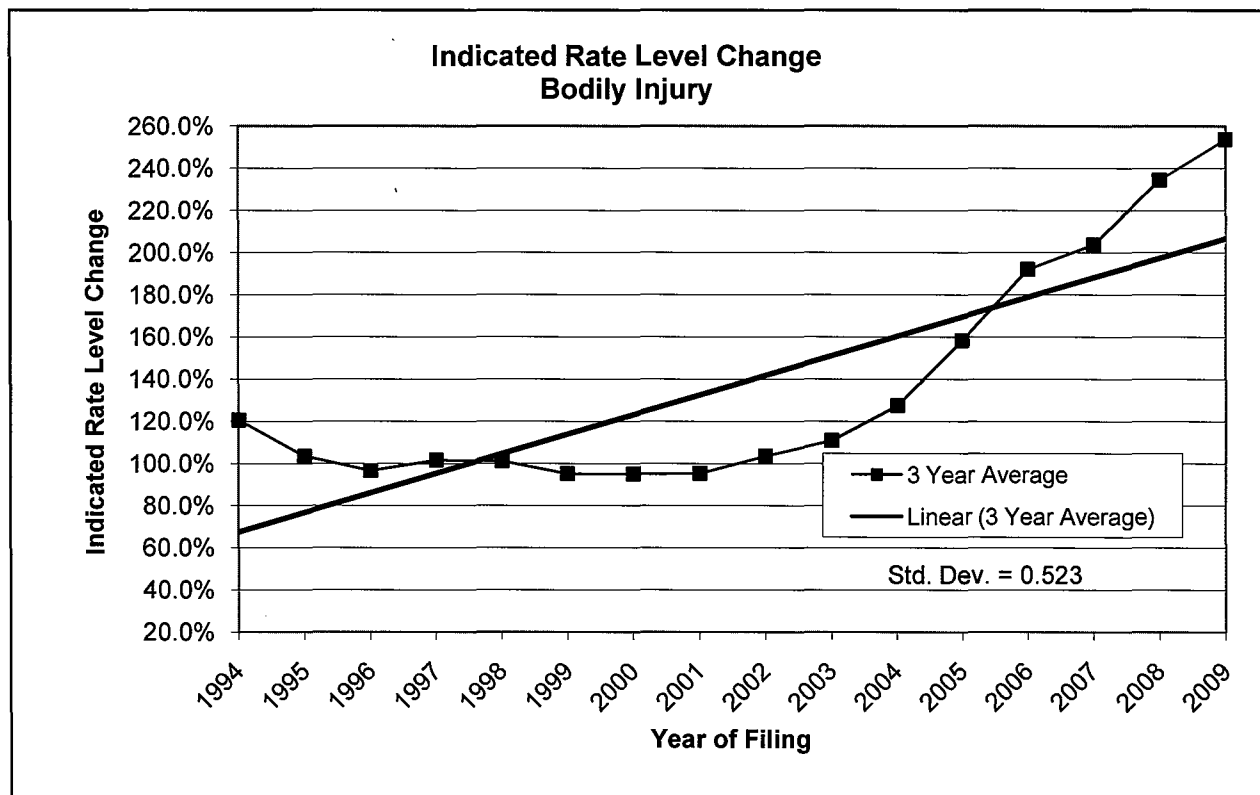
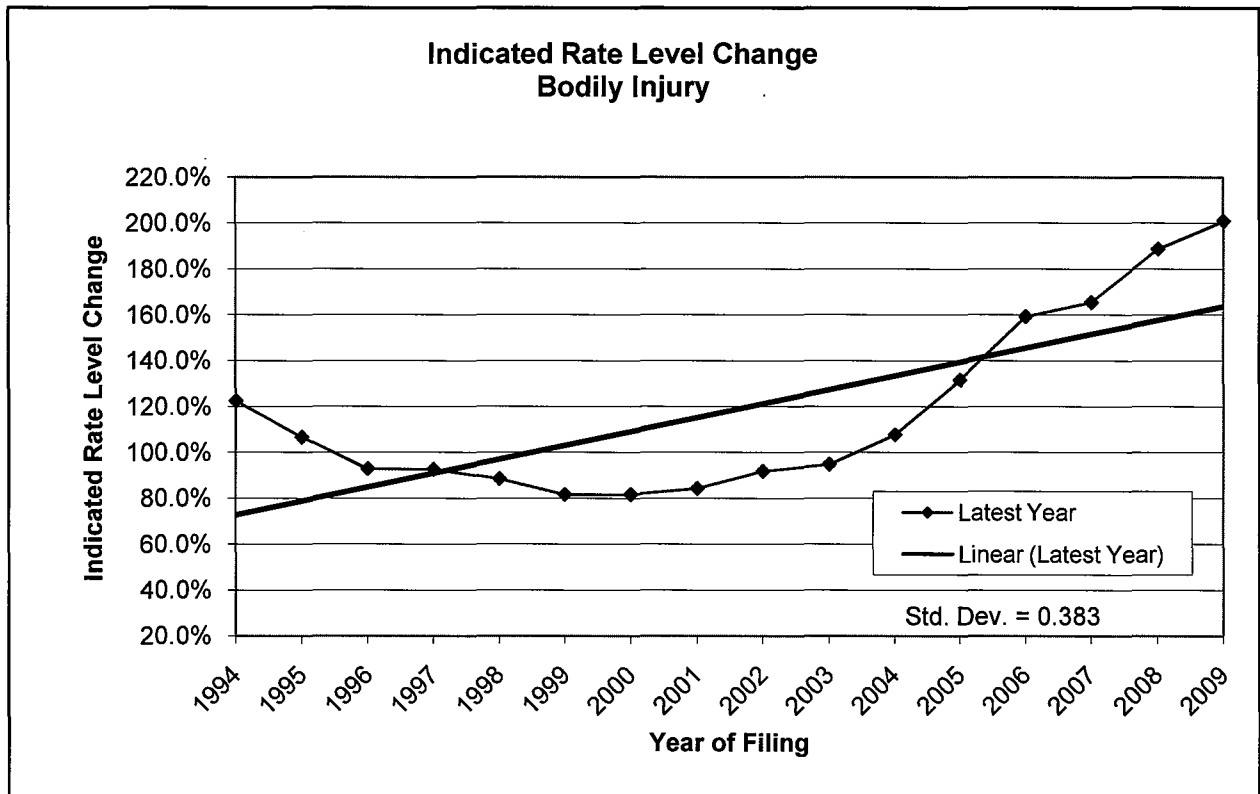
Year of Filing/Review	Latest Year					3-Year Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	22.4%	1.3%	13.7%	-6.8%	-3.7%	20.6%	0.6%	12.5%	-10.7%	-5.2%
1995	-12.9%	12.9%	-4.1%	36.1%	23.2%	-14.2%	16.4%	-2.3%	32.7%	25.2%
1996	-12.9%	27.2%	-2.1%	15.2%	25.7%	-6.7%	32.3%	2.7%	15.6%	26.0%
1997	-0.2%	15.1%	5.8%	-2.3%	8.8%	5.3%	17.3%	7.2%	-5.2%	10.7%
1998	-4.5%	25.4%	3.2%	9.4%	8.6%	-0.5%	26.7%	2.6%	3.6%	5.5%
1999	-7.7%	14.2%	2.8%	-13.9%	-11.6%	-6.0%	14.8%	3.7%	-17.6%	-13.9%
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	3.2%	22.7%	9.6%	13.3%	12.3%	0.2%	21.4%	7.0%	5.5%	8.5%
2002	8.9%	9.1%	14.8%	3.5%	4.4%	8.7%	11.2%	17.7%	7.3%	5.7%
2003	3.3%	-8.4%	2.7%	-24.1%	-16.4%	7.1%	-7.5%	4.2%	-19.7%	-12.1%
2004	13.6%	5.5%	15.5%	12.9%	14.2%	14.9%	3.7%	16.7%	4.9%	14.7%
2005	22.2%	13.5%	10.6%	4.5%	-4.0%	24.3%	12.1%	10.4%	-0.2%	-0.2%
2006	21.0%	5.7%	8.1%	-12.0%	-1.5%	21.3%	5.7%	8.7%	-6.0%	0.3%
2007	3.9%	6.3%	4.4%	-9.0%	2.3%	6.1%	7.2%	4.9%	-7.8%	1.5%
2008	14.0%	14.8%	9.3%	0.6%	12.1%	15.0%	15.6%	4.6%	-9.0%	12.5%
2009	6.5%	2.5%	9.9%	1.4%	-8.0%	8.3%	4.0%	4.1%	1.7%	-5.7%

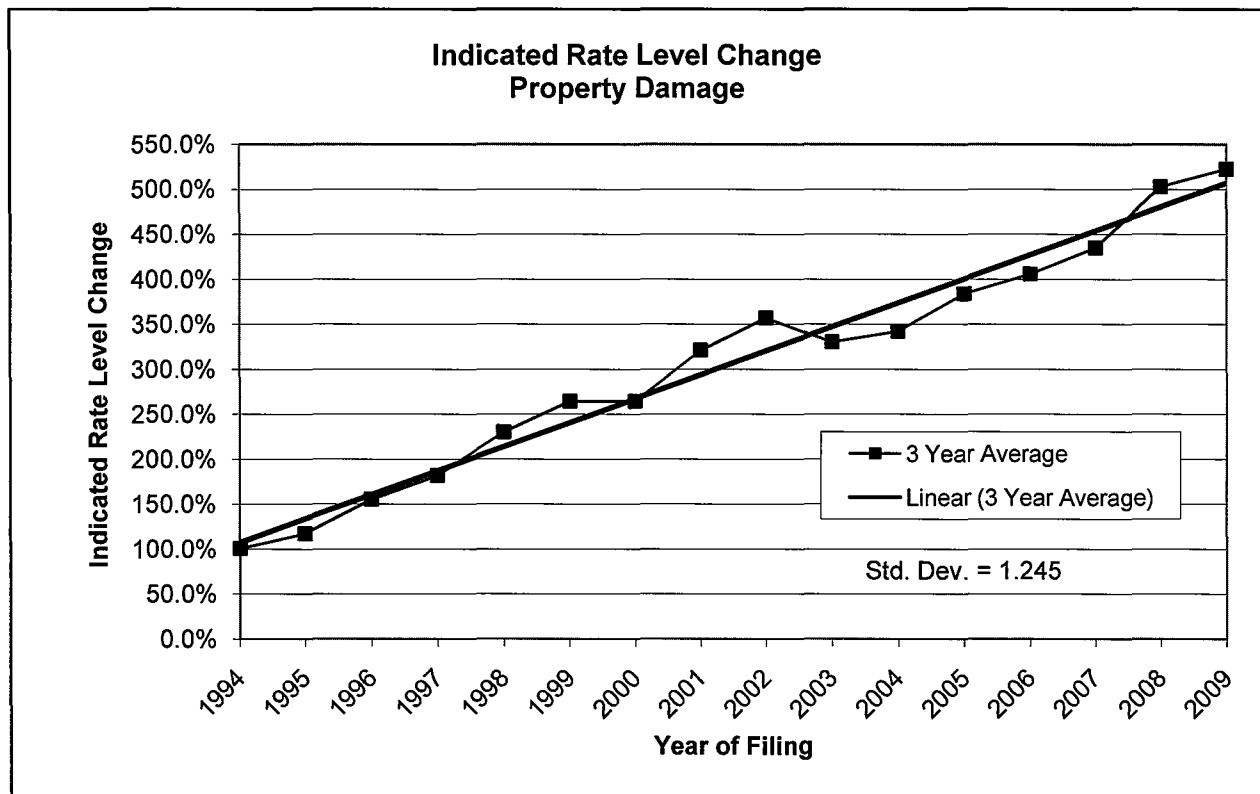
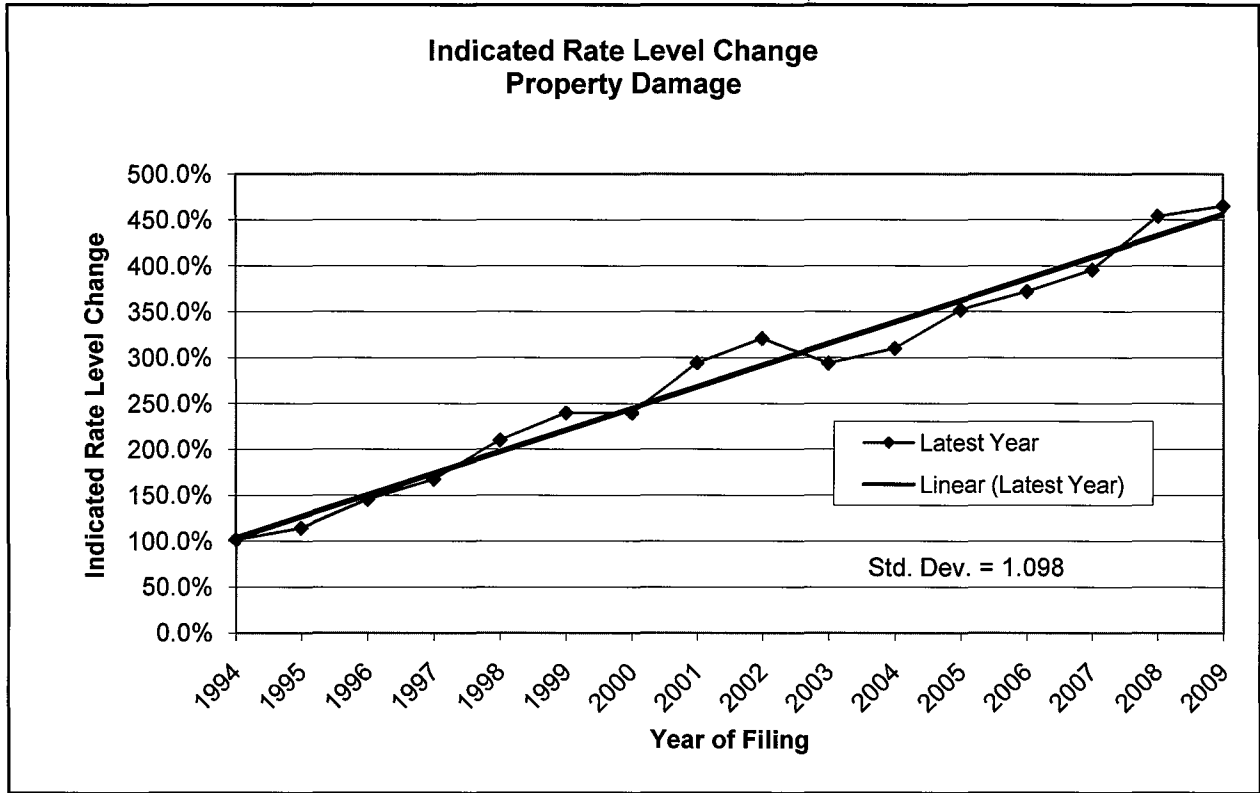


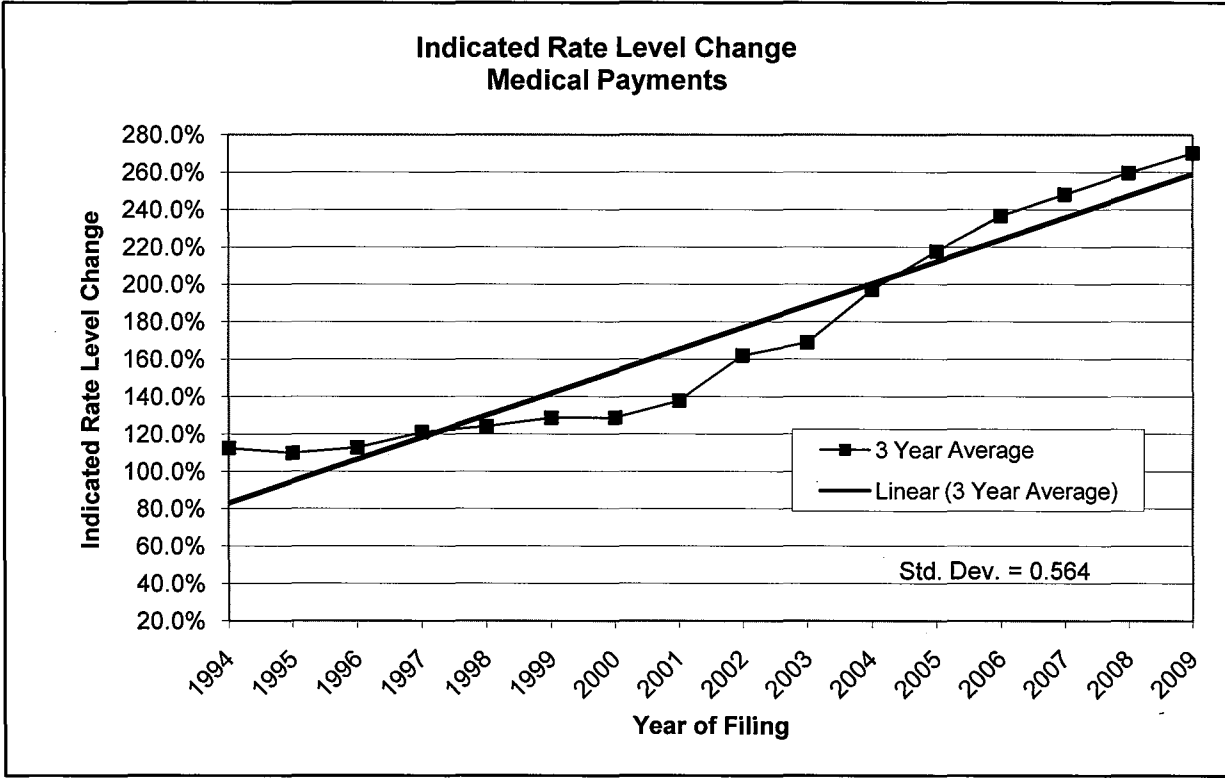
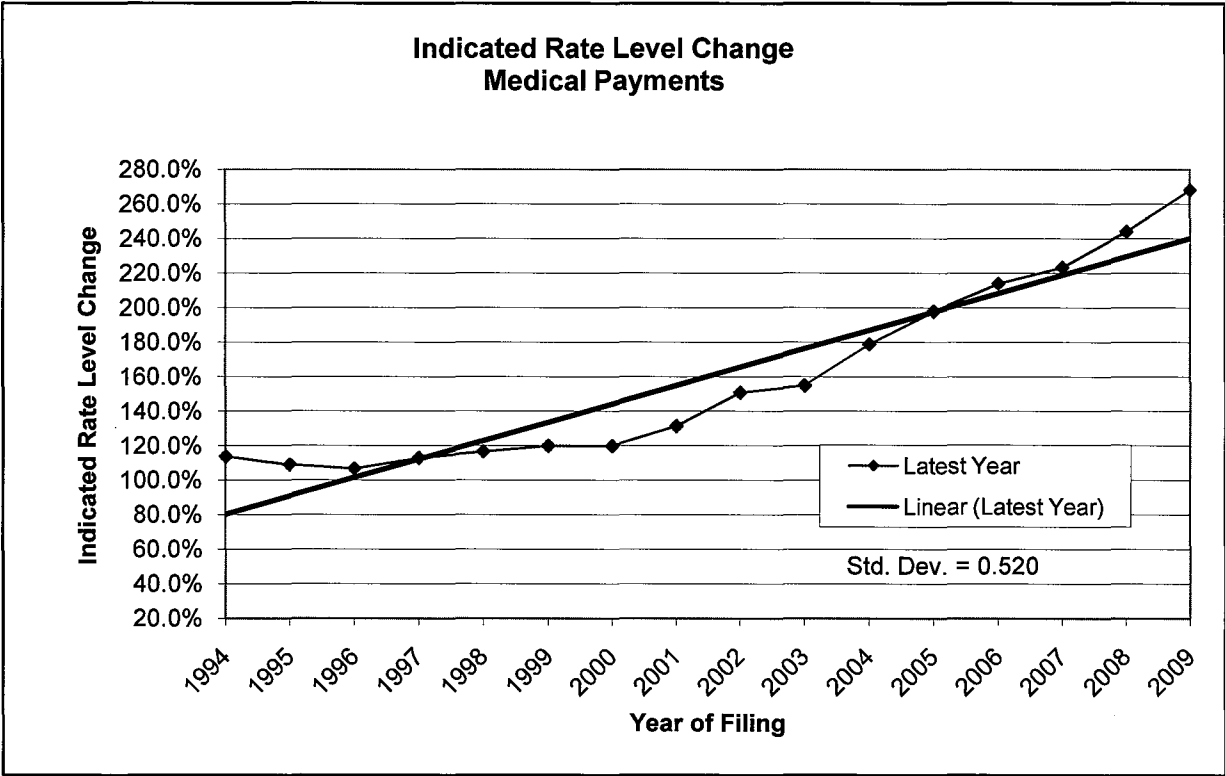
Personal Auto  
North Carolina

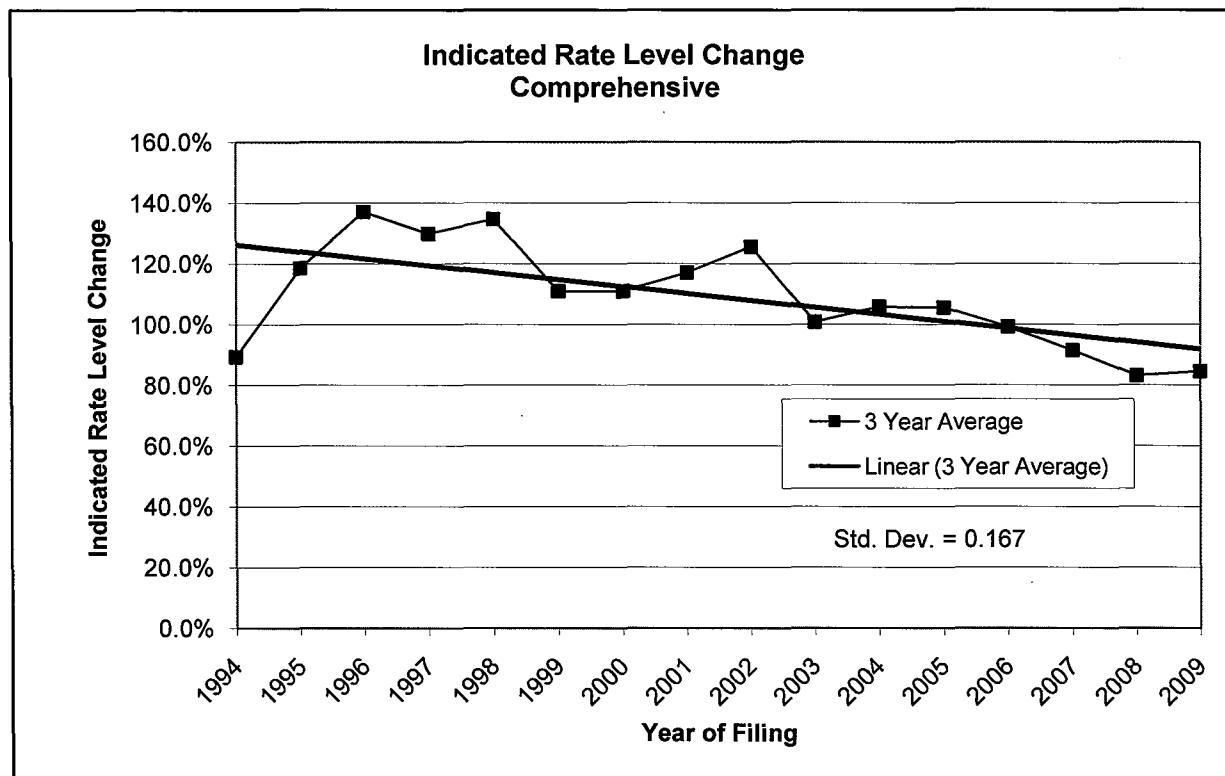
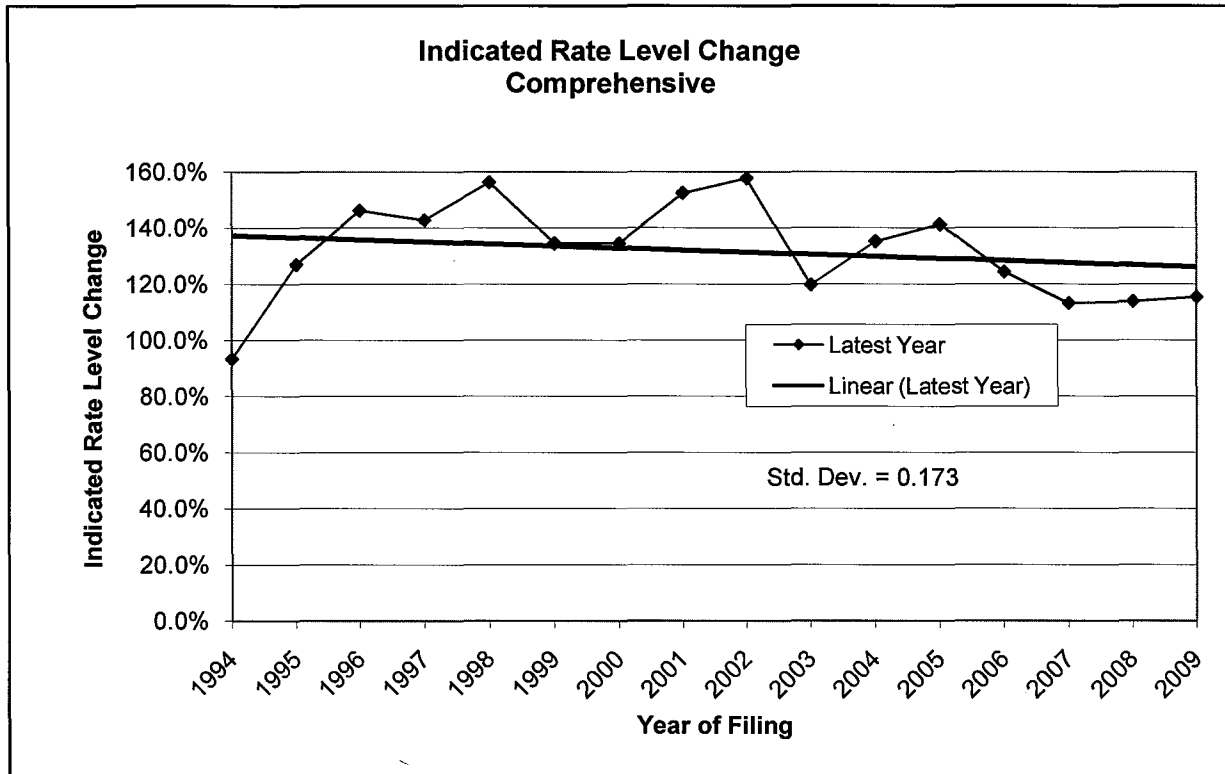
Cumulative Rate Level Indices

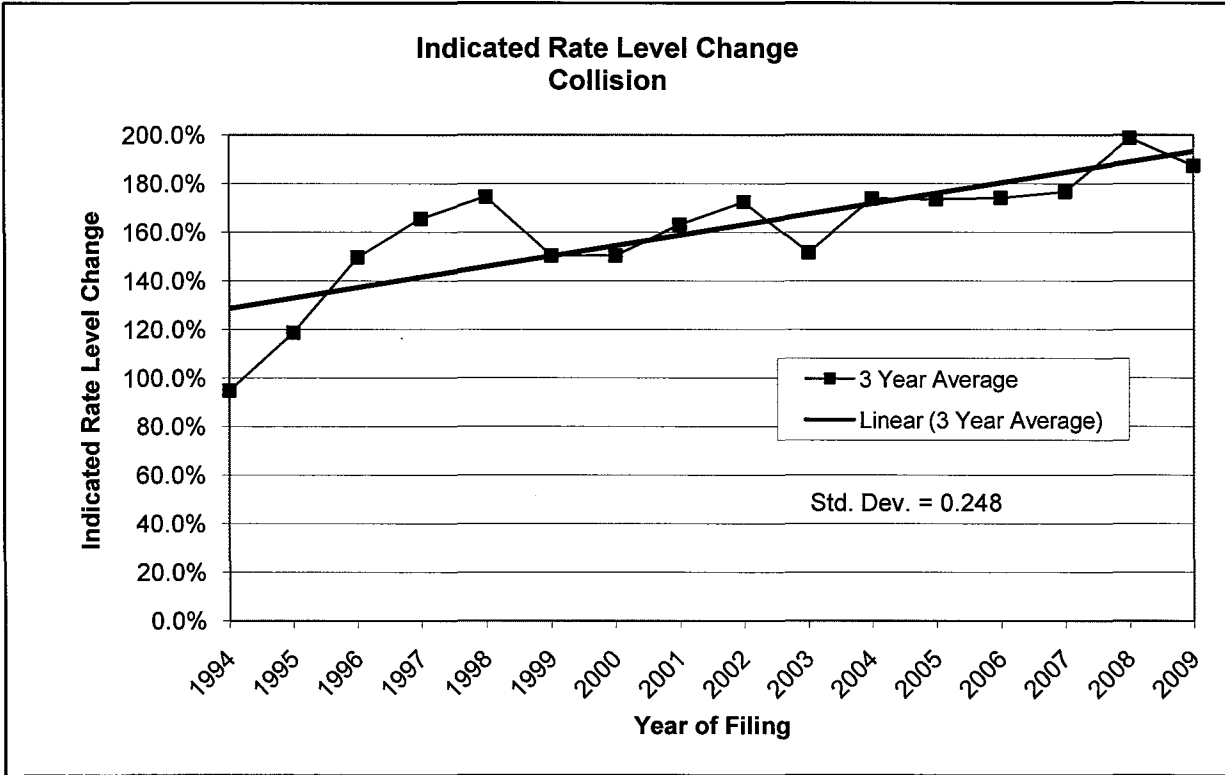
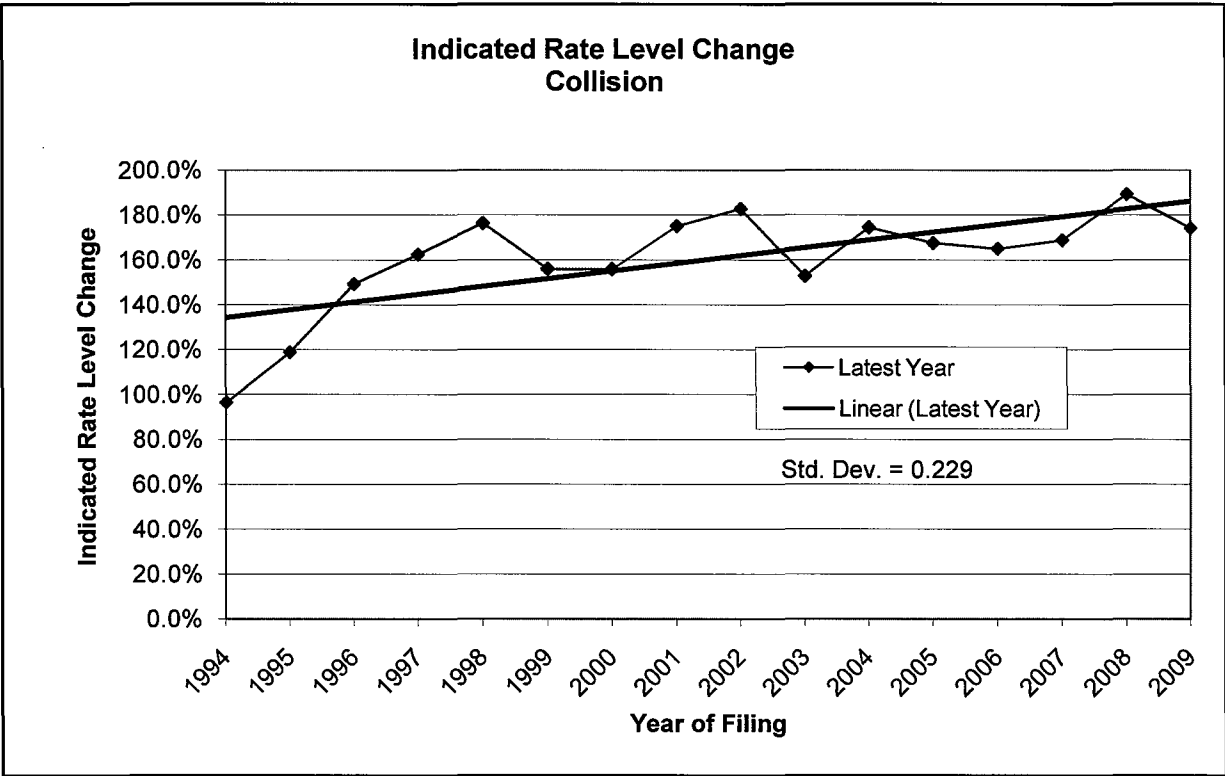
Year of Filing/Review	Latest Year					3-Year Average				
	<u>BI</u>	<u>PD</u>	<u>MPC</u>	<u>Comp</u>	<u>Coll</u>	<u>BI</u>	<u>PD</u>	<u>MPC</u>	<u>Comp</u>	<u>Coll</u>
1994	1.224	1.013	1.137	0.932	0.963	1.206	1.006	1.125	0.893	0.948
1995	1.066	1.144	1.090	1.268	1.186	1.035	1.171	1.099	1.185	1.187
1996	0.929	1.455	1.067	1.461	1.491	0.965	1.549	1.129	1.370	1.495
1997	0.927	1.674	1.129	1.428	1.623	1.017	1.817	1.210	1.299	1.656
1998	0.885	2.100	1.166	1.562	1.762	1.012	2.302	1.242	1.345	1.747
1999	0.817	2.398	1.198	1.345	1.558	0.951	2.643	1.287	1.109	1.504
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	0.843	2.942	1.313	1.524	1.749	0.953	3.209	1.378	1.170	1.632
2002	0.918	3.210	1.508	1.577	1.826	1.036	3.568	1.621	1.255	1.725
2003	0.948	2.940	1.548	1.197	1.527	1.109	3.301	1.690	1.008	1.516
2004	1.077	3.102	1.788	1.351	1.744	1.274	3.423	1.972	1.057	1.739
2005	1.316	3.521	1.978	1.412	1.674	1.584	3.837	2.177	1.055	1.735
2006	1.593	3.721	2.138	1.243	1.649	1.921	4.056	2.366	0.992	1.741
2007	1.655	3.956	2.232	1.131	1.687	2.039	4.348	2.482	0.914	1.767
2008	1.887	4.541	2.440	1.138	1.891	2.344	5.026	2.596	0.832	1.987
2009	2.009	4.655	2.681	1.154	1.739	2.539	5.227	2.703	0.846	1.874











Personal Auto  
North Carolina

Indicated Rate Level Changes

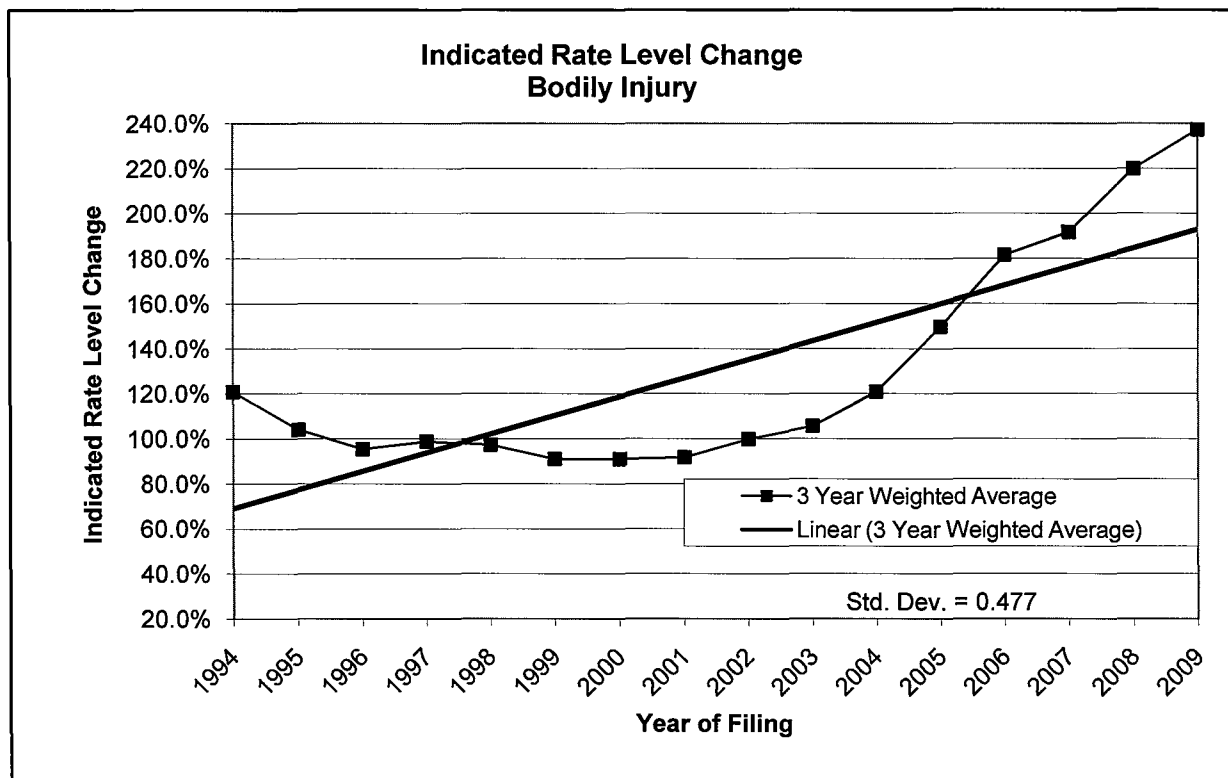
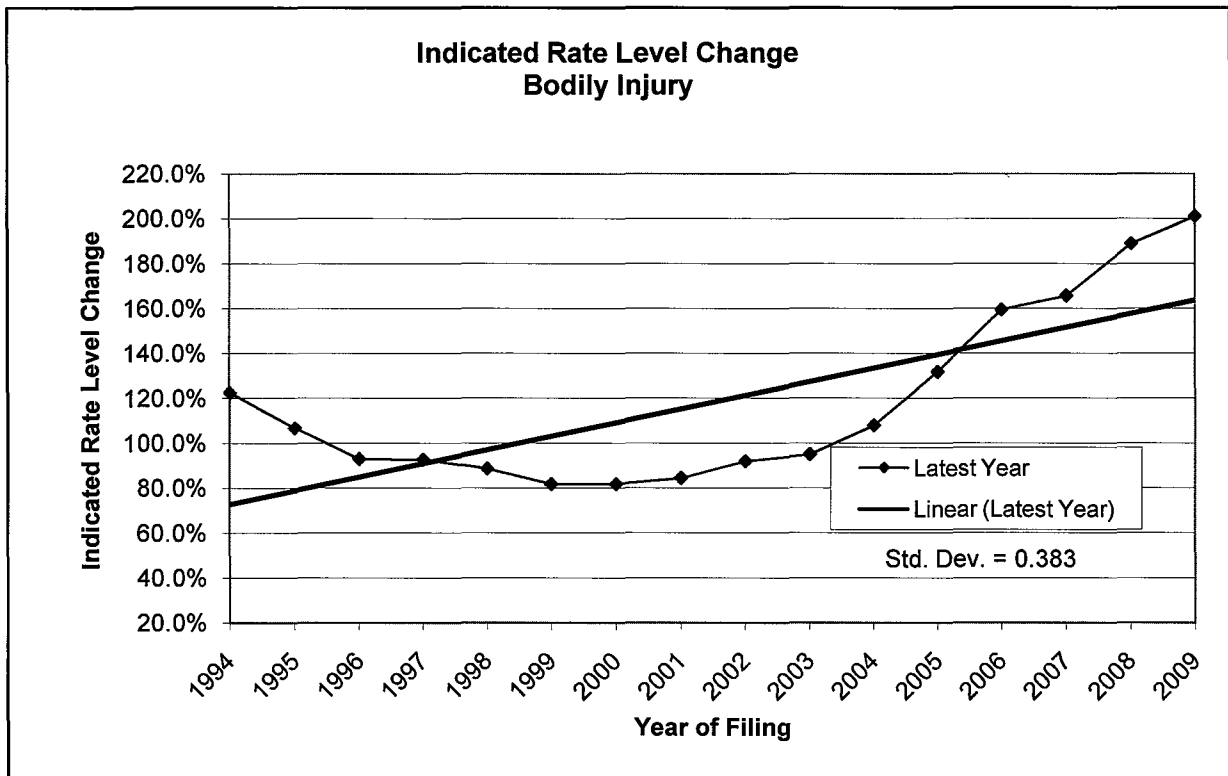
Year of Filing/Review	Latest Year					3-Year Weighted Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	22.4%	1.3%	13.7%	-6.8%	-3.7%	20.7%	0.7%	12.6%	-9.9%	-4.7%
1995	-12.9%	12.9%	-4.1%	36.1%	23.2%	-13.8%	15.6%	-2.7%	34.1%	24.7%
1996	-12.9%	27.2%	-2.1%	15.2%	25.7%	-8.4%	30.8%	1.4%	15.3%	25.7%
1997	-0.2%	15.1%	5.8%	-2.3%	8.8%	3.6%	16.5%	6.6%	-4.6%	10.3%
1998	-4.5%	25.4%	3.2%	9.4%	8.6%	-1.5%	26.3%	2.9%	5.4%	6.1%
1999	-7.7%	14.2%	2.8%	-13.9%	-11.6%	-6.5%	14.7%	3.5%	-16.5%	-13.1%
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	3.2%	22.7%	9.6%	13.3%	12.3%	0.8%	22.0%	7.7%	7.9%	9.5%
2002	8.9%	9.1%	14.8%	3.5%	4.4%	8.8%	10.7%	17.2%	6.8%	5.6%
2003	3.3%	-8.4%	2.7%	-24.1%	-16.4%	5.9%	-7.9%	3.7%	-21.2%	-13.3%
2004	13.6%	5.5%	15.5%	12.9%	14.2%	14.4%	3.9%	16.5%	6.7%	14.3%
2005	22.2%	13.5%	10.6%	4.5%	-4.0%	23.8%	12.5%	10.5%	1.5%	-1.0%
2006	21.0%	5.7%	8.1%	-12.0%	-1.5%	21.3%	5.9%	8.7%	-7.3%	-0.4%
2007	3.9%	6.3%	4.4%	-9.0%	2.3%	5.6%	7.0%	4.6%	-8.6%	1.7%
2008	14.0%	14.8%	9.3%	0.6%	12.1%	14.7%	15.4%	6.0%	-2.1%	4.2%
2009	6.5%	2.5%	9.9%	1.4%	-8.0%	7.9%	3.6%	5.8%	2.4%	-6.3%

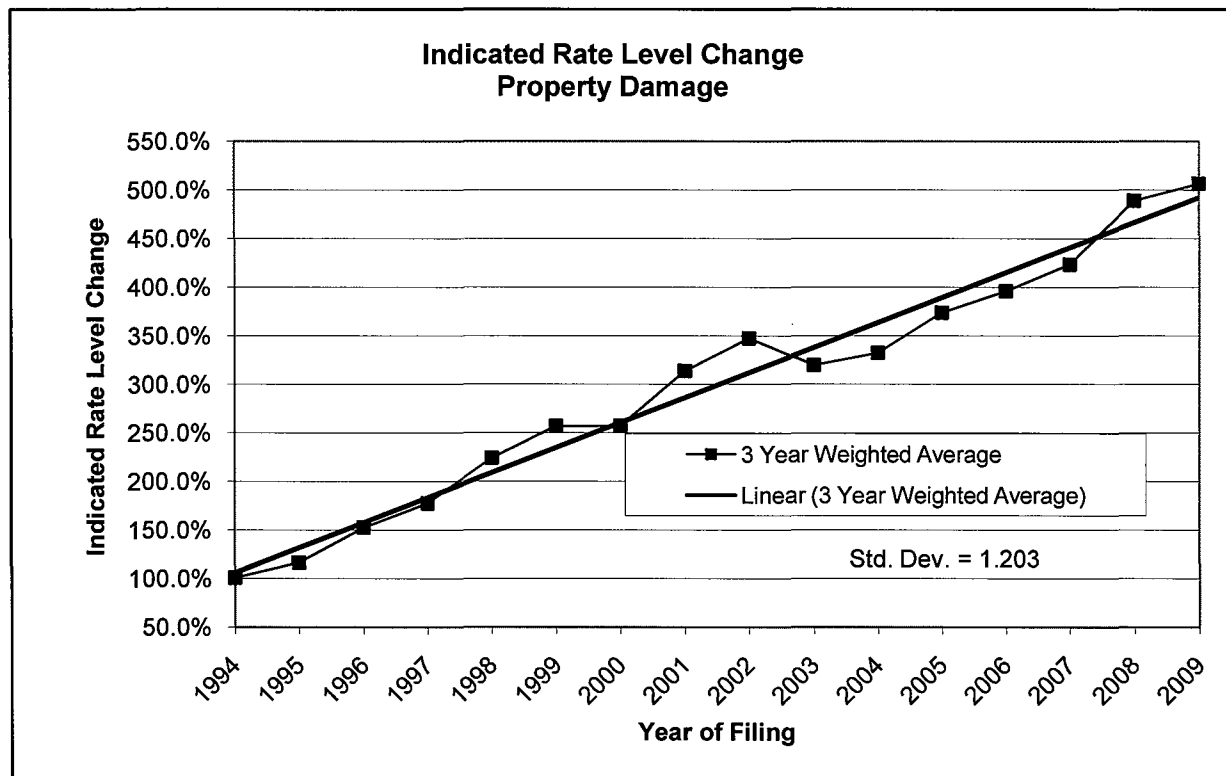
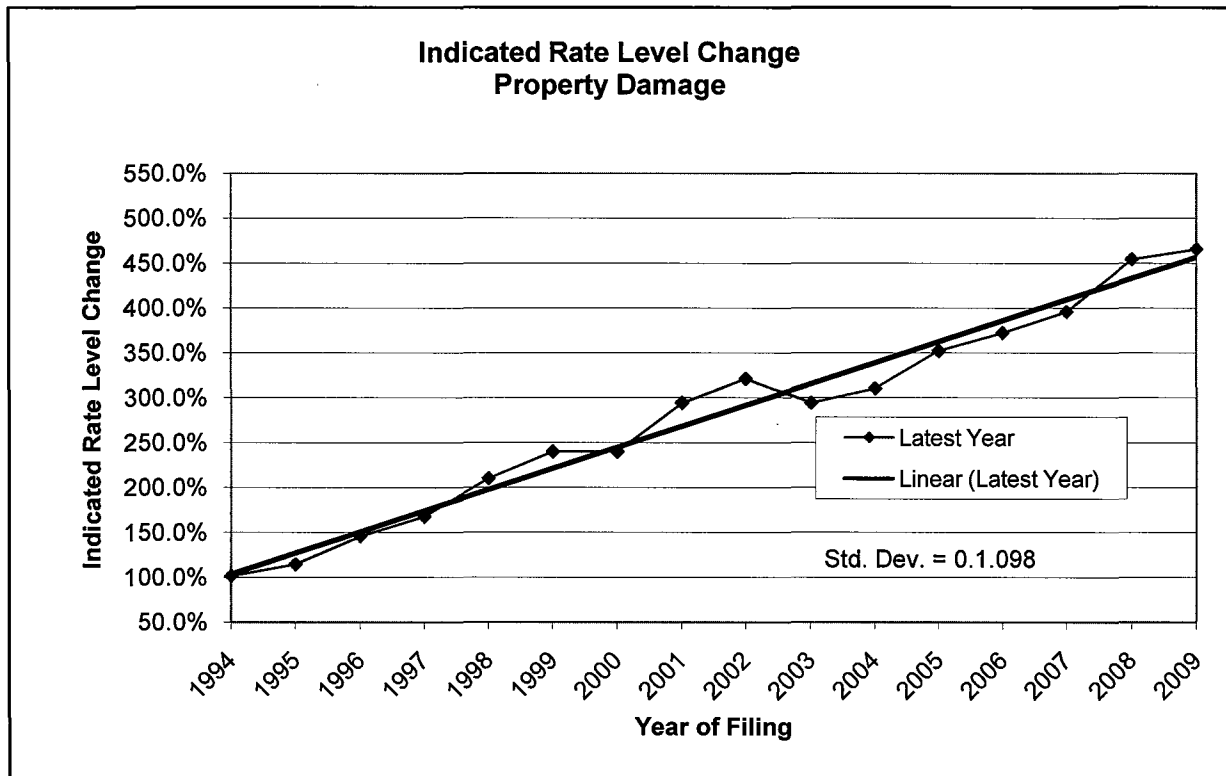
Personal Auto  
North Carolina

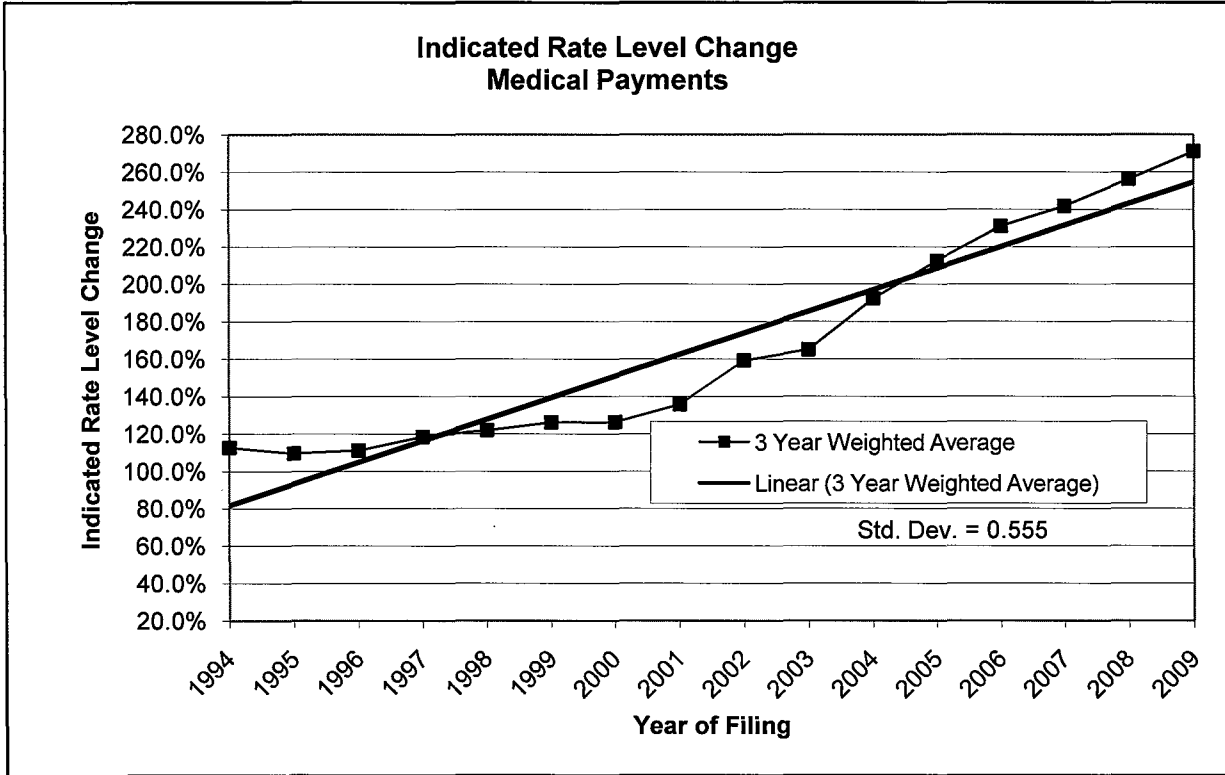
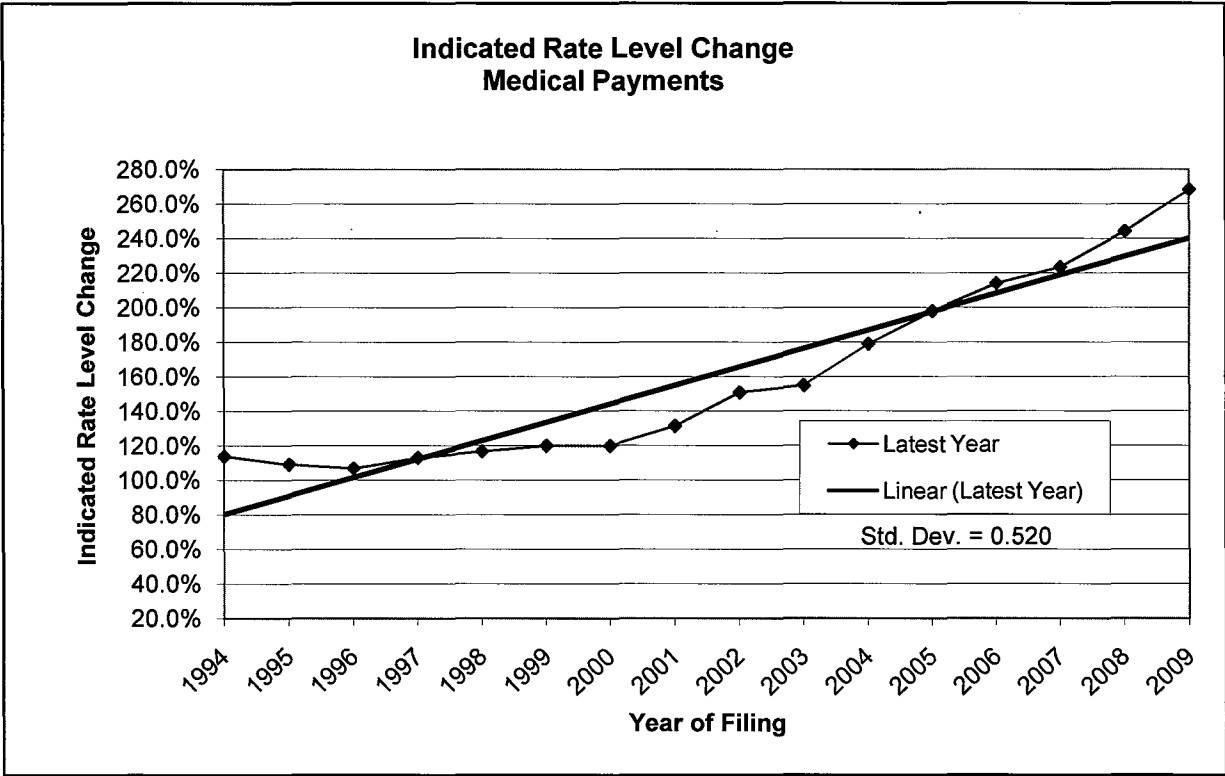
Cumulative Rate Level Indices

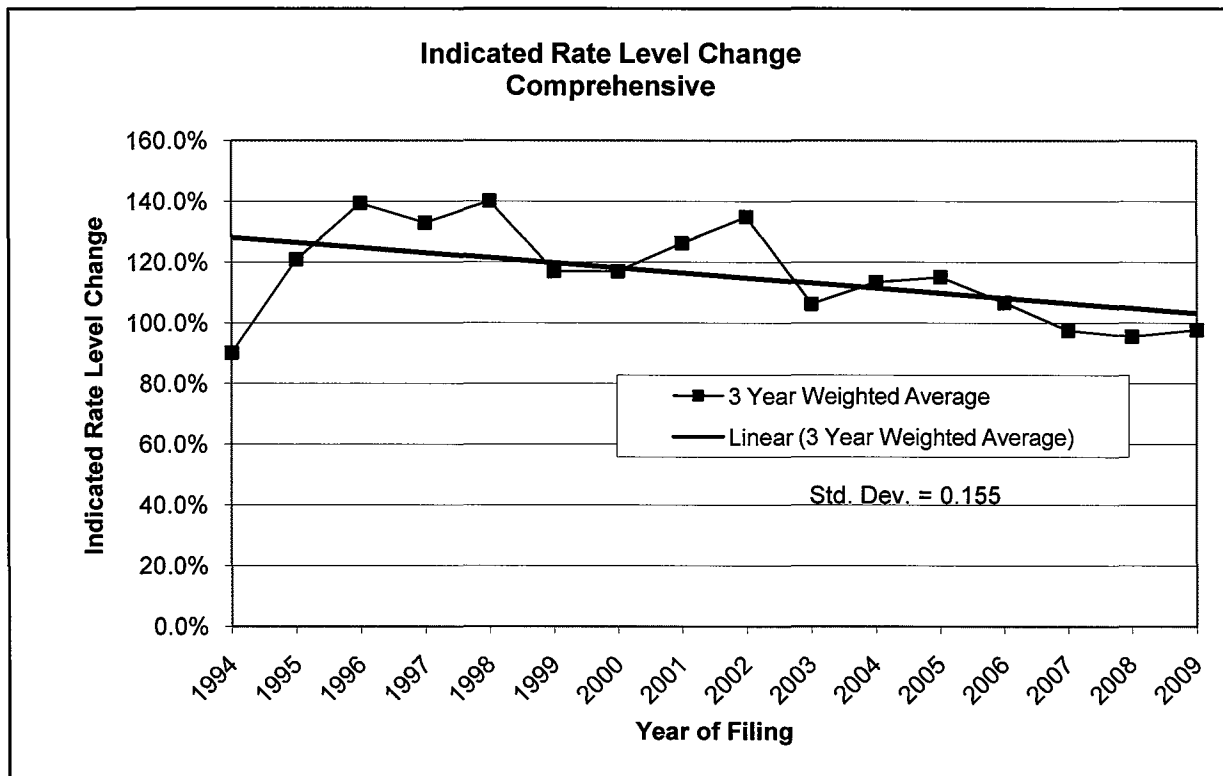
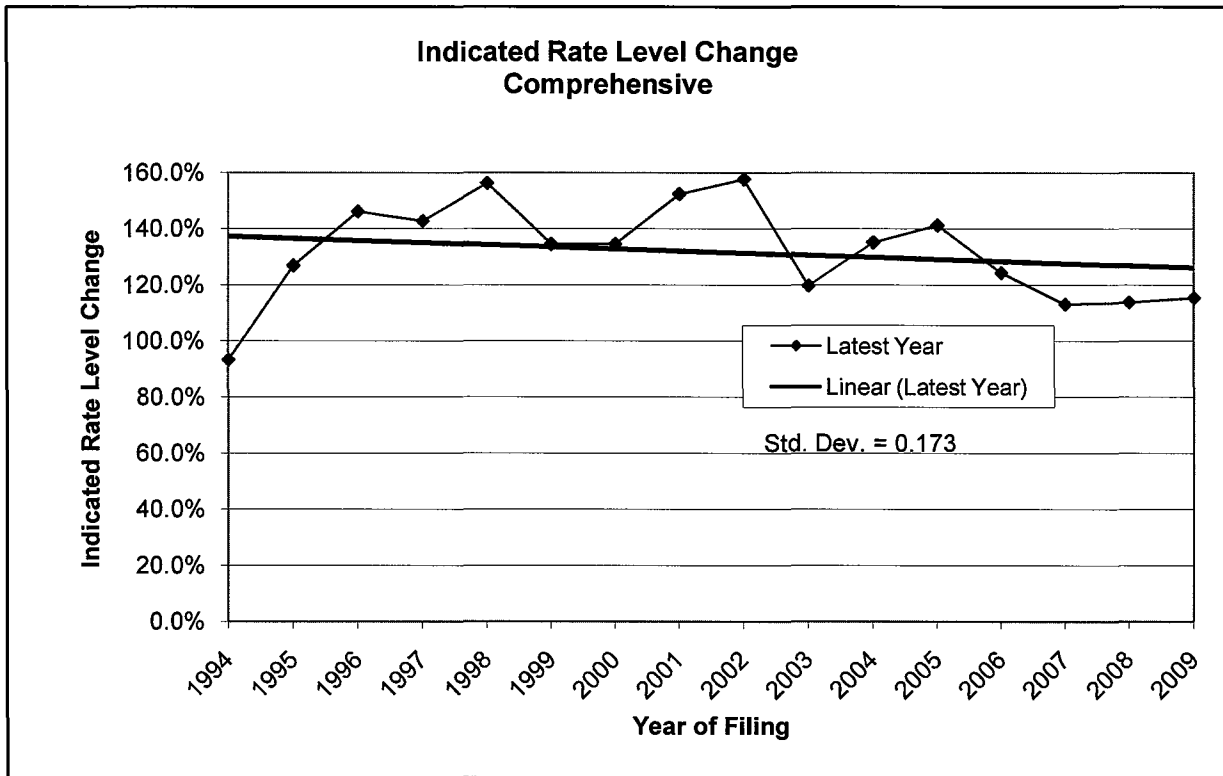
Year of Filing/Review	Latest Year					3-Year Weighted Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	1.224	1.013	1.137	0.932	0.963	1.207	1.007	1.126	0.901	0.953
1995	1.066	1.144	1.090	1.268	1.186	1.040	1.164	1.096	1.208	1.188
1996	0.929	1.455	1.067	1.461	1.491	0.953	1.523	1.111	1.393	1.494
1997	0.927	1.674	1.129	1.428	1.623	0.987	1.774	1.184	1.329	1.648
1998	0.885	2.100	1.166	1.562	1.762	0.973	2.240	1.219	1.401	1.748
1999	0.817	2.398	1.198	1.345	1.558	0.909	2.570	1.261	1.170	1.519
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	0.843	2.942	1.313	1.524	1.749	0.917	3.135	1.358	1.262	1.663
2002	0.918	3.210	1.508	1.577	1.826	0.997	3.471	1.592	1.348	1.757
2003	0.948	2.940	1.548	1.197	1.527	1.056	3.196	1.651	1.062	1.523
2004	1.077	3.102	1.788	1.351	1.744	1.208	3.321	1.923	1.133	1.741
2005	1.316	3.521	1.978	1.412	1.674	1.496	3.736	2.125	1.150	1.723
2006	1.593	3.721	2.138	1.243	1.649	1.814	3.957	2.310	1.066	1.716
2007	1.655	3.956	2.232	1.131	1.687	1.916	4.234	2.416	0.975	1.746
2008	1.887	4.541	2.440	1.138	1.891	2.198	4.885	2.561	0.954	1.819
2009	2.009	4.655	2.681	1.154	1.739	2.371	5.061	2.710	0.977	1.704

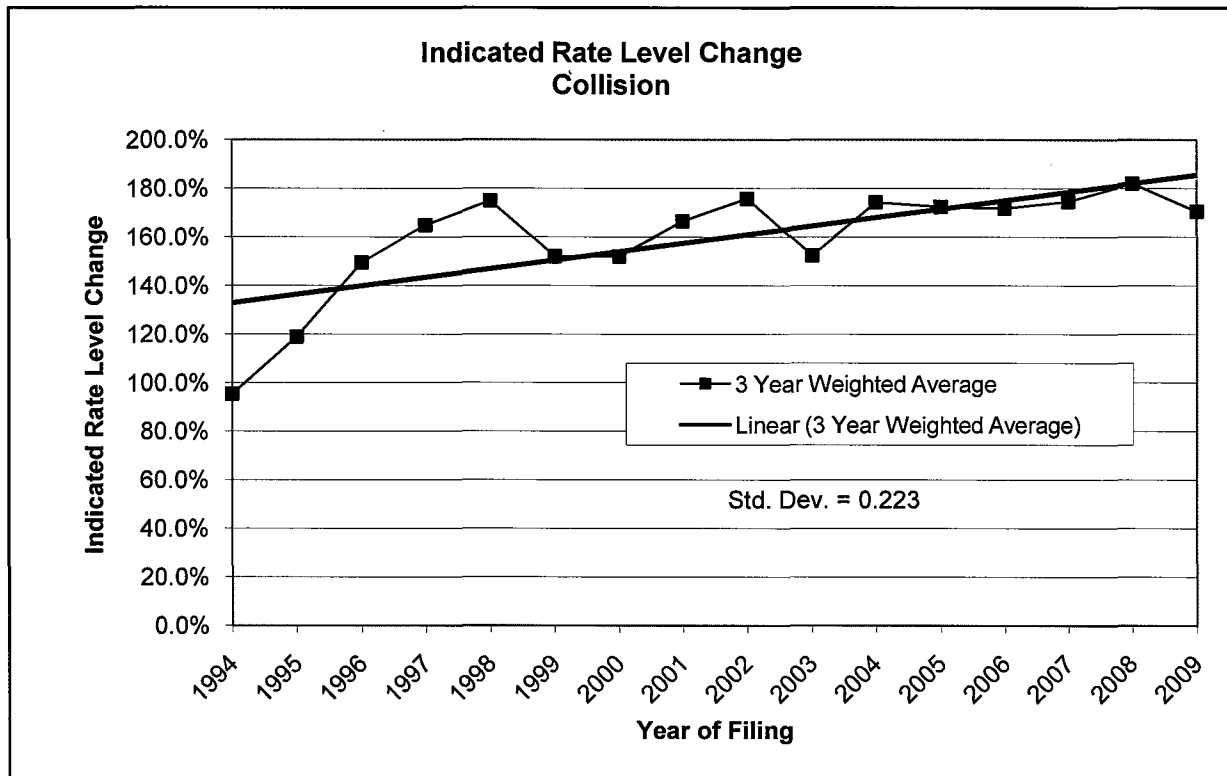
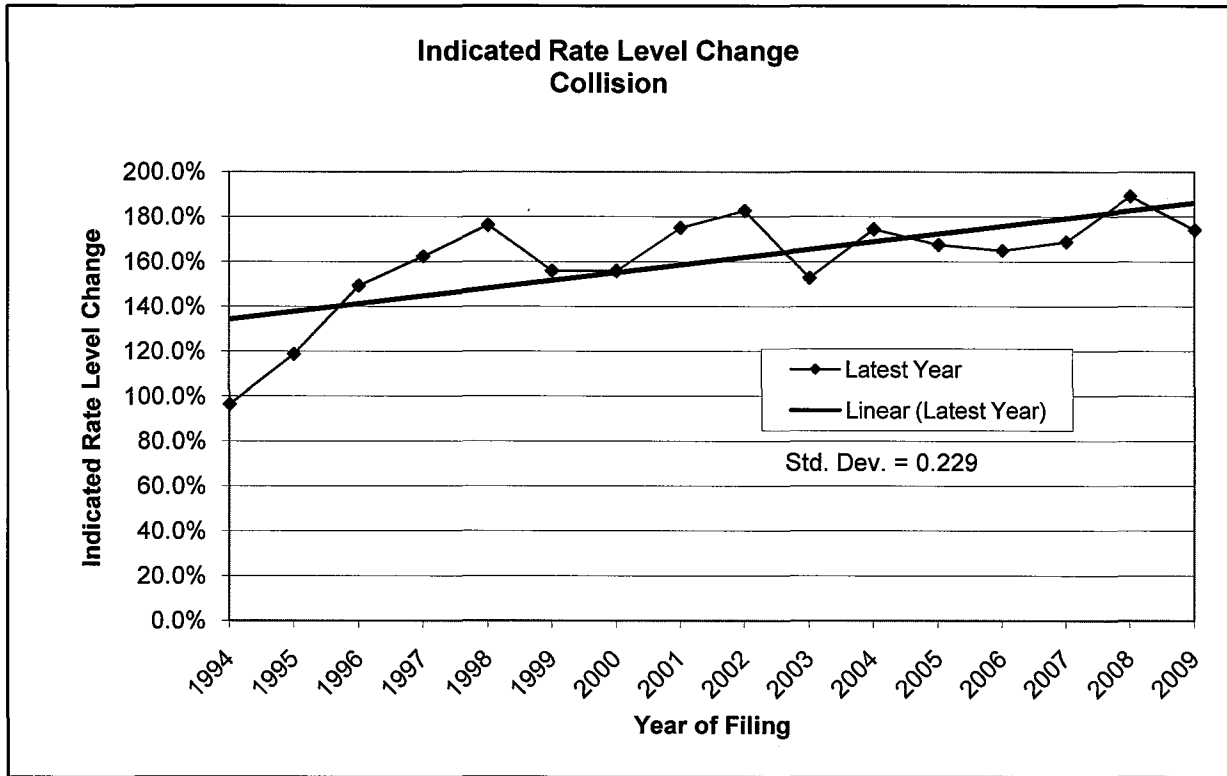












**SCENARIO I**

<u>Market</u>	<u>Driver</u>	<u>Indicated Rate</u>	<u>Manual Rate</u>	<u>Charged Rate*</u>	<u>Rate Adequate</u>	<u>Clean Risk Surcharge</u>
Voluntary	Driver 1	\$200.00	\$250.00	\$200.00	Yes	\$31.63
Voluntary	Driver 2	\$250.00	\$250.00	\$250.00	Yes	\$31.63
Voluntary	Driver 3	\$300.00	\$250.00	\$250.00	No	\$31.63
Clean	Driver 4	\$460.00	\$250.00	\$250.00	No	\$31.63
Other than Clean	Driver 5	\$660.00	\$660.00	\$660.00	Yes	\$83.49
	TOTAL	\$1,870.00	\$1,660.00	\$1,610.00	No	\$210.01

Clean Risk Recoupment = 0.1265 of Manual Rates

- \* Assumes that insurers deviate on Driver 1 because of individual loss and expense experience and that Drivers 3 and 4 are capped at the manual rate in the voluntary market.

Observations:

- Manual Rate based solely on voluntary experience (Drivers 1, 2, and 3).
- Market not fully funded because amount paid (\$1,610 + \$210) does not equal indicated rate (\$1,870).
- Insurers will tend to cede Driver 3, leading to Scenario II.

**SCENARIO II**

<u>Market</u>	<u>Driver</u>	<u>Indicated Rate</u>	<u>Manual Rate</u>	<u>Charged Rate*</u>	<u>Rate Adequate</u>	<u>Clean Risk Surcharge</u>
Voluntary	Driver 1	\$200.00	\$225.00	\$200.00	Yes	\$44.71
Voluntary	Driver 2	\$250.00	\$225.00	\$225.00	No	\$44.71
Clean	Driver 3	\$300.00	\$225.00	\$225.00	No	\$44.71
Clean	Driver 4	\$460.00	\$225.00	\$225.00	No	\$44.71
Other than Clean	Driver 5	\$660.00	\$660.00	\$660.00	Yes	\$131.14
	TOTAL	\$1,870.00	\$1,560.00	\$1,535.00	No	\$309.98

Clean Risk Recoupment = 0.1987 of Manual Rates

\* Assumes that insurers deviate on Driver 1 because of individual loss and expense experience and that Drivers 2, 3 and 4 are capped at the manual rate in the voluntary market.

Observations:

- Manual Rate based solely on voluntary experience (i.e., Drivers 1 and 2).
- Size of residual market grew.
- Clean risk recoupment increased from .1265 to .1987.
- Market not fully funded because amount paid (\$1,535 + \$310) does not equal indicated rate (\$1,870).
- Shortfall in funding reduced from \$50 to \$25 because risks shifted to Reinsurance Facility where shortfall can be recouped for clean risks.
- Insurers will tend to cede Driver 2, leading to voluntary rates for Driver 1 only and further increase in size of residual market.

**SCENARIO III**

<u>Market</u>	<u>Driver</u>	<u>Indicated Rate</u>	<u>Manual Rate</u>	<u>Charged Rate*</u>	<u>Rate Adequate</u>	<u>Clean Risk Surcharge</u>
Voluntary	Driver 1	\$200.00	\$302.00	\$200.00	Yes	\$25.55
Voluntary	Driver 2	\$250.00	\$302.00	\$250.00	Yes	\$25.55
Voluntary	Driver 3	\$300.00	\$302.00	\$300.00	Yes	\$25.55
Clean	Driver 4	\$460.00	\$302.00	\$302.00	No	\$25.55
Other than Clean	Driver 5	\$660.00	\$660.00	\$660.00	Yes	\$55.84
	<b>TOTAL</b>	<b>\$1,870.00</b>	<b>\$1,868.00</b>	<b>\$1,712.00</b>	<b>No</b>	<b>\$158.04</b>

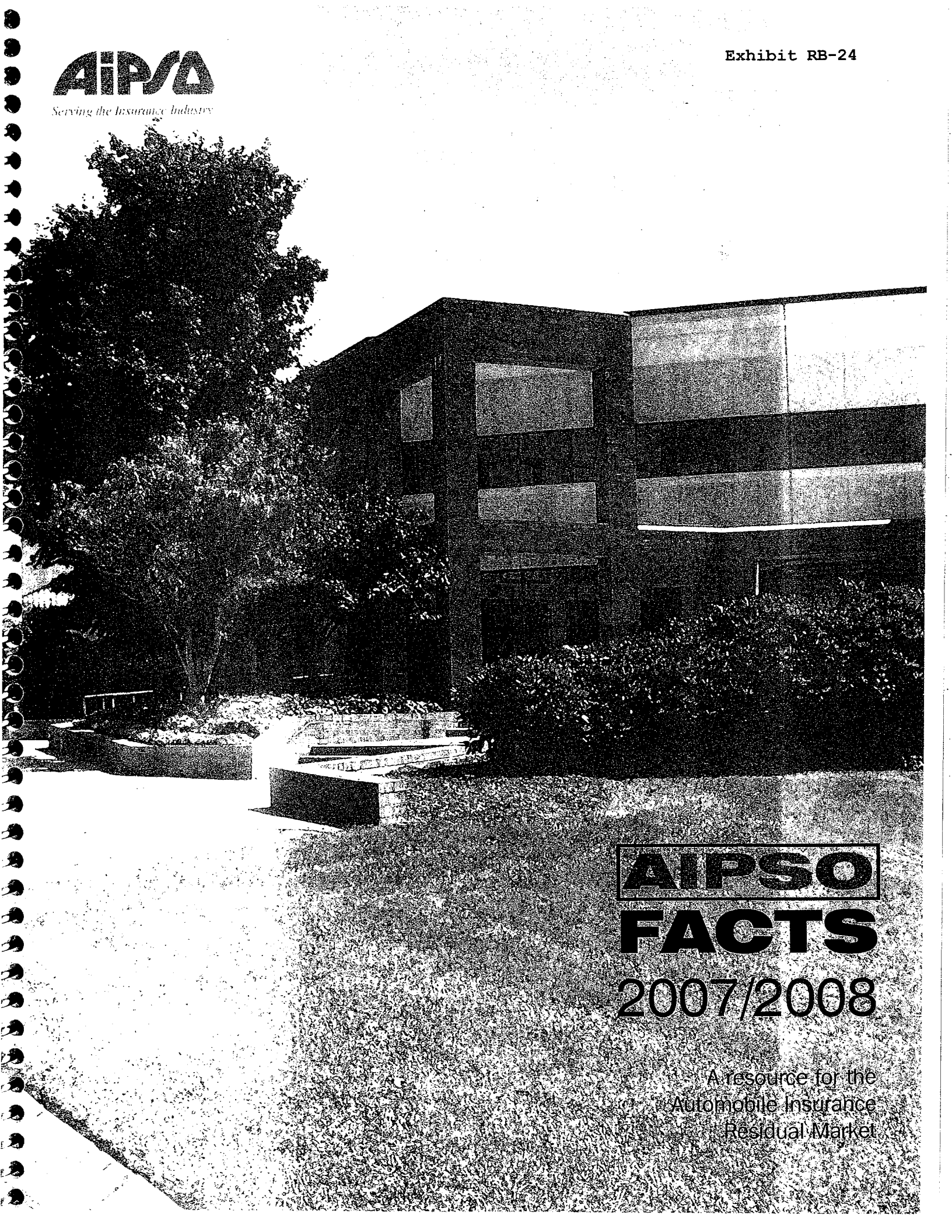
Clean Risk Recoupment = 0.0846 of Manual Rates

\* Assumes that insurers deviate on Drivers 1 and 2 because of individual loss and expense experience.

**Observations:**

- Manual Rate based on total market loss and expense experience.
- Market adequately funded and not overfunded – amount paid (\$1,712 + \$158) equals indicated rate (\$1,870).
- Drivers 1, 2 and 3, who have average or better than average exposure, can find coverage in the voluntary market at adequate rates.
- Manual rates will stabilize at a level equal to the total market average, with rate changes dependent solely on changes in expected losses and expenses.





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2007/2008

A resource for the  
Automobile Insurance  
Residual Market



**Residual Market Size Relative to Total Market by State and Line**

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2006.

State	Rank	2006 Residual Market Written Prem.	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys.Dam.	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys.Dam.	% of state's Total Auto
NORTH CAROLINA	1	\$760,279,851	29.2	0.0	11.7	0.0	15.2
MASSACHUSETTS	2	\$490,222,822	7.6	6.0	23.9	23.5	9.7
NEW YORK	3	\$354,372,482	3.5	0.6	5.6	0.5	2.9
NEW JERSEY	4	\$209,596,309	2.9	1.4	5.9	2.1	2.9
MARYLAND	5	\$152,943,815	4.8	2.3	3.4	1.8	3.7
CALIFORNIA	6	\$59,010,062	0.1	0.0	1.9	0.0	0.3
RHODE ISLAND	7	\$31,366,524	5.7	0.2	4.0	0.6	3.8
PENNSYLVANIA	8	\$30,031,502	0.5	0.1	0.6	0.1	0.4
MICHIGAN	9	\$22,373,488	0.1	0.1	3.0	0.3	0.3
VIRGINIA	10	\$19,846,365	0.2	0.1	2.3	1.0	0.4
HAWAII	11	\$17,069,876	1.3	0.2	9.6	6.9	2.2
TEXAS	12	\$13,747,386	0.2	0.0	0.2	0.0	0.1
NEW HAMPSHIRE	13	\$6,790,141	0.4	0.3	3.4	2.1	0.8
KENTUCKY	14	\$6,197,528	0.0	0.0	2.0	0.0	0.2
ILLINOIS	15	\$5,071,421	0.1	0.0	0.3	0.1	0.1
CONNECTICUT	16	\$5,033,502	0.2	0.1	0.5	0.6	0.2
DISTRICT OF COLUMBIA	17	\$4,761,415	1.1	0.4	8.1	0.0	1.6
FLORIDA	18	\$4,401,524	0.0	0.0	0.2	0.0	0.0
VERMONT	19	\$3,509,100	0.8	0.1	3.2	1.8	0.9
LOUISIANA	20	\$2,695,589	0.0	0.0	0.6	0.0	0.1
KANSAS	21	\$2,448,346	0.2	0.0	0.4	0.1	0.2
WISCONSIN	22	\$2,341,633	0.0	0.0	0.6	0.0	0.1
WEST VIRGINIA	23	\$2,246,270	0.0	0.0	1.5	0.0	0.2
DELAWARE	24	\$2,146,853	0.1	0.0	1.8	0.7	0.3
INDIANA	25	\$1,636,233	0.0	0.0	0.4	0.0	0.0
OKLAHOMA	26	\$1,633,572	0.0	0.0	0.6	0.0	0.1
ALASKA	27	\$1,620,587	0.3	0.1	1.3	0.1	0.3
MINNESOTA	28	\$1,216,092	0.0	0.0	0.4	0.0	0.0
GEORGIA	29	\$985,280	0.0	0.0	0.1	0.0	0.0
MISSOURI	30	\$978,039	0.0	0.0	0.2	0.0	0.0
MAINE	31	\$774,881	0.0	0.0	0.5	0.2	0.1
ARKANSAS	32	\$707,894	0.0	0.0	0.4	0.0	0.0
SOUTH CAROLINA	33	\$676,014	0.0	0.0	0.2	0.1	0.0
TENNESSEE	34	\$580,078	0.0	0.0	0.1	0.0	0.0
SOUTH DAKOTA	35	\$450,244	0.0	0.0	0.8	0.0	0.1
NEVADA	36	\$391,526	0.0	0.0	0.2	0.0	0.0
ARIZONA	37	\$327,768	0.0	0.0	0.1	0.0	0.0
MONTANA	38	\$317,062	0.1	0.0	0.0	0.0	0.0
COLORADO	39	\$223,259	0.0	0.0	0.1	0.0	0.0
WASHINGTON	40	\$216,752	0.0	0.0	0.1	0.0	0.0
ALABAMA	41	\$207,319	0.0	0.0	0.0	0.0	0.0
NEW MEXICO	42	\$184,731	0.0	0.0	0.1	0.0	0.0
IOWA	43	\$172,267	0.0	0.0	0.1	0.0	0.0
IDAHO	44	\$160,769	0.0	0.0	0.1	0.0	0.0
OREGON	45	\$149,891	0.0	0.0	0.1	0.0	0.0
UTAH	46	\$145,237	0.0	0.0	0.1	0.0	0.0
OHIO	47	\$137,890	0.0	0.0	0.0	0.0	0.0
NORTH DAKOTA	48	\$109,179	0.0	0.0	0.2	0.0	0.0
WYOMING	49	\$21,938	0.0	0.0	0.0	0.0	0.0
NEBRASKA	50	\$6,029	0.0	0.0	0.0	0.0	0.0
MISSISSIPPI	51	(\$32,344)	0.0	0.0	-0.1	0.0	0.0
COUNTRYWIDE		2,222,501,991	1.5	0.3	2.3	0.8	1.2

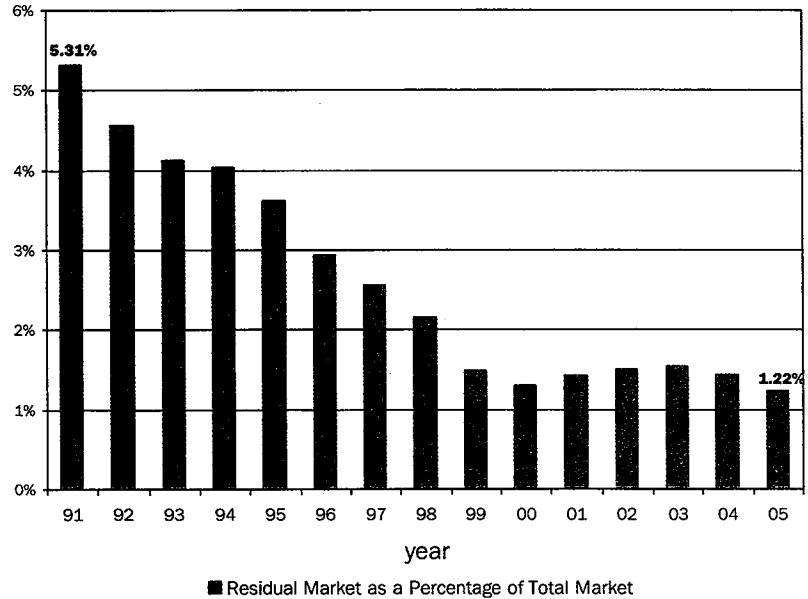
\*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A=coverage not available, or does not apply in this jurisdiction.

## Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1991 through 2005.

**CHART 10B**  
**PPNF Liability Insurance Residual Market**  
**as a Percentage of the Total Market** *of all jurisdictions reporting data to AIPSO*



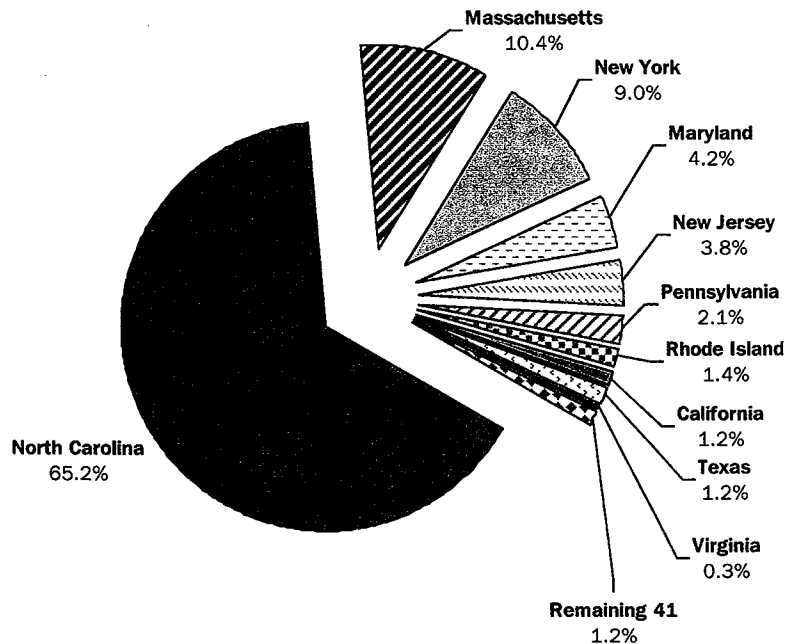
## Market Concentration

Approximately 98.8% of the total private passenger nonfleet residual market business for 2005 was concentrated in ten states, each of which exceeded 7,000 written car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2005.

**CHART 10C**  
**Concentration of PPNF Liability Car Years Written**

**2005**



## Ranking by State

In 2005, North Carolina was once again the only state to develop a population of more than one million written car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

**Chart 10D**  
**PPNF Liability Car Years, 2005**

Rank	Jurisdiction	Amount	% of Total
1	North Carolina	1,546,437	65.20%
2	Massachusetts	246,772	10.40%
3	New York	213,655	9.01%
4	Maryland	100,465	4.24%
5	New Jersey	88,921	3.75%
6	Pennsylvania	50,757	2.14%
7	Rhode Island	32,331	1.36%
8	California	29,349	1.24%
9	Texas	27,418	1.16%
10	Virginia	7,490	0.32%
Total of the 10 Jurisdictions		2,343,595	98.80%
Remaining 41		28,377	1.20%
Total		2,371,972	100.00%

## Largest Changes in Size

In 2005, two jurisdictions experienced increases in the residual market private passenger liability car years written. These increases are shown in Chart 10E.

**Chart 10E**  
**Top Increases in Residual Market PPNF Liability Car Years, 2005**

Jurisdiction	Number Increased	Percent Change
South Carolina	5	66.7%
Nevada	2	5.0%

In 2005, 48 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 2001 through 2005 are shown.

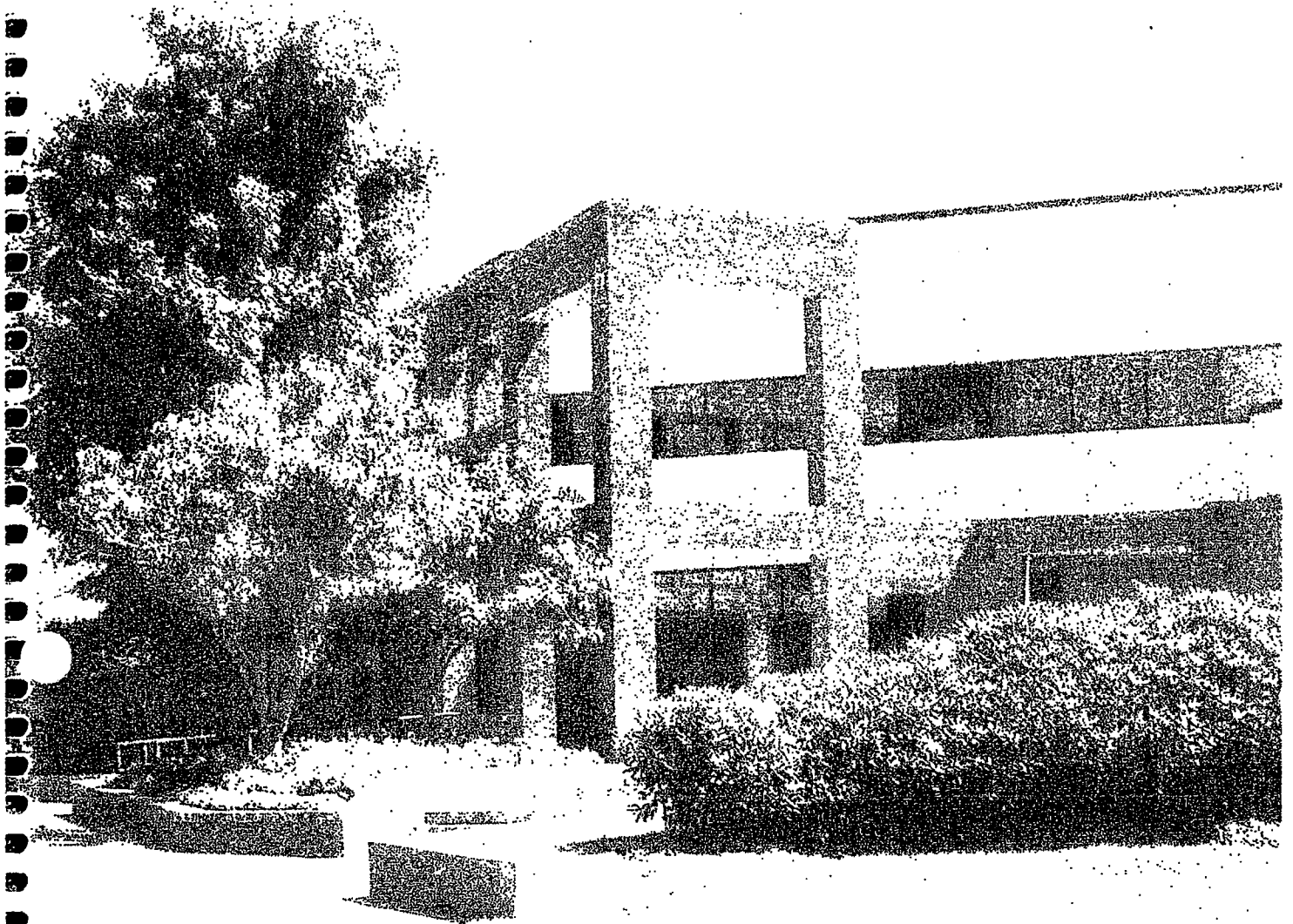
Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

**Chart 10F**  
**Top Five Decreases in Residual Market PPNF Liability Car Years, 2005**

Jurisdiction	Number Decreased	Percent Change
New York	-129,774	-37.8%
New Jersey	-62,034	-41.1%
Maryland	-36,703	-26.8%
Texas	-24,272	-47.0%
Massachusetts	-22,701	-8.4%



Exhibit RB-24



# **AIPSO FACTS 2006/2007**

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CHART 9A  
**Automobile Residual Market as a Percent of the Total Written Premium by Line, 2005**

**Residual Market Size Relative to Total Market by State and Line**

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2005.

State	Rank	2005 Residual Market Written Prem.	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys.Dam.	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys.Dam.	% of state's Total Auto
NORTH CAROLINA	1	\$746,997,442	29.9	0.0	11.6	0.0	15.1
MASSACHUSETTS	2	\$620,237,928	9.9	7.5	24.7	27.8	11.5
NEW YORK	3	\$509,130,199	5.1	0.8	6.8	0.8	4.1
NEW JERSEY	4	\$359,788,473	5.0	2.3	9.7	3.4	4.9
MARYLAND	5	\$191,667,144	6.4	2.8	3.7	2.1	4.7
CALIFORNIA	6	\$73,861,420	0.2	0.0	2.2	0.0	0.3
RHODE ISLAND	7	\$42,218,074	7.5	0.4	5.5	0.7	5.1
PENNSYLVANIA	8	\$41,122,045	0.8	0.1	0.6	0.3	0.5
VIRGINIA	9	\$27,849,943	0.4	0.2	2.9	1.0	0.6
MICHIGAN	10	\$25,823,728	0.2	0.1	2.7	0.4	0.4
TEXAS	11	\$19,778,819	0.2	0.0	0.2	0.0	0.1
HAWAII	12	\$17,215,938	1.5	0.2	9.7	6.3	2.3
CONNECTICUT	13	\$12,505,394	0.3	0.1	2.0	0.8	0.4
NEW HAMPSHIRE	14	\$9,161,869	0.7	0.5	3.9	2.6	1.1
KENTUCKY	15	\$6,840,022	0.0	0.0	2.1	0.0	0.3
FLORIDA	16	\$6,310,232	0.0	0.0	0.4	0.0	0.0
ILLINOIS	17	\$6,116,267	0.1	0.0	0.2	0.1	0.1
LOUISIANA	18	\$5,985,202	0.0	0.0	1.2	0.0	0.2
DISTRICT OF COLUMBIA	19	\$5,454,785	1.4	0.6	8.2	0.0	1.8
VERMONT	20	\$4,151,361	1.1	0.2	3.2	1.8	1.0
KANSAS	21	\$2,903,321	0.2	0.0	0.6	0.2	0.2
DELAWARE	22	\$2,691,755	0.1	0.0	2.3	0.6	0.4
WISCONSIN	23	\$2,591,248	0.0	0.0	0.7	0.0	0.1
MINNESOTA	24	\$2,418,221	0.0	0.0	0.7	0.0	0.1
WEST VIRGINIA	25	\$2,369,709	0.1	0.0	1.3	0.0	0.2
ALASKA	26	\$2,175,210	0.4	0.2	1.5	0.1	0.5
MISSISSIPPI	27	\$2,048,771	0.0	0.0	0.7	0.0	0.1
INDIANA	28	\$2,021,882	0.0	0.0	0.4	0.0	0.1
TENNESSEE	29	\$1,661,141	0.0	0.0	0.4	0.0	0.1
OKLAHOMA	30	\$1,221,402	0.0	0.0	0.4	0.0	0.1
MAINE	31	\$1,010,770	0.1	0.0	0.5	0.1	0.1
SOUTH CAROLINA	32	\$806,846	0.0	0.0	0.3	0.1	0.0
SOUTH DAKOTA	33	\$798,900	0.0	0.0	1.4	0.0	0.2
MISSOURI	34	\$732,220	0.0	0.0	0.1	0.0	0.0
NEBRASKA	35	\$713,769	0.0	0.0	0.5	0.0	0.1
GEORGIA	36	\$514,911	0.0	0.0	0.1	0.0	0.0
WYOMING	37	\$453,723	0.0	0.0	0.9	0.0	0.1
NEVADA	38	\$430,184	0.0	0.0	0.2	0.0	0.0
NEW MEXICO	39	\$308,790	0.0	0.0	0.1	0.0	0.0
ALABAMA	40	\$295,849	0.0	0.0	0.1	0.0	0.0
ARKANSAS	41	\$257,198	0.0	0.0	0.1	0.0	0.0
OHIO	42	\$245,233	0.0	0.0	0.0	0.0	0.0
MONTANA	43	\$237,201	0.1	0.0	0.0	0.0	0.0
IOWA	44	\$236,689	0.0	0.0	0.1	0.0	0.0
ARIZONA	45	\$228,193	0.0	0.0	0.0	0.0	0.0
WASHINGTON	46	\$219,753	0.0	0.0	0.1	0.0	0.0
COLORADO	47	\$213,715	0.0	0.0	0.1	0.0	0.0
OREGON	48	\$145,658	0.0	0.0	0.0	0.0	0.0
UTAH	49	\$139,594	0.0	0.0	0.1	0.0	0.0
NORTH DAKOTA	50	\$107,052	0.0	0.0	0.2	0.0	0.0
IDAHO	51	\$39,848	0.0	0.0	0.0	0.0	0.0
COUNTRYWIDE		2,762,428,948	1.9	0.4	2.8	0.9	1.4

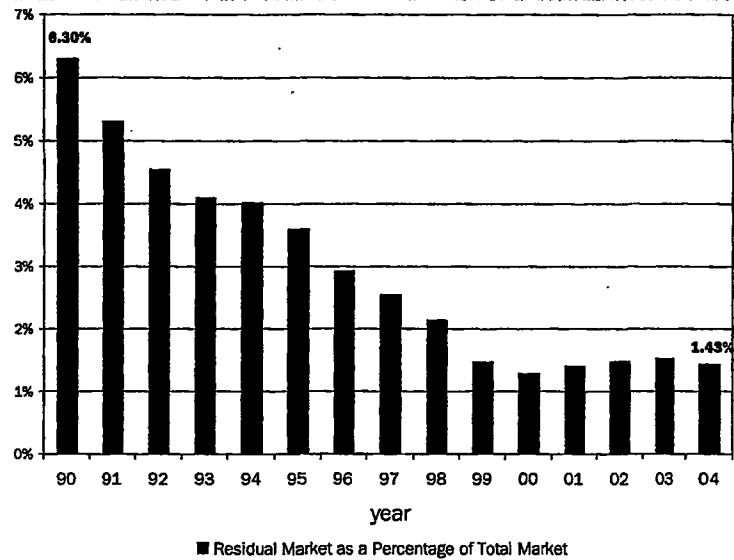
\*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A=coverage not available, or does not apply in this jurisdiction.

## Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1990 through 2004.

**CHART 10B**  
PPNF Liability Insurance Residual Market  
as a Percentage of the Total Market

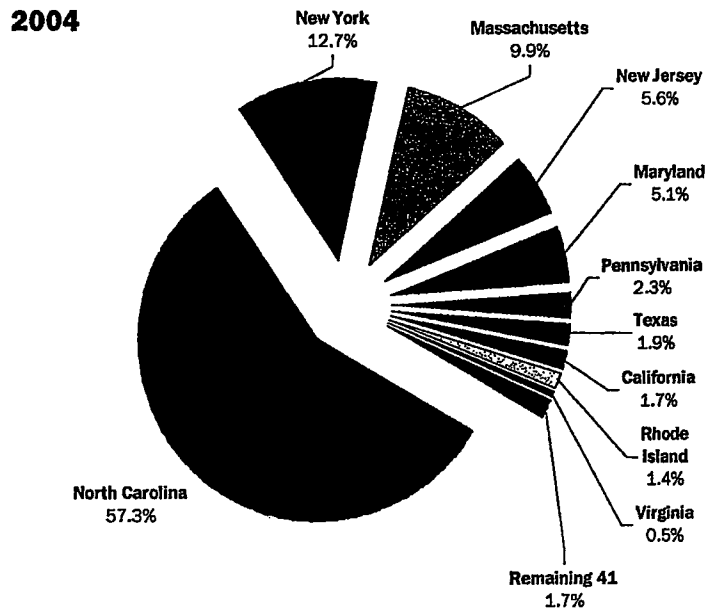


## Market Concentration

Approximately 98.3% of the total private passenger nonfleet residual market business for 2004 was concentrated in ten states, each of which exceeded 12,000 written car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2004.

**CHART 10C**  
Concentration of PPNF Liability Car Years Written



## Ranking by State

In 2004, North Carolina was once again the only state to develop a population of more than one million written car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

**Chart 10D**  
**PPNF Liability Car Years, 2004**

Rank	Jurisdiction	Amount	% of Total
1	North Carolina	1,553,489	57.30%
2	New York	343,333	12.66%
3	Massachusetts	269,473	9.94%
4	New Jersey	150,906	5.57%
5	Maryland	137,168	5.06%
6	Pennsylvania	62,669	2.31%
7	Texas	51,690	1.91%
8	California	46,687	1.72%
9	Rhode Island	37,994	1.40%
10	Virginia	12,897	0.48%
	Total of the 10 Jurisdictions	2,666,306	98.34%
	Remaining 41	45,054	1.66%
	Total	2,711,360	100.00%

## Largest Changes in Size

In 2004, 21 jurisdictions experienced increases in the residual market private passenger liability car years written. The five largest increases are shown in Chart 10E.

**Chart 10E**  
**Top Five Increases in Residual Market PPNF Liability Car Years, 2004**

Jurisdiction	Number Increased	Percent Change
North Carolina	67,203	4.5%
Maryland	6,499	5.0%
Pennsylvania	2,480	4.1%
Rhode Island	1,241	3.4%
Kansas	443	25.3%

In 2004, 30 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 2000 through 2004 are shown.

Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

**Chart 10F**  
**Top Five Decreases in Residual Market PPNF Liability Car Years, 2004**

Jurisdiction	Number Decreased	Percent Change
New York	-112,728	-24.7%
California	-20,182	-30.2%
Michigan	-14,928	-71.0%
Massachusetts	-8,989	-3.2%
Virginia	-6,695	-34.2%



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**AIPSA** *Serving the Insurance Industry*  
302 Central Avenue  
Johnston, Rhode Island 02919-4932  
(401) 946-2310  
fax (401) 528-1350  
[www.aipso.com](http://www.aipso.com)  
e-mail: [info@aipso.com](mailto:info@aipso.com)

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**CHART 9A**

**Automobile Residual Market as a Percent of the Total Written Premium by Line, 2004**

**Residual Market Size Relative to Total Market by State and Line**

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2004

State	Rank	2004 Residual Market Written Prem	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys Dam	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys Dam	% of state's Total Auto
NEW YORK	1	\$833,123,837	83	14	93	12	64
NORTH CAROLINA	2	\$695,888,600	295	N/A	108	N/A	150
MASSACHUSETTS	3	\$656,625,095	109	81	243	262	121
NEW JERSEY	4	\$527,343,046	75	37	118	51	69
MARYLAND	5	\$241,845,057	81	43	32	20	60
CALIFORNIA	6	\$102,645,454	04	N/A	26	N/A	05
PENNSYLVANIA	7	\$56,084,779	10	01	10	02	07
RHODE ISLAND	8	\$44,137,734	83	05	43	10	54
VIRGINIA	9	\$38,134,337	06	03	35	13	08
MICHIGAN	10	\$31,437,442	03	02	23	06	04
TEXAS	11	\$31,143,381	04	N/A	03	N/A	02
CONNECTICUT	12	\$17,885,251	05	01	22	10	06
HAWAII	13	\$17,161,896	18	02	93	70	24
FLORIDA	14	\$16,550,260	01	00	06	00	01
NEW HAMPSHIRE	15	\$12,636,987	09	06	51	48	14
LOUISIANA	16	\$8,408,845	01	00	15	00	02
ILLINOIS	17	\$8,181,783	01	01	03	02	01
DISTRICT OF COLUMBIA	18	\$6,233,410	18	08	70	00	21
KENTUCKY	19	\$6,189,396	01	N/A	18	N/A	02
VERMONT	20	\$5,065,873	15	03	31	20	13
MINNESOTA	21	\$3,965,480	00	00	10	00	01
DELAWARE	22	\$3,764,432	01	01	32	14	05
KANSAS	23	\$3,752,958	02	00	09	03	02
ALASKA	24	\$3,665,420	10	04	14	01	08
WISCONSIN	25	\$3,246,410	00	00	08	00	01
ARIZONA	26	\$3,176,574	00	00	07	02	01
MISSISSIPPI	27	\$2,870,492	01	00	10	00	02
OKLAHOMA	28	\$2,708,425	00	00	09	02	01
WEST VIRGINIA	29	\$2,631,729	01	00	13	01	02
MISSOURI	30	\$2,602,899	00	00	05	01	01
SOUTH CAROLINA	31	\$1,792,553	00	00	06	01	01
ALABAMA	32	\$1,692,280	00	00	05	00	01
MAINE	33	\$1,692,021	01	00	08	04	02
GEORGIA	34	\$1,668,777	00	00	02	02	00
OREGON	35	\$1,608,134	00	00	04	06	01
TENNESSEE	36	\$1,303,925	00	00	02	00	00
INDIANA	37	\$1,274,038	00	00	03	00	00
WASHINGTON	38	\$1,263,423	00	00	02	03	00
IDAHO	39	\$1,156,519	00	00	08	06	02
NEBRASKA	40	\$1,079,217	00	N/A	07	N/A	01
SOUTH DAKOTA	41	\$992,829	00	00	16	01	02
UTAH	42	\$851,661	00	00	04	03	01
COLORADO	43	\$587,753	00	00	01	01	00
IOWA	44	\$498,633	00	00	01	01	00
MONTANA	45	\$483,194	01	00	03	00	01
NEW MEXICO	46	\$437,019	00	00	02	00	00
NEVADA	47	\$397,926	00	00	02	00	00
WYOMING	48	\$361,752	00	00	08	00	01
NORTH DAKOTA	49	\$334,360	00	00	05	02	01
OHIO	50	\$218,445	00	00	00	00	00
ARKANSAS	51	\$186,543	00	00	01	00	00
COUNTRYWIDE		\$ 3,408,988,284	23	05	33	11	18

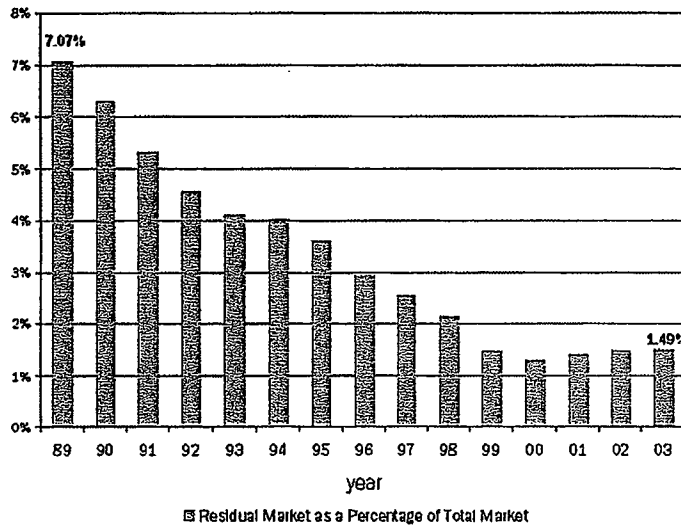
\*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A=coverage not available, or does not apply in this jurisdiction

## Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1989 through 2003

**CHART 10B**  
**PPNF Liability Insurance Residual Market**  
**as a Percentage of the Total Market** *of all jurisdictions reporting data to ALPSO*

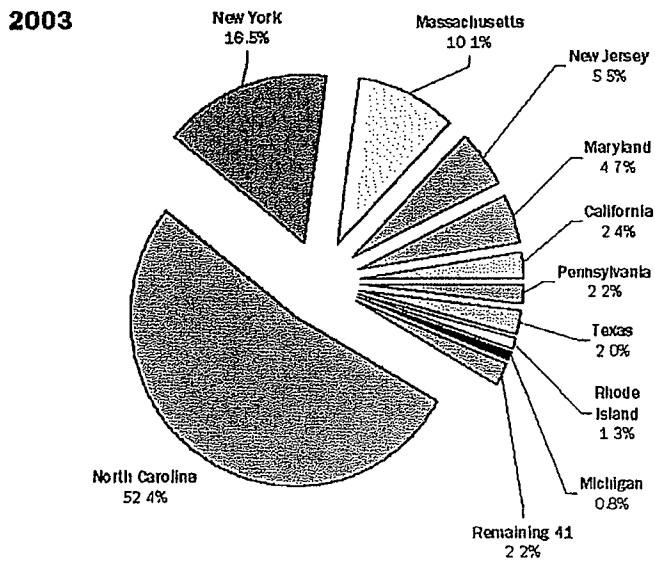


## Market Concentration

Approximately 97.8% of the total private passenger nonfleet residual market business for 2003 was concentrated in ten states, each of which exceeded 21,000 written car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2003

**CHART 10C**  
**Concentration of PPNF Liability Car Years Written**



## Ranking by State

In 2003, North Carolina was once again the only state to develop a population of more than one million written car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

**Chart 10D**  
**PPNF Liability Car Years, 2003**

Jurisdiction	Amount	Percent of Total
North Carolina	249,897	25.7%
New York	226,061	23.4%
Massachusetts	208,462	21.5%
Virginia	179,952	18.6%
Michigan	150,650	15.6%
California	136,839	14.2%
Pennsylvania	120,053	12.4%
Texas	115,250	11.9%
Rhode Island	86,650	8.9%
Michigan	70,040	7.2%
<b>Total of the 10 Jurisdictions</b>	<b>1,707,833</b>	<b>17.8%</b>
Remaining 41	60,787	0.6%
<b>Total</b>	<b>1,768,620</b>	<b>18.4%</b>

## Largest Changes in Size

In 2003, 25 jurisdictions experienced increases in the residual market private passenger liability car years written. The five largest increases are shown in Chart 10E.

**Chart 10E**  
**Top Five Increases in Residual Market PPNF Liability Car Years, 2003**

Jurisdiction	Number Increased	Percent Change
North Carolina	116,844	48%
New Jersey	21,790	16.6%
California	15,772	25.8%
Texas	12,675	29.8%
Pennsylvania	11,392	23.4%

In 2003, 25 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 1999 through 2003 are shown.

Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

**Chart 10F**  
**Top Five Decreases in Residual Market PPNF Liability Car Years, 2003**

Jurisdiction	Number Decreased	Percent Change
New York	31,870	-5.8%
Massachusetts	23,961	-7.9%
Michigan	11,302	-24.9%
South Carolina	5,484	-34.5%
Virginia	3,458	-15.0%

## Analysis of Revenue Balance

	(1) Projected Premium at Rate Bureau Rates	(2) Deviation from Bureau Rates	(3) Anticipated Premium (1) x (1.0+(2))	(4) Clean Risk Recoupment Factor	(5) Recoupment Amount (1) x (4)	(6) Total Revenue (3) + (5)	(7) Difference (6) - (1)	(8) Off-Balance Percentage (7) / (1)
<b>Coverage</b>								
<b>Liability</b>	2,535,692,543	-4.84%	2,412,932,924	0.0471	119,431,119	2,532,364,043	-3,328,500	-0.1%
	(9) Projected Premium at Rate Bureau Rates	(10) Deviation from Bureau Rates	(11) Anticipated Premium (9) x (10)			(12) Total Revenue Col (11)	(13) Difference (12) - (9)	(14) Off-Balance Percentage (13) / (9)
<b>Physical Damage</b>	1,403,648,206	-1.79%	1,378,527,668			1,378,527,668	-25,120,538	-1.8%
	(15) Projected Premium at Rate Bureau Rates (1) + (9)					(16) Total Revenue (6) + (12)	(17) Difference (16) - (15)	(18) Off-Balance Percentage (17) / (15)
<b>Grand Total</b>	3,939,340,749					3,910,891,712	-28,449,037	-0.7%

## Notes:

Col. (1) and Col. (9) reflect filed rate changes of +5.4% for liability and -5.2% for physical damage effective 10/1/09.  
Col. (2) and Col. (10) are averages of the six latest years of available data.  
Col. (4) is based on the most recent clean risk shortfall.

PREFILED TESTIMONY  
OF  
JAMES H. VANDER WEIDE

2009 PRIVATE PASSENGER NONFLEET  
AUTOMOBILE INSURANCE RATE FILING  
BY THE NORTH CAROLINA RATE BUREAU

Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?

A. My name is James H. Vander Weide. I am Research Professor of Finance and Economics at Duke University, the Fuqua School of Business. I am also President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to corporate clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.

A. I graduated from Cornell University with a Bachelor's Degree in Economics and then attended Northwestern University where I earned a Ph.D. in Finance. I joined the faculty of the School of Business at Duke University where I was subsequently named Assistant Professor, Associate Professor, and then Professor.

Since joining the faculty I have taught courses in corporate finance, investment management, and management of financial institutions. I have also taught a graduate seminar on the

theory of public utility pricing and lectured in executive development seminars on the cost of capital, financial analysis, capital budgeting, mergers and acquisitions, cash management, short-run financial planning, and competitive strategy.

I have served as Program Director and taught in numerous executive education programs at Duke, including the Duke Advanced Management Program, the Duke Management Challenge, the Duke Executive Program in Telecommunications, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. I also teach in tailored programs developed for corporations such as ABB, Accenture, Allstate, AT&T, Progress Energy, GlaxoSmithKline, Lafarge, MidAmerican Energy, Norfolk Southern, The Rank Group, Siemens, TRW, and Wolseley PLC.

In addition to my teaching and executive education activities, I have written research papers on such topics as portfolio management, the cost of capital, capital budgeting, the effect of regulation on the performance of public utilities, and cash management. My articles have been published in *American Economic Review*, *Financial Management*, *International Journal of Industrial Organization*, *Journal of*

*Finance, Journal of Financial and Quantitative Analysis, Journal of Bank Research, Journal of Accounting Research, Journal of Cash Management, Management Science, The Journal of Portfolio Management, Atlantic Economic Journal, Journal of Economics and Business, and Computers and Operations Research.* I have written a book titled *Managing Corporate Liquidity: an Introduction to Working Capital Management*, a chapter for *The Handbook of Modern Finance*, "Financial Management in the Short Run," and a chapter for *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*, "Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory," (forthcoming Spring 2009).

Q. HAVE YOU PREVIOUSLY PRESENTED EVIDENCE ON THE COST OF CAPITAL AND OTHER REGULATORY ISSUES?

A. Yes. As an expert on financial and economic theory, I have testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, depreciation, accounting, valuation, and other financial and economic issues in approximately 400 cases before the U.S. Congress, the Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Energy Regulatory Commission, the Canadian Radio-



Television and Telecommunications Commission, The National Energy Board (Canada), the public service commissions of 42 states and the District of Columbia, the insurance commissions of five states, the Iowa State Board of Tax Review, and the National Association of Securities Dealers. In addition, I have testified as an expert witness in proceedings before the U.S. District Court for the Northern District of California; U.S. District Court for the District of Nebraska; United States District Court for the District of New Hampshire; U.S. District Court for the Eastern District of North Carolina; Superior Court, North Carolina; the U.S. Bankruptcy Court for the Southern District of West Virginia; and the U.S. District Court for the Eastern District of Michigan.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the North Carolina Rate Bureau to make an independent appraisal of the aggregate cost of equity capital for the companies writing private passenger automobile insurance in North Carolina and to recommend a rate of return on equity that is fair, that allows those companies in the aggregate to attract and retain capital on reasonable terms, that is commensurate with returns on investments of comparable risk, and that maintains the financial integrity of those companies in the aggregate.

Q. WHAT DO YOU MEAN BY THE PHRASE "COST OF EQUITY CAPITAL?"

A. A firm's cost of equity capital is the rate of return expectation that is required in the marketplace on equity investments of comparable risk. If an investor does not expect to earn a return on an equity investment in a firm that is at least as large as the return the investor could expect to earn on other investments of comparable risk, then the investor will not invest in that firm's shares. Thus, a firm's cost of equity capital is also the rate of return expectation that is required in the marketplace in order to induce equity investors to purchase shares in that firm.

Q. IS THE COST OF EQUITY CAPITAL THE SAME AS THE RETURN ON EQUITY?

A. No. The cost of equity capital is a market-based concept that reflects investors' future expectations, while the return on equity is an accounting concept that measures results of past performance. The return on equity is equal to income available for common equity divided by the book value of common equity.

Q. HAVE YOU FORMED AN OPINION REGARDING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. Yes.

Q. WHAT IS YOUR OPINION IN THAT REGARD?

A. The cost of equity capital for such a company is in the range 12.2 percent to 14.0 percent.

Q. WHAT ECONOMIC PRINCIPLES DID YOU CONSIDER IN ARRIVING AT THAT OPINION?

A. There are two primary economic principles relevant to my appraisal of the cost of equity capital. The first, relating to the demand for capital, states that a firm should continue to invest in its business only so long as the return on its investment is greater than or equal to its cost of capital. In the context of a regulated firm, this principle suggests that the regulatory agency should establish revenue levels which will offer the firm an opportunity to earn a return on its investment that is at least equal to its cost of capital.

The second principle, relating to the supply of capital, states that rational investors are maximizing their total return on capital only if the returns they expect to receive on investments of comparable risk are equal. If these returns are not equal, rational investors will reduce or completely eliminate investments in those activities yielding lower expected returns for a given level of risk and will increase investments in those activities yielding higher expected returns. The second principle implies that

regulated firms will be unable to obtain the capital required to expand service on reasonable terms unless they are able to provide investors returns equal to those expected on investments of comparable risk.

Q. DO THESE ECONOMIC PRINCIPLES APPLY TO THE SETTING OF INSURANCE RATES?

A. Yes. These are general economic principles that apply to investing in any business activity, including insurance.

Q. HOW DID YOU GO ABOUT DETERMINING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. I used two generally accepted methods to estimate the cost of equity: (i) the Discounted Cash Flow (DCF) Model, and (ii) the Risk Premium Approach.

Q. PLEASE DESCRIBE THE DCF MODEL.

A. The DCF Model suggests that investors value an asset on the basis of the future cash flows they expect to receive from owning the asset. Thus, investors value an investment in a bond because they expect to receive a sequence of semi-annual coupon payments over the life of the bond and a terminal payment equal to the bond's face value at the time the bond matures. Likewise, investors value an investment in a firm's stock because they expect to receive a sequence of

dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future.

A second fundamental principle of the DCF approach is that investors value a dollar received in the future less than a dollar received today. This is because, if they had the dollar today, they could invest it in an interest earning account and increase their wealth. This principle is called the time value of money.

Applying the two fundamental DCF principles noted above to an investment in a bond suggests that investors should value their investment in the bond on the basis of the present value of the bond's future cash flows. Thus, the price of the bond should be equal to:

**Equation 1**

$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

where:

- $P_B$  = Bond price;
- $C$  = Cash value of the coupon payment (assumed for notational convenience to occur annually rather than semi-annually);
- $F$  = Face value of the bond;
- $i$  = The rate of interest the investor could earn by investing his money in an alternative bond of equal risk; and
- $n$  = The number of periods before the bond matures.

Applying these same principles to an investment in a firm's stock suggests that the price of the stock should be equal to:

**Equation 2**

$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

where:

$P_s$	=	Current price of the firm's stock;
$D_1, D_2 \dots D_n$	=	Expected annual dividend per share on the firm's stock;
$P_n$	=	Price per share of stock at the time the investor expects to sell the stock; and
$k$	=	Return the investor expects to earn on alternative investments of the same risk, i.e., the investor's required rate of return.

Equation (2) is frequently called the Annual Discounted Cash Flow (DCF) Model of stock valuation.

Q. HOW DO YOU USE THE DCF MODEL TO DETERMINE THE COST OF EQUITY CAPITAL?

A. The "k" in the equation is the cost of equity capital. We make certain simplifying assumptions regarding the other factors in the equation and then mathematically solve for "k."

Q. WHAT ARE THE ASSUMPTIONS YOU MAKE?

A. Most analysts make three simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate ("g") into the indefinite future. Second, they assume that the stock price at time "n" is simply the present value of all dividends expected in periods subsequent to "n." Third, they assume that the investors' required rate of return, "k," exceeds the expected dividend growth rate, "g."

Q. DOES THE ANNUAL DCF MODEL OF STOCK VALUATION PRODUCE APPROPRIATE ESTIMATES OF A FIRM'S COST OF EQUITY CAPITAL?

A. No. The Annual DCF Model of stock valuation produces appropriate estimates of a firm's cost of equity capital only if the firm pays dividends just once a year. Since most firms pay dividends quarterly, the Annual DCF Model produces downwardly biased estimates of the cost of equity. Investors can expect to earn a higher annual effective return on an investment in a firm that pays quarterly dividends than in one which pays the same amount of dollar dividends once at the end of each year. A complete analysis of the implications of the quarterly payment of dividends on the DCF Model is provided in Exhibit RB-27. For the reasons cited there, I employ the Quarterly DCF Model throughout my calculations.

Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USED.

A. The Quarterly DCF Model I use is described by Equation 10 on page 11 in Exhibit RB-27. This equation shows that the cost of equity is: the sum of the dividend yield and the growth rate, where the dividend in the dividend yield is the equivalent dividend at the end of the year, and the growth rate is the expected growth in dividends or earnings per share.

Q. HOW DO YOU APPLY THE DCF APPROACH TO OBTAIN THE COST OF EQUITY CAPITAL FOR THE COMPANIES WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. I apply the DCF approach to two groups of companies: Value Line's group of property/casualty insurance companies and the S&P 500.

Q. WHY DO YOU APPLY THE DCF APPROACH TO THE S&P 500 AS WELL AS TO VALUE LINE'S PROPERTY/CASUALTY INSURANCE COMPANIES?

A. As I noted previously, the cost of equity is defined as the rate of return investors expect to earn on investments in other companies of comparable risk. I apply the DCF approach to the S&P 500 because they are a large group of companies that, on average, are typically viewed as being comparable in risk to the property/casualty insurance industry. The use of a larger set of comparable risk companies should provide an accurate estimate of the cost of



equity for the companies writing private passenger automobile insurance in North Carolina.

Q. DO YOU INCLUDE ALL THE VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANIES?

A. No. Among the Value Line property/casualty insurance companies, I delete any firm which had recently lowered its dividend and which had fewer than three five-year earnings forecasts available from I/B/E/S (formerly known as the Institutional Brokers Estimate System, now part of Thomson Reuters). The Value Line property/casualty companies I use are shown in Exhibit RB-28.<sup>1</sup>

Q. WHAT CRITERIA DO YOU USE TO SELECT COMPANIES IN THE S&P 500?

A. I include those firms which pay dividends and which have at least three five-year earnings forecasts available from

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<sup>1</sup> At this time, my selection criteria produce a group of only six Value Line property/casualty insurance companies. Only two of these companies, Allstate and Selective, have a high percentage of revenues from private passenger automobile insurance. Therefore, I do not also provide an exhibit for the subset of those Value Line property casualty companies that have a high percentage of revenues from private passenger automobile insurance, as I have in the past.

I/B/E/S. I exclude the insurance companies in the S&P 500, as identified by I/B/E/S Thomson Reuters, because I had already calculated DCF results for the Value Line property/casualty insurance companies. To be conservative, I also eliminate those companies whose DCF results exceeded the mean by one standard deviation. The S&P 500 companies I use are shown in Exhibit RB-29.

Q. WHY DO YOU ELIMINATE ANY COMPANY WHICH HAD RECENTLY LOWERED ITS DIVIDEND OR WHICH FAILS TO PAY DIVIDENDS?

A. I eliminate those companies because it is difficult to make a reliable estimate of the future dividend growth rate for companies that have recently lowered their dividends or do not pay dividends. If a company has recently lowered its dividend, investors do not know whether the company will again lower its dividend in the future, or whether the company will attempt to increase its dividend back toward its previous level. If a company does not pay a dividend, one cannot mathematically apply the DCF approach.

Q. HOW DO YOU ESTIMATE THE GROWTH COMPONENT OF THE QUARTERLY DCF MODEL?

A. I use the average of analysts' estimates of future earnings per share (EPS) growth reported by I/B/E/S. As part of their research, financial analysts working at Wall Street firms periodically estimate EPS growth for each firm they follow.

The EPS forecasts for each firm are then published. The forecasts are used by investors who are contemplating purchasing or selling shares in individual companies.

Q. WHAT IS I/B/E/S?

A. I/B/E/S is a collection of analysts' forecasts for a broad group of companies expressed in terms of a mean forecast and a standard deviation of forecast for each firm. The mean forecast is used by investors as an estimate of future firm performance.

Q. WHY DO YOU USE THE I/B/E/S GROWTH ESTIMATES?

A. The I/B/E/S growth rates (1) are widely circulated in the financial community, (2) include the projections of a large number of reputable financial analysts who develop estimates of future growth, (3) are reported on a timely basis to investors, and (4) are widely used by institutional and other investors. For these reasons, I believe these estimates represent unbiased estimates of investors' expectations of each firm's long-term growth prospects and, accordingly, are incorporated by investors into their return requirements. Consequently, in my opinion, they provide the best available estimate of investors' long-term growth expectations.

Q. WHY DO YOU RELY EXCLUSIVELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS GROWTH IN ESTIMATING THE INVESTORS' EXPECTED GROWTH RATE RATHER THAN LOOKING AT PAST HISTORICAL GROWTH RATES?

A. There is considerable empirical evidence that analysts' forecasts are more highly correlated with stock prices than are firms' historical growth rates, and, thus, that investors actually use these forecasts.

Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF ANALYSTS' FORECASTS AS THE BEST ESTIMATE OF INVESTORS' EXPECTED GROWTH RATE, G?

A. Yes, I prepared a study in conjunction with Willard T. Carleton, Professor of Finance Emeritus at the University of Arizona, on why analysts' forecasts provide the best estimate of investors' expectations of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations: Analysts vs. History," published in the Spring 1988 edition of *The Journal of Portfolio Management*.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.

A. First, we performed a correlation analysis to identify the historically-oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the consensus analysts'

forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the early major research in this area. These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than historically-oriented growth calculations, in making buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price.

Q. WHAT PRICE DO YOU USE IN YOUR DCF MODEL?

A. I use a simple average of the monthly high and low stock prices for each firm for the three-month period ending November 2008. These high and low stock prices were obtained from Thomson Reuters.

Q. WHY DO YOU USE THE THREE-MONTH AVERAGE STOCK PRICE,  $P_0$ , IN APPLYING THE DCF METHOD?

A. I use a three-month average stock price in applying the DCF method because stock prices fluctuate daily, while financial analysts' forecasts for a given company are generally changed less frequently, often on a quarterly basis. Thus, to match the stock price with an earnings forecast, it is

appropriate to average stock prices over a three-month period.

Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.

A. All firms that have sold securities in the capital markets have incurred some level of flotation costs, including underwriters' commissions, legal fees, printing expense, etc. These costs are paid from the proceeds of the stock sale and must be recovered over the life of the equity issue. Costs vary depending upon the size of the issue, the type of registration method used and other factors, but in general these costs range between four percent and five percent of the proceeds from the issue. In addition to these costs, for large equity issues there is likely to be a decline in price associated with the sale of shares to the public. On average, the decline due to market pressure has been estimated at two percent to three percent.

These cost ranges have been developed and confirmed in a number of generally accepted studies. I believe a combined five percent allowance for flotation costs and market pressure is a conservative estimate that can be used in applying the DCF Model in this proceeding.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF THE DCF METHOD TO THE PROPERTY/CASUALTY INSURANCE COMPANIES AND THE S&P 500.

A. As shown in Exhibits RB-28 and RB-29, the average DCF cost of equity capital for my group of Value Line property/casualty companies is 12.8 percent; and for the S&P 500 companies, 14.0 percent.

Q. WHAT CONCLUSION DO YOU REACH FROM YOUR DCF ANALYSIS ABOUT THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. On the basis of my DCF analysis, I conclude that for companies writing private passenger automobile insurance in North Carolina the cost of equity is in the range 12.8 percent to 14.0 percent.

Q. YOU SAID THE SECOND METHOD YOU USE TO ESTIMATE THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA WAS A RISK PREMIUM APPROACH. PLEASE DESCRIBE THAT APPROACH.

A. I perform a study of the comparable returns received by bond and stock investors over the last 82 years. I estimate the returns on stock and bond portfolios, using stock price and dividend yield data on the S&P 500 stock portfolio and bond yield data on Moody's A-rated utility bonds.

My study consists of analyzing the historically achieved returns on broadly based stock and bond portfolios going back to 1926. For stocks, I use the S&P 500 stock portfolio and for bonds I use Moody's A-rated utility bonds. The resulting annual returns on the stock and bond portfolios purchased in each year from 1926 through 2007 are shown on Exhibit RB-30. The difference between the stock return and the bond return over that period of time on an arithmetic average basis is 5.0 percentage points.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR RISK PREMIUM ANALYSES?

A. My own studies, combined with my analysis of other studies, provide strong evidence for the belief that investors today require an equity return of approximately 5.0 percentage points above the expected yield on A-rated long-term debt issues.

Interest rates on Moody's seasoned A-rated utility bonds during the three months ending November 2008 ranged from 6.5 percent to 7.6 percent. On the basis of this information and my knowledge of bond market conditions, I conclude that the long-term yield on A-rated utility bonds is approximately 7.2 percent. Adding a 5.0 percentage point risk premium to the 7.2 percent expected yield on A-rated



utility bonds, I obtain an expected return on equity of approximately 12.2 percent.

Q. BASED ON YOUR ANALYSES, WHAT IS YOUR OPINION AS TO THE COST OF CAPITAL FOR THE AVERAGE INSURANCE COMPANY WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. Based on my review and studies, I believe that a conservative estimate of the cost of common equity capital for the average insurance company writing private passenger automobile insurance in North Carolina is in the range 12.2 percent to 14.0 percent.

Q. IS THE COST OF EQUITY A FAIR RETURN ON EQUITY?

A. No. The cost of equity is a market-based concept that reflects the return investors expect on the market value of their investment. The fair return on equity is an accounting concept that expresses the accounting rate of return the company earns on the book value of its investment. The cost of equity and the fair return on equity will be equal only when the market value of equity is equal to the book value of equity. Generally, the market value of equity is greater than the book value of equity for both the average firm and the average property/casualty insurer. When the market value of equity is greater than the book value of equity, the fair rate of return on equity must exceed the cost of equity

capital for equity investors to have a reasonable expectation of earning their required return on investment.

Q. DO YOU CONVERT YOUR COST OF EQUITY CAPITAL TO A FAIR RETURN ON EQUITY?

A. No. In this proceeding I do not converted my cost of equity capital to the fair return on equity. The data that I previously used to convert my cost of equity to a fair return on equity has not been updated in several years. Given recent experience in the capital markets, I am confident that the fair return on equity would exceed the cost of equity. However, in the absence of data necessary to perform an explicit study, to be conservative, I recommend that my cost of equity estimate also be used as an estimate of the fair return on equity.

### THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In this appendix, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

- $P_0$  = current price per share of the firm's stock,
- $D_1, D_2, \dots, D_n$  = expected annual dividends per share on the firm's stock,
- $P_n$  = price per share of stock at the time investors expect to sell the stock, and
- $k$  = return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating  $k$ . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate  $g$  into the indefinite future. Second, they assume that the stock price at time  $n$  is simply the present value of all dividends expected in periods subsequent to  $n$ . Third, they assume that the investors' required rate of return,  $k$ , exceeds the expected dividend growth rate  $g$ . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

### Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24, ..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence 3, 3 x 2, 3 x 2<sup>2</sup>, 3 x 2<sup>3</sup>, ... This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a, the first term, r, the common ratio, and n, the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum  $S_n$ . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n \quad ,$$

or

$$(1 - r) S_n = a (1 - r^n) \quad .$$

Solving for  $S_n$ , we obtain:

$$S_n = \frac{a(1-r^n)}{(1-r)} \quad (4)$$

as a simple expression for the sum of  $n$  terms of a geometric progression. Furthermore, if  $|r| < 1$ , then  $S_n$  is finite, and as  $n$  approaches infinity,  $S_n$  approaches  $a \div (1 - r)$ . Thus, for a geometric progression with an infinite number of terms and  $|r| < 1$ , equation (4) becomes:

$$S = \frac{a}{1-r} \quad (5)$$

#### Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1-\frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of  $g\%$  per year (see Figure 1).

Figure 1

Annual DCF Model

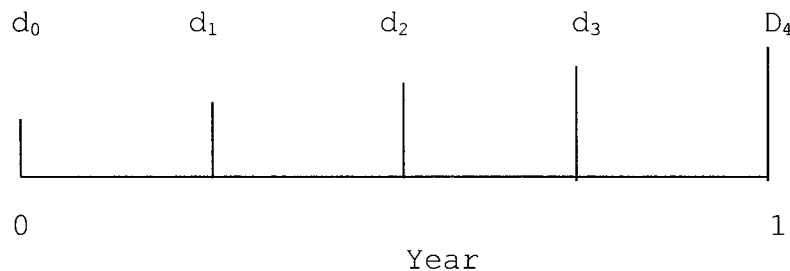


$$D_0 = 4d_0$$

$$D_1 = D_0(1 + g)$$

Figure 2

Quarterly DCF Model (Constant Growth Version)



$$d_1 = d_0(1+g)^{.25}$$

$$d_2 = d_0(1+g)^{.50}$$

$$d_3 = d_0(1+g)^{.75}$$

$$d_4 = d_0(1+g)$$



In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor  $(1 + g)^{.25}$ , where  $g$  is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and  $k > g$ , we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where  $d_0$  is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lower case  $d$  to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for  $k$ , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend

assumption:

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

#### An Alternative Quarterly DCF Model

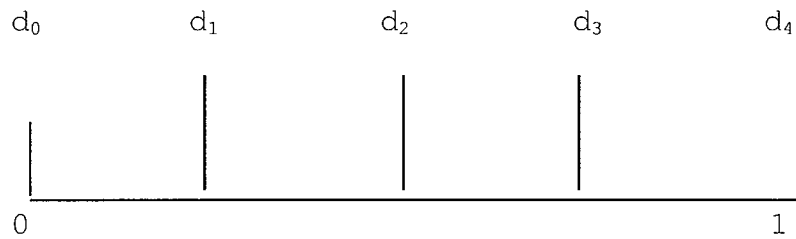
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

Figure 3

Quarterly DCF Model (Constant Dividend Version)

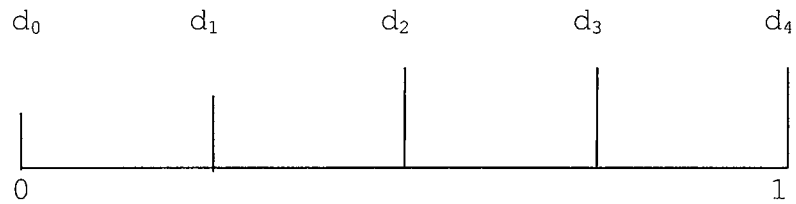
Case 1



Year

$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2



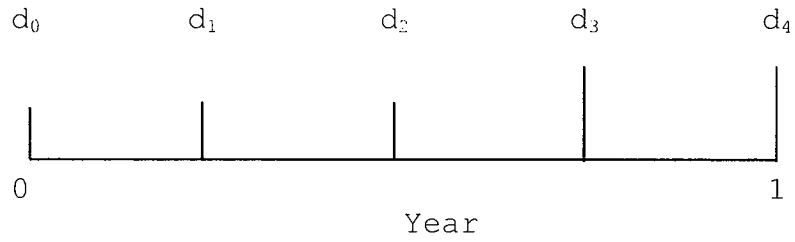
Year

$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

Figure 3 (continued)

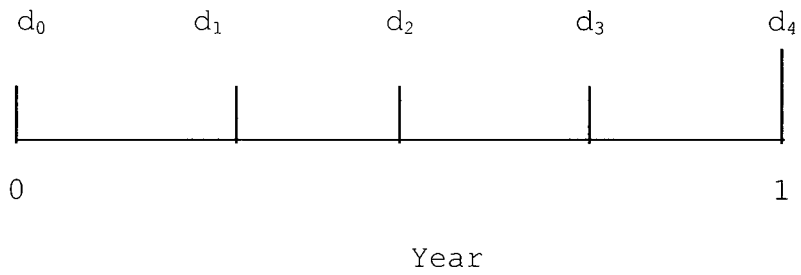
Case 3



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

Case 4



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where  $d_1$ ,  $d_2$ ,  $d_3$  and  $d_4$  are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that

$$D_1^* = d_1 (1 + k)^{3/4} + d_2 (1 + k)^{1/2} + d_3 (1 + k)^{1/4} + d_4 \quad (9)$$

is used in place of  $D_0(1+g)$ . But, we already know that the Annual DCF Model may be reduced to

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with  $D_1^*$  given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very important practical differences. First, since  $D_1^*$  is always greater than  $D_0(1+g)$ , the estimates of the cost of

equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since  $D_1^*$  depends on  $k$  through equation (9), the unknown "k" appears on both sides of (10), and an iterative procedure is required to solve for  $k$ .

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR  
PROPERTY/CASUALTY INSURANCE COMPANIES

COMPANY	D <sub>4</sub>	P <sub>0</sub>	G	K
ACE Limited	0.290	51.462	13.67	16.3%
Allstate Corp.	0.410	34.528	7.00	12.3%
Berkley (W.R.)	0.060	24.423	12.50	13.6%
Chubb Corp.	0.330	49.593	10.00	13.0%
Selective Ins. Group	0.130	22.707	6.00	8.6%
Travelers Cos.	0.300	41.175	9.67	13.0%
Average				12.8%

Notes:

- d<sub>0</sub> = Latest quarterly dividend.  
d<sub>1</sub>, d<sub>2</sub>, d<sub>3</sub>, d<sub>4</sub>, = Expected next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line, by the factor (1 + g).  
P<sub>0</sub> = Average of the monthly high and low stock prices during the three months ending November 2008 per Thomson Reuters.  
FC = Flotation costs.  
g = I/B/E/S forecast of future earnings growth November 2008.  
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \frac{d_1(1+k)^{75} + d_2(1+k)^{50} + d_3(1+k)^{25} + d_4}{P_0(1-FC)} + g$$

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR  
S&P 500 COMPANIES

COMPANY	P <sub>0</sub>	D <sub>0</sub>	G	K
AMERISOURCEBERGEN	33.78	0.40	12.60%	14.0%
ABBOTT LABORATORIES	54.68	1.44	12.10%	15.2%
ARCHER-DANLS.-MIDL.	21.59	0.52	12.07%	14.9%
AUTOMATIC DATA PROC.	38.96	1.32	13.50%	17.6%
AMEREN	35.04	2.54	3.00%	11.1%
AMER.ELEC.PWR.	33.32	1.64	5.37%	10.9%
AETNA	29.98	0.04	14.67%	14.8%
ALLERGAN	44.40	0.20	14.40%	14.9%
ALTERA	18.21	0.20	15.50%	16.8%
APPLIED MATS.	12.11	0.24	10.83%	13.2%
ABERCROMBIE & FITCH	32.95	0.70	11.81%	14.3%
AIR PRDS. & CHEMS.	62.69	1.76	11.48%	14.8%
AVON PRODUCTS	31.56	0.80	13.00%	16.0%
AVERY DENNISON	38.95	1.64	12.50%	17.6%
AMERICAN EXPRESS	29.43	0.72	10.25%	13.1%
BOEING	51.91	1.60	11.25%	14.9%
BANK OF AMERICA	26.10	1.28	6.67%	12.3%
BAXTER INTL.	60.66	1.04	12.42%	14.5%
BB&T	33.13	1.88	5.86%	12.3%
BEST BUY	32.43	0.56	12.69%	14.8%
C R BARD	87.57	0.64	14.25%	15.1%
BECTON DICKINSON	73.50	1.32	12.50%	14.6%
FRANKLIN RESOURCES	85.45	0.80	10.50%	11.6%
BANK OF NEW YORK MELLON	29.78	0.96	10.83%	14.6%
BALL	36.23	0.40	9.90%	11.2%
BEMIS	25.16	0.88	9.33%	13.4%
BURL.NTHN.SANTA FE C	87.76	1.60	13.16%	15.3%
CA	17.95	0.16	11.67%	12.7%
CONAGRA FOODS	18.13	0.76	9.83%	14.8%
CARDINAL HEALTH	43.07	0.56	12.57%	14.1%
CATERPILLAR	49.88	1.68	11.50%	15.5%
COOPER INDS.	33.71	1.00	12.00%	15.5%
CBS 'B'	11.28	1.08	2.48%	13.2%
CHESAPEAKE ENERGY	27.65	0.30	11.60%	12.9%
CH ROBINSON WWD.	49.22	0.96	14.82%	17.2%
COLGATE-PALM.	68.42	1.60	10.40%	13.1%
CLOROX	59.96	1.84	9.75%	13.3%
COMCAST 'A'	15.67	0.25	12.69%	14.6%
CUMMINS	37.64	0.70	13.50%	15.7%
CMS ENERGY	11.26	0.36	10.25%	14.0%
CAPITAL ONE FINL.	42.40	1.50	11.50%	15.7%
ROCKWELL COLLINS	41.18	0.96	13.97%	16.8%
CONOCOPHILLIPS	60.47	1.88	8.47%	12.1%
COSTCO WHOLESALE	52.70	0.64	13.07%	14.5%
COVIDIEN	45.73	0.64	10.33%	12.0%
CAMPBELL SOUP	36.51	1.00	8.27%	11.4%
CINTAS	25.80	0.46	10.86%	13.0%
CENTURYTEL	31.33	2.80	6.43%	16.8%
CVS CAREMARK	30.70	0.28	14.25%	15.4%
CHEVRON	75.12	2.60	8.44%	12.4%
DOMINION RES.	38.72	1.58	8.63%	13.4%
DEERE	44.50	1.12	9.00%	11.9%
QUEST DIAGNOSTICS	48.26	0.40	13.35%	14.3%
DANAHER	63.64	0.12	12.14%	12.4%
WALT DISNEY	26.88	0.35	9.71%	11.2%
DARDEN RESTAURANTS	23.59	0.80	11.59%	15.6%
ECOLAB	41.68	0.52	12.78%	14.3%
EQUIFAX	28.85	0.16	10.25%	10.9%
EDISON INTL.	36.24	1.22	7.57%	11.4%
ESTEE LAUDER COS.'A'	41.09	0.55	11.00%	12.6%
EMERSON ELECTRIC	37.01	1.32	12.83%	17.1%
EL PASO	10.37	0.20	9.00%	11.2%
ENSCO INTL.	45.77	0.10	13.18%	13.4%
EATON	51.75	2.00	11.50%	16.1%



COMPANY	P <sub>0</sub>	D <sub>0</sub>	G	K
ENTERGY	83.72	3.00	10.52%	14.7%
EXELON	57.44	2.10	7.32%	11.5%
EXPEDITOR INTL.OF WASH.	33.55	0.32	15.67%	16.8%
FAMILY DOLLAR STORES	26.29	0.50	12.75%	15.0%
FEDEX	72.85	0.44	12.83%	13.5%
FIRSTENERGY	58.98	2.20	10.00%	14.4%
FIRST HORIZON NATIONAL	10.41	0.79	5.50%	14.2%
FEDERATED INVR.S.'B'	23.86	0.96	9.33%	14.0%
FIDELITY NAT.INFO.SVS.	16.64	0.20	14.50%	16.0%
FIFTH THIRD BANCORP	11.80	0.60	6.22%	12.0%
FORTUNE BRANDS	46.70	1.76	10.00%	14.4%
FPL GROUP	47.95	1.78	9.77%	14.1%
GENERAL DYNAMICS	66.86	1.40	9.83%	12.3%
GENERAL ELECTRIC	21.35	1.24	10.50%	17.4%
CORNING	13.33	0.20	13.00%	14.8%
GENWORTH FINANCIAL	7.11	0.40	10.18%	16.9%
GENUINE PARTS	38.18	1.56	8.57%	13.3%
GAP	14.96	0.34	11.39%	14.1%
GOODRICH	38.24	1.00	14.25%	17.4%
GOLDMAN SACHS GP.	102.83	1.40	15.42%	17.1%
WW GRAINGER	78.16	1.60	11.34%	13.8%
HASBRO	30.99	0.80	9.00%	12.0%
HUNTINGTON BCSSH.	9.13	0.53	4.75%	11.3%
HOME DEPOT	23.26	0.90	10.33%	14.9%
HARLEY-DAVIDSON	29.29	1.32	10.00%	15.3%
HONEYWELL INTL.	35.80	1.10	10.00%	13.6%
STARWOOD HTLS.& RSTS. WRLDWD	24.34	0.90	9.80%	14.1%
HEWLETT-PACKARD	39.59	0.32	12.70%	13.7%
H&R BLOCK	21.12	0.60	11.80%	15.2%
INTERNATIONAL BUS.MCHS.	98.97	2.00	11.00%	13.4%
INTL.GAME TECH.	14.61	0.58	11.45%	16.2%
INTEL	16.88	0.56	12.08%	16.0%
INGERSOLL-RAND	24.06	0.72	12.00%	15.6%
ITT	48.59	0.70	11.88%	13.6%
ILLINOIS TOOL WORKS	38.13	1.24	10.36%	14.2%
JOHNSON CONTROLS	23.76	0.52	13.00%	15.6%
PENNEY JC	27.68	0.80	10.20%	13.6%
JOHNSON & JOHNSON	63.05	1.84	7.89%	11.2%
JONES APPAREL GROUP	13.35	0.56	10.67%	15.6%
JP MORGAN CHASE & CO.	38.06	1.52	9.67%	14.4%
NORDSTROM	21.87	0.64	10.14%	13.6%
KELLOGG	51.55	1.36	9.56%	12.6%
KB HOME	16.79	0.25	10.50%	12.2%
KRAFT FOODS	30.19	1.16	9.10%	13.6%
KLA TENCOR	26.21	0.60	13.75%	16.5%
KIMBERLY-CLARK	60.49	2.32	7.67%	12.1%
COCA COLA	48.12	1.52	8.59%	12.2%
KROGER	26.42	0.36	9.20%	10.8%
L3 COMMUNICATIONS	85.66	1.20	11.33%	13.0%
ELI LILLY	38.12	1.88	5.96%	11.6%
LEGG MASON	27.19	0.96	10.33%	14.5%
LOCKHEED MARTIN	93.69	2.28	11.25%	14.1%
LOWE'S COMPANIES	21.25	0.34	11.24%	13.1%
LIMITED BRANDS	14.22	0.60	12.06%	17.1%
SOUTHWEST AIRLINES	12.62	0.02	11.00%	11.2%
MACY'S	13.78	0.53	9.33%	13.8%
MARRIOTT INTL.'A'	21.50	0.35	10.83%	12.7%
MATTEL	15.89	0.75	9.00%	14.5%
MCDONALDS	57.50	2.00	10.57%	14.7%
MCKESSON	44.56	0.48	12.63%	13.9%
MEDTRONIC	43.36	0.75	12.45%	14.5%
MARSHALL & ILSLEY	18.75	1.28	6.44%	14.3%
3M	63.71	2.00	10.90%	14.6%
MOTOROLA	6.01	0.20	10.10%	14.0%
MERCK & CO.	29.44	1.52	5.56%	11.4%
MORGAN STANLEY	19.62	1.08	11.26%	17.8%
MICROSOFT	23.42	0.52	11.19%	13.8%
SCRIPPS NETWORKS INTACT.'A'	31.50	0.30	10.47%	11.6%
FRONTIER COMMUNICATIONS	9.79	1.00	1.93%	13.3%

COMPANY	P <sub>0</sub>	D <sub>0</sub>	G	K
INVESCO	17.69	0.52	12.00%	15.5%
NOBLE ENERGY	49.97	0.72	10.67%	12.4%
NIKE 'B'	56.86	1.00	13.40%	15.5%
NORTHROP GRUMMAN	52.05	1.60	12.80%	16.5%
NORFOLK SOUTHERN	58.63	1.28	12.62%	15.2%
NATIONAL SEMICON.	14.73	0.32	12.71%	15.3%
NORTHERN TRUST	58.20	1.12	12.03%	14.3%
NUCOR	36.97	1.28	7.25%	11.2%
NOVELLUS SYSTEMS	16.92	0.15	13.33%	14.4%
NEWELL RUBBERMAID	15.24	0.84	8.75%	15.2%
OMNICOM GP.	33.01	0.60	9.50%	11.6%
OCCIDENTAL PTL.	59.50	1.28	10.03%	12.5%
PEOPLES UNITED FINANCIAL	18.09	0.60	11.00%	14.9%
PEPSI BOTTLING GP.	25.10	0.68	8.35%	11.5%
PACCAR	32.56	0.72	11.75%	14.4%
PG&E	36.51	1.56	7.20%	12.1%
PLUM CREEK TIMBER	41.75	1.68	7.67%	12.3%
PREC.CASTPARTS	71.38	0.12	17.14%	17.3%
PEPSICO	62.50	1.70	9.42%	12.6%
PROCTER & GAMBLE	65.26	1.60	10.00%	12.9%
PROGRESS ENERGY	40.28	2.46	6.20%	13.2%
PARKER-HANNIFIN	45.36	1.00	12.67%	15.3%
PERKINELMER	21.40	0.28	13.75%	15.3%
PALL	30.05	0.52	13.25%	15.3%
PNC FINL.SVS.GP.	65.09	2.64	8.60%	13.3%
PINNACLE WEST CAP.	32.25	2.10	4.50%	11.8%
PEPCO HOLDINGS	20.49	1.08	8.67%	14.8%
PPL	34.28	1.34	12.33%	17.0%
PRAXAIR	66.54	1.50	12.41%	15.1%
PIONEER NTRL.RES.	37.74	0.32	10.75%	11.7%
QWEST COMMS.INTL.	3.06	0.32	3.33%	15.2%
QUALCOMM	37.82	0.64	12.67%	14.7%
RYDER SYSTEM	49.20	0.92	9.57%	11.7%
ROBERT HALF INTL.	21.26	0.44	14.71%	17.2%
POLO RALPH LAUREN 'A'	55.60	0.20	13.75%	14.2%
ROHM & HAAS	68.49	1.64	9.90%	12.7%
ROCKWELL AUTOMATION	32.54	1.16	12.33%	16.6%
RANGE RES.	38.90	0.16	13.50%	14.0%
RADIOSHACK	14.03	0.25	10.00%	12.1%
RAYTHEON 'B'	51.44	1.12	12.50%	15.1%
IMS HEALTH	16.29	0.12	12.17%	13.0%
SPECTRA ENERGY	20.30	1.00	9.00%	14.8%
SEALED AIR	19.02	0.48	11.00%	14.0%
SCHERING-PLOUGH	16.32	0.26	9.88%	11.7%
SHERWIN-WILLIAMS	56.21	1.40	11.50%	14.5%
J M SMUCKER	46.66	1.28	7.90%	11.0%
SNAP-ON	43.68	1.20	10.67%	13.9%
SOUTHERN	35.71	1.68	5.50%	10.8%
STAPLES	19.70	0.33	13.38%	15.4%
SUNTRUST BANKS	41.97	2.16	5.80%	11.6%
STATE STREET	44.93	0.96	11.21%	13.7%
STANLEY WORKS	36.98	1.28	9.50%	13.5%
SAFEWAY	22.54	0.33	10.75%	12.5%
STRYKER	54.95	0.33	16.94%	17.7%
SYSCO	27.72	0.96	12.00%	16.1%
AT&T	27.36	1.60	6.74%	13.5%
MOLSON COORS BREWING 'B'	43.28	0.80	11.50%	13.7%
TECO ENERGY	14.04	0.80	7.92%	14.5%
TYCO ELECTRONICS	22.78	0.64	12.33%	15.7%
TARGET	42.22	0.64	12.63%	14.4%
TIFFANY & CO	30.23	0.68	11.43%	14.1%
TJX COS.	27.36	0.44	12.14%	14.1%
T ROWE PRICE GP.	44.87	0.96	12.24%	14.8%
TYSON FOODS 'A'	9.87	0.16	14.77%	16.7%
TOTAL SYSTEM SERVICES	14.49	0.28	12.30%	14.6%
TIME WARNER	11.61	0.25	10.33%	12.9%
TEXAS INSTS.	19.56	0.44	14.25%	17.0%
TEXTRON	23.15	0.92	12.80%	17.6%
UNITEDHEALTH GP.	22.09	0.03	11.58%	11.7%

COMPANY	P <sub>0</sub>	D <sub>0</sub>	G	K
UNITED PARCEL SER.	57.57	1.80	12.00%	15.7%
US BANCORP	31.42	1.70	7.16%	13.4%
UNITED TECHNOLOGIES	54.47	1.54	10.67%	14.0%
V F	62.94	2.36	10.40%	14.8%
VERIZON COMMUNICATIONS	30.16	1.84	6.55%	13.6%
WALGREEN	27.86	0.45	12.54%	14.5%
WACHOVIA	7.52	0.20	7.74%	10.8%
WISCONSIN ENERGY	42.30	1.08	9.36%	12.3%
WELLS FARGO & CO	32.09	1.36	8.50%	13.4%
WAL MART STORES	56.06	0.95	11.45%	13.5%
WESTERN UNION	19.42	0.04	12.79%	13.0%
WEYERHAEUSER	46.03	2.40	9.25%	15.4%
US STEEL	61.04	1.20	10.88%	13.2%
XCEL ENERGY	18.88	0.95	5.90%	11.6%
XILINX	20.25	0.56	13.75%	17.1%
DENTSPLY INTL.	32.97	0.20	13.45%	14.2%
XTO EN.	39.34	0.48	10.88%	12.3%
YUM! BRANDS	29.93	0.76	11.79%	14.8%
Average				14.0%

Notes: In applying the DCF Model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. In addition, I excluded all companies in the I/B/E/S group of insurance companies. I also eliminated those companies with DCF results that varied from the mean by one standard deviation or more.

Notes:

- D<sub>0</sub> = Latest dividend per Thomson Reuters.
- d<sub>0</sub> = Latest quarterly dividend.
- P<sub>0</sub> = Average of monthly high and low stock prices for the three months ending November 2008 per Thomson Reuters.
- FC = Selling and flotation costs.
- g = I/B/E/S forecast of future earnings growth November 2008.
- k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

COMPARATIVE RETURNS ON S&P 500 STOCKS  
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
2008	1,380.33	0.0211		72.25	
2007	1,424.16	0.0181	0.0602	72.91	4.59%
2006	1,278.72	0.0183	13.20%	75.25	2.20%
2005	1,181.41	0.0177	10.01%	74.91	5.80%
2004	1,132.52	0.0162	5.94%	70.87	11.34%
2003	895.84	0.0180	28.22%	62.26	20.27%
2002	1140.21	0.0138	-20.05%	57.44	15.35%
2001	1335.63	0.0116	-13.47%	56.40	8.93%
2000	1425.58	0.0118	-5.13%	52.60	14.82%
1999	1248.77	0.0130	15.46%	63.03	-10.20%
1998	963.35	0.0116	31.25%	62.43	7.38%
1997	766.22	0.0195	27.68%	56.62	17.32%
1996	614.42	0.0231	27.02%	60.91	-0.48%
1995	465.25	0.0287	34.93%	50.22	29.26%
1994	472.99	0.0269	1.05%	60.01	-9.65%
1993	435.23	0.0288	11.56%	53.13	20.48%
1992	416.08	0.0290	7.50%	49.56	15.27%
1991	325.49	0.0382	31.65%	44.84	19.44%
1990	339.97	0.0341	-0.85%	45.60	7.11%
1989	285.41	0.0364	22.76%	43.06	15.18%
1988	250.48	0.0366	17.61%	40.10	17.36%
1987	264.51	0.0317	-2.13%	48.92	-9.84%
1986	208.19	0.0390	30.95%	39.98	32.36%
1985	171.61	0.0451	25.83%	32.57	35.05%
1984	166.39	0.0427	7.41%	31.49	16.12%
1983	144.27	0.0479	20.12%	29.41	20.65%
1982	117.28	0.0595	28.96%	24.48	36.48%
1981	132.97	0.0480	-7.00%	29.37	-3.01%
1980	110.87	0.0541	25.34%	34.69	-3.81%
1979	99.71	0.0533	16.52%	43.91	-11.89%
1978	90.25	0.0532	15.80%	49.09	-2.40%
1977	103.80	0.0399	-9.06%	50.95	4.20%
1976	96.86	0.0380	10.96%	43.91	25.13%
1975	72.56	0.0507	38.56%	41.76	14.75%
1974	96.11	0.0364	-20.86%	52.54	-12.91%
1973	118.40	0.0269	-16.14%	58.51	-3.37%
1972	103.30	0.0296	17.58%	56.47	10.69%
1971	93.49	0.0332	13.81%	53.93	12.13%
1970	90.31	0.0356	7.08%	50.46	14.81%
1969	102.00	0.0306	-8.40%	62.43	-12.76%
1968	95.04	0.0313	10.45%	66.97	-0.81%
1967	84.45	0.0351	16.05%	78.69	-9.81%
1966	93.32	0.0302	-6.48%	86.57	-4.48%
1965	86.12	0.0299	11.35%	91.40	-0.91%
1964	76.45	0.0305	15.70%	92.01	3.68%
1963	65.06	0.0331	20.82%	93.56	2.61%
1962	69.07	0.0297	-2.84%	89.60	8.89%
1961	59.72	0.0328	18.94%	89.74	4.29%
1960	58.03	0.0327	6.18%	84.36	11.13%

COMPARATIVE RETURNS ON S&P 500 STOCKS  
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
1959	55.62	0.0324	7.57%	91.55	-3.49%
1958	41.12	0.0448	39.74%	101.22	-5.60%
1957	45.43	0.0431	-5.18%	100.70	4.49%
1956	44.15	0.0424	7.14%	113.00	-7.35%
1955	35.60	0.0438	28.40%	116.77	0.20%
1954	25.46	0.0569	45.52%	112.79	7.07%
1953	26.18	0.0545	2.70%	114.24	2.24%
1952	24.19	0.0582	14.05%	113.41	4.26%
1951	21.21	0.0634	20.39%	123.44	-4.89%
1950	16.88	0.0665	32.30%	125.08	1.89%
1949	15.36	0.0620	16.10%	119.82	7.72%
1948	14.83	0.0571	9.28%	118.50	4.49%
1947	15.21	0.0449	1.99%	126.02	-2.79%
1946	18.02	0.0356	-12.03%	126.74	2.59%
1945	13.49	0.0460	38.18%	119.82	9.11%
1944	11.85	0.0495	18.79%	119.82	3.34%
1943	10.09	0.0554	22.98%	118.50	4.49%
1942	8.93	0.0788	20.87%	117.63	4.14%
1941	10.55	0.0638	-8.98%	116.34	4.55%
1940	12.30	0.0458	-9.65%	112.39	7.08%
1939	12.50	0.0349	1.89%	105.75	10.05%
1938	11.31	0.0784	18.36%	99.83	9.94%
1937	17.59	0.0434	-31.36%	103.18	0.63%
1936	13.76	0.0327	31.10%	96.46	11.12%
1935	9.26	0.0424	52.84%	82.23	22.17%
1934	10.54	0.0336	-8.78%	66.78	29.13%
1933	7.09	0.0542	54.08%	79.55	-11.03%
1932	8.30	0.0822	-6.36%	70.67	18.23%
1931	15.98	0.0550	-42.56%	84.49	-11.63%
1930	21.71	0.0438	-22.01%	81.19	8.99%
1929	24.86	0.0336	-9.31%	83.95	1.48%
1928	17.53	0.0431	46.12%	86.71	1.43%
1927	13.40	0.0502	35.84%	83.28	8.92%
1926	12.65	0.0446	10.39%	80.81	8.01%
Average Return					
Common Stocks			11.6%		
A-rated Utility Bonds			6.6%		
RISK PREMIUM			5.0%		

Note: See Page 3 for an explanation of how stock and bond returns are derived and the source of the data presented.

COMPARATIVE RETURNS ON S&P 500 STOCKS  
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Risk Premium Approach

Source of Data

Stock price and yield information is obtained from Standard & Poor's *Security Index Price Record*. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in 30 years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated Utility bond yield. The values shown on pages 1 and 2 are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2007)} = \left[ \frac{\text{Stock Price (2008)} - \text{Stock Price (2007)} + \text{Dividend (2007)}}{\text{Stock Price (2007)}} \right]$$

where Dividend (2007) = Stock Price (2007) x Stock Div. Yield (2007).

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2007)} = \left[ \frac{\text{Bond Price (2008)} - \text{Bond Price (2007)} + \text{Interest (2007)}}{\text{Bond Price (2007)}} \right]$$

where Interest = \$4.00.

**Exhibit RB-31**

**PREFILED TESTIMONY  
OF  
DAVID APPEL**

**2009 PRIVATE PASSENGER NONFLEET  
AUTOMOBILE INSURANCE RATE FILING  
BY THE NORTH CAROLINA RATE BUREAU**

**I. QUALIFICATIONS AND SUMMARY**

Q. Please state your name and present business address.

A. My name is David Appel, and my business address is 1 Pennsylvania Plaza, New York, NY.

Q. What is your occupation?

A. I am Director of Economics Consulting and a Principal with the firm of Milliman, Inc.

Q. What is Milliman, Inc.?

A. Milliman (formerly Milliman & Robertson) is one of the nation's largest independently owned firms of actuaries and consultants. The company operates offices in 40 cities in the U.S., Europe, Latin America and Asia. Our employees number over 2,000 and our clients number in the thousands. They include insurers, self-insured entities, Federal and State Governments, private corporations, non-profit organizations, unions, and many others. I am a Principal with the firm, and I am in charge of its Economics Consulting practice.

Q. Please describe your educational and employment history.

A. A complete statement of my educational, employment and academic credentials is included as Exhibit RB-32 filed with this testimony.

To summarize, I have a B.A. in economics from Brooklyn College, City University of New York, and M.A. and Ph.D. degrees in economics from Rutgers University. Prior to 1980, I was an instructor in economics at Rutgers University. For the following nine years, I was employed by the National Council on Compensation Insurance (NCCI), the nation's largest workers compensation insurance statistical, research and ratemaking organization. I joined NCCI as Research Economist in 1980, and ultimately became Vice President for research beginning in July 1985. In 1989 I left NCCI to establish the Economics Consulting practice for Milliman.

Q. Would you please describe some of your other professional activities?

A. Yes. Throughout my professional career, I have participated in a variety of academic and business activities related to insurance. I have been a member of the Board of Directors of the American Risk and Insurance Association, the leading learned society of insurance academics. I am currently a member of the editorial board of the Journal of Insurance Regulation (the official research publication of the National Association of Insurance Commissioners), as well as the journal Benefits Quarterly. I act as a peer referee for a number of scholarly journals in economics and insurance, and I maintain an active program of research and publication on issues of current interest in insurance economics. In addition, I was, for twelve years, an Adjunct Professor of Economics at Rutgers University.

Q. Have you ever published any papers or books?

A. Yes. During my career, I have authored many papers on various aspects of insurance that have been published in refereed books or scholarly journals. In addition, I have published a large number of papers in non-refereed journals as well. I have also co-edited three volumes of research papers dealing with various aspects of workers compensation and property-casualty insurance. My refereed publications are listed in Exhibit RB-32 filed with this testimony.

Q. Are you a member of any professional associations?

A. Yes, I am a member of the American Risk and Insurance Association, and an elected fellow of the National Academy of Social Insurance.

Q. Have you ever testified in insurance rate regulatory proceedings?

A. Yes. I have testified on many occasions in such proceedings, including several occasions in North Carolina in the past several years. A complete list is contained in Exhibit RB-32 filed with this testimony.

Q. What was the general nature of your testimony in these cases?

A. I have addressed a wide variety of insurance issues during public testimony, including such diverse topics as the impact of economic and demographic factors on insurance costs, the effects of regulation on insurance availability, the use of econometric and statistical models in insurance forecasting, and the use of modern financial theory in developing insurance prices. In North Carolina, my testimony in recent years has focused primarily on the last of these issues, specifically on matters relating to the cost of capital and the expected returns attributable to the business of insurance.

Q. Have you been retained by the North Carolina Rate Bureau as a consultant with respect to the subject of profitability in this rate case?



- A. Yes. I have considered the following four specific matters in connection with this case:
1. Dr. Vander Weide's estimation of the cost of capital.
  2. Whether interest rate sensitivity creates additional risk which affects insurers.
  3. Whether the size distribution of insurers in North Carolina should be considered in estimating the cost of capital in this case.
  4. The returns insurers would expect to earn from underwriting auto insurance in North Carolina, given that the filed underwriting profit provisions are realized.

I have performed various studies and analyses on these matters.

Q. Have you reached any conclusions in regard to these matters?

- A. Yes. I will summarize them in bullet form here, and then discuss them each more fully later in the testimony.
1. I have reviewed Dr. Vander Weide's cost of capital estimates, which rely on the two most widely recognized models used for this purpose, and find them to be reasonable. However, Dr. Vander Weide's estimates are based on the implicit assumption that insurers present investors with roughly average risk, relative to all possible investment activities. I believe that investors in the property-casualty insurance industry are subject to an above average degree of risk, and therefore I think it would be prudent to view Dr. Vander Weide's estimates as a conservative estimate of the return to which insurers are entitled.
  2. I have considered the impact of interest rate sensitivity on the risk and required return for insurers, and I have concluded that, because of the high degree of financial leverage and the substantial share of medium and long term bonds in insurer asset portfolios, insurers are particularly subject to interest rate risk that cannot be diversified away. Based on analyses I conducted for previous rate cases in North Carolina, I have found that investors must be compensated for this risk in the form of an additional risk premium above that required for the average security.
  3. I have also considered the size distribution of insurers in North Carolina, and am aware that the firms providing auto insurance coverage in the state tend to be smaller than those used in Dr. Vander Weide's cost of capital analysis. Since there is conclusive evidence that, over the long run, smaller firms have earned higher returns, this finding must be considered evidence that investors expect higher returns from small firms. This provides additional support for my opinion that Dr. Vander Weide's cost of capital estimates should be viewed as a conservative estimate of the return to which insurers are entitled.
  4. In order to test the underwriting profit provisions selected and filed by the NCRB, I have estimated the returns insurers would expect to earn from North Carolina auto liability and physical damage coverages assuming the filed underwriting profit

provisions are fully earned. I am aware that North Carolina law provides that insurers are entitled to expect to earn a return equal to the returns of industries of comparable risk, and that in calculating that expected return, investment income from capital and surplus funds is not to be considered. I refer to that operating return as the statutory return. However, as is evident from the attached exhibits, I have estimated insurer pro forma returns both including and excluding expected investment income from capital and surplus. (I refer to the return including investment income on surplus as the total return.) I have done this to demonstrate that if the filed underwriting profits are actually realized, and even if investment income on surplus is considered, insurer returns will not be excessive. Obviously, if returns are not excessive including investment income from capital and surplus, they will be non-excessive excluding such income.

Based on my calculations, the selected underwriting profit provisions generate statutory returns on net worth of 9.0% for the liability coverages and 8.9% for the physical damage coverages. In addition, the total returns on net worth (i.e., including investment income on surplus) are 12.3% for the liability coverages and 12.2% for the physical damage coverages. Since all these returns, even those that include investment income on surplus funds, are near or below the lower bound of Dr. Vander Weide's range for the fair rate of return, I conclude that the underwriting profit provisions are clearly not excessive.

## II. COST OF CAPITAL REVIEW

Q. You said your first assignment was to review Dr. Vander Weide's estimate of the cost of capital. Are you familiar with Dr. Vander Weide's approach to estimating the cost of capital in insurance rate cases?

A. Yes. I am aware of the methodology upon which Dr. Vander Weide relies to estimate the cost of capital and have reviewed it on a number of occasions in the course of previous rate cases in North Carolina. Dr. Vander Weide has used the most widely recognized and accepted models for this purpose, namely the Discounted Cash Flow (DCF) model and the risk premium method. These models, when taken together and properly applied to a reasonably selected data set, provide acceptable estimates of the cost of capital for regulated insurers.

Q. What has Dr. Vander Weide concluded with respect to the fair rate of return in this case?

A. Dr. Vander Weide has concluded that the fair rate of return for insurers is in the range of 12.2% -14.0% on net worth as determined under generally accepted accounting principles (GAAP).

Q. In your opinion, is this an appropriate estimate of the required rate of return?

A. Yes, however as I indicated a moment ago, I believe that Dr. Vander Weide may have been conservative in his estimates, since he has assumed that the property-casualty industry

presents investors with average risk. Based on research I have conducted, I conclude the following:

1. There is evidence that the industry is considerably above average with respect to the volatility of the returns that it provides to investors. This higher volatility of returns makes the property-casualty industry an investment of above average risk.
2. Since investors require higher returns from smaller firms, and since the firms in Dr. Vander Weide's cost of capital analysis are significantly larger than the average property-casualty insurer in the North Carolina auto insurance market, his approach tends to underestimate the true cost of capital for North Carolina auto insurers.

### **III. INTEREST RATE RISK, INSURER SIZE AND THE COST OF CAPITAL**

Q. Please turn to the impact of interest rate sensitivity on insurers' risk and required return and describe your analysis.

A. I considered whether there was any reason to believe that the interest rate sensitivity of insurers' asset portfolios contributed to insurer risk. To address this question, I considered both the theoretical and empirical dimensions of the issue. Based on these analyses, I have concluded that the high degree of financial leverage and large share of intermediate and long term bonds in insurer asset portfolios combine to create a significant exposure to interest rate changes. This high degree of interest rate risk causes property-casualty stock returns to have a high degree of volatility, which requires additional compensation above that demanded for the average security.

Q. You have made reference to the term interest rate risk. Can you please define this term?

A. Yes. Interest rate risk refers to the risk that the value of fixed income investments (such as bonds) will fluctuate with changes in interest rates. This means that there is a risk associated with holding bonds, particularly those with a relatively long term to maturity. While investments in equities are still considerably riskier than investments in long term bonds, as evidenced by the fact that returns to large company stocks have had a much higher mean and standard deviation than returns on long term government bonds over the past 80 years, bond investments impose risk as well.

Q. Does interest rate risk affect investments in property-casualty insurance stocks?

A. Yes. Property-casualty insurance companies invest large amounts of funds in bonds issued by both corporations and governmental bodies. The risk that investors face is that when interest rates change, the values of the bonds also change, and hence their investments in property-casualty stocks are subject to interest rate risk. This fact is widely recognized by the financial community. Since investors cannot diversify away interest rate risk, only the prospect of higher returns will induce them to purchase interest-sensitive stocks. That is, investors must be compensated for purchasing interest-sensitive stocks because they are increasing their exposure to interest rate risk.

Q. Why is interest rate risk different from market risk?

A. Interest rate risk is a separate source of volatility for insurance stocks. Interest rates often change as a result of changes in expectations of future inflation. These changes primarily affect firms that hold what are called nominal assets and liabilities. Nominal assets and liabilities have cash flows that are fixed in nominal terms (for example, accounts receivable, most contracts, and bonds) and are thus subject to erosion in value due to inflation. On the other hand, the cash flows associated with manufacturing and service operations tend to fluctuate with the price level. Since most non-financial firms hold relatively few nominal assets and liabilities, their stocks are not particularly sensitive to changes in interest rates that are due to changes in expected inflation. Therefore interest rate risk adds additional risk to insurance stocks, above and beyond market risk, that is not diversifiable.

Changes in interest rates that are not associated with changes in expected inflation will affect all stocks. This accounts for the moderate degree of correlation between changes in long term interest rates and returns to common stocks. However, the fact that most stocks are not very sensitive to changes in interest rates that are due to changes in expected inflation means that interest rate risk is not fully captured in measures of market risk.

Q. Is it possible to measure interest rate risk?

A. Yes, and I have conducted a number of studies designed specifically to address this issue in the past several years. A more detailed discussion of these studies is available in the testimony I submitted with the 2003 auto rate filing.

Q. Can you please briefly summarize the principal conclusions of your work in this area?

A. Yes. Since insurer assets on average have a substantially longer financial duration than insurance liabilities, when interest rates change, the value of insurer equity is subject to potentially wide fluctuation. While the market risk for insurers as measured by beta is roughly average, the degree of interest rate risk to which the industry is exposed is considerably higher than average. Since this risk cannot be entirely diversified away, the overall risk associated with an investment in property/casualty insurance is greater than average. As a consequence, insurers are entitled to a rate of return above that allowed for the average risk investment in the U.S. economy.

Q. Have you also conducted an empirical study of the risks of investing in the property-casualty insurance industry?

A. Yes. As part of the work I performed in connection with the 2000 automobile insurance rate filing, I calculated the mean and standard deviation of the returns to investing in the property-casualty insurance industry, and compared them to the same statistics for investments in a portfolio of average risk common stocks (i.e., the S&P 500). In order to do this, I gathered data on prices, dividends, and number of shares outstanding from the December 31, 1998 edition of Compustat Research Insight. This data source contains up to 20 years of historical information on 141 property-casualty insurance stocks; to my knowledge, this is one of the

largest collections of data on property-casualty insurance companies that has ever been assembled for this purpose. My studies show that the standard deviation of returns to investors in property-casualty insurance stocks was greater than the standard deviation of returns on the S&P 500 while the mean return was higher over the entire period from 1980 to 1998.

A summary of these results is contained as Exhibit RB-33. These data indicate that insurance stocks are more volatile, and hence riskier, than the average security in the economy. In addition, the higher than average returns for these securities indicate that investors have been compensated for this additional risk.

Q. Why are returns to investing in property-casualty insurance stocks more volatile than investing in the stocks that make up the Standard & Poor's 500?

A. I believe that there are three main reasons for this.

First, the high degree of financial leverage and mismatched durations of assets and liabilities contributes to the volatility of returns to investors in insurance stocks.

Second, the insurance industry is in the business of bearing risk. Individuals and corporations transfer to property-casualty insurers potential liability for a wide range of possible adverse events, ranging from property damage to professional liability. In light of the unforeseen events that can occur, and, in the recent past, actually have occurred, investors in property-casualty insurance stocks are subject to considerable risk.

Finally, insurance is in the unique position of being a highly competitive industry that is also subject to a high degree of regulation. This combination of regulation and competition creates an environment in which insurers are subject not only to the demands of the market but also to the pressures of the political process. There is substantial evidence that regulation can increase risk for a regulated enterprise, and when that is combined with an aggressively competitive industrial structure, risk is increased.

Q. You said that the combination of regulation and competition increased risk for insurers. Can you describe what you mean?

A. Yes. Traditionally, direct price and rate of return regulation has been imposed on industries known as "public utilities," such as generation and transmission of electric power, distribution of natural gas, provision of local water and sewer service and the like. Because of the nature of the production process, these industries are characterized as "natural monopolies," meaning that it is most efficient for a single producer to provide the service in question. In such circumstances, the state normally grants a monopoly to a single provider and then regulates that firm directly to prevent abuse of monopoly power.

Property-casualty insurance differs dramatically from this model. Rather than a single firm providing service, there are in most states literally hundreds of firms competing in the market, none of which typically have significant market power. These firms compete aggressively to increase market share and attract the best insureds by offering a variety of

price and quality combinations that are best tailored to their business objectives. This vigorous competition provides discipline in the marketplace, and, when combined with direct rate of return regulation, the risk for insurers is increased.

I should note that in the past a number of competitively structured industries (such as airlines, trucking, and telecommunications) were subject to regulation, but in the past several decades there has been a movement to deregulate these activities. This is due in part to the widespread agreement that competition itself is an adequate regulator.

Q. You also said that you considered whether the size distribution of North Carolina insurers should impact the cost of capital in this case. Can you please describe this issue briefly and discuss its implications for this case?

A. Yes. It is a well established fact of empirical finance that small stocks tend to outperform large stocks. Ibbotson Associates, for instance, reports that firms in the ninth and tenth decile of stocks listed on the principal U.S. stock exchanges have outperformed the market as a whole by approximately 3.7 percentage points over the period 1926 to 2006, even after accounting for the fact that these firms have above average betas. Therefore an adjustment should be made to the cost of capital to the extent that the property-casualty insurance industry is composed of small stocks.

Q. Have you conducted any studies with respect to the significance of the small stock effect?

A. Yes. As with interest rate risk, I have conducted a number of studies of this issue in previous years, and in each instance I found that (1) investors have earned higher returns from small stocks than from large stocks, and (2) the insurers in Dr. Vander Weide's cost of capital analysis are among the largest companies in the U.S. economy. The insurers in Dr. Vander Weide's analysis are larger, on average, than the companies in the property-casualty insurance industry, and they are larger, on average, than the companies writing automobile insurance in North Carolina.

An example of the results of one such analysis from a previous year is displayed in Exhibit RB-34. The first page of this Exhibit displays the historical earned returns by decile of the New York Stock Exchange for the period between 1926 and 2000, demonstrating that small stocks have indeed earned significantly higher returns than large stocks. The remainder of the Exhibit shows the size distribution of the firms Dr. Vander Weide used in his cost of capital analysis, compared to the size distribution of publicly traded property casualty insurers generally, and private passenger automobile insurers in North Carolina specifically. In both instances the firms in Dr. Vander Weide's cost of capital sample were larger than the remaining property casualty insurers. These facts suggest that the cost of capital for insurers writing automobile insurance in North Carolina should be higher than for those firms contained in Dr. Vander Weide's cost of capital analysis. This reaffirms my conclusion that the cost of capital that Dr. Vander Weide has presented is conservative.

Q. Without describing in detail the studies you have undertaken in the past, what are your conclusions from the evidence you have reviewed on firm size and investors' required returns?

- A. There are two principal findings from my analysis of firm size, rates of return, and cost of capital:
1. There is conclusive evidence that, over the long run, smaller firms have earned higher returns, and this finding must be considered evidence that investors expect higher returns from small firms.
  2. The firms in Dr. Vander Weide's cost of capital analysis are among the larger firms in the U.S. economy, and they are significantly larger than the average property-casualty insurer, both nationally and in the North Carolina automobile insurance market.

In summary, the estimates from Dr. Vander Weide's cost of capital analysis should be viewed as a lower-bound estimate for property-casualty insurers writing North Carolina automobile insurance. Based on these studies, other similar studies, and my own knowledge and experience, I am confident that a comparable study, conducted today, would show similar results.

Q. Can you please summarize your testimony on the cost of capital of the property-casualty insurance industry?

A. Yes. Professor Vander Weide has assumed that the property-casualty insurance industry presents investors with risks comparable to the average investment in equities. My analysis has shown that property-casualty insurance stocks are subject to additional volatility due to interest rate sensitivity, and are relatively small when compared with the broad cross section of publicly traded firms in the U.S. economy. Since these additional risks require compensation in the form of a higher return, I conclude that Professor Vander Weide has been conservative in his calculation of the required rate of return on property-casualty insurance investments.

#### IV. UNDERWRITING PROFIT AND EXPECTED RETURN ON INSURANCE OPERATIONS

Q. Earlier you said that you had calculated the statutory and total returns insurers would expect from underwriting auto insurance in North Carolina. Would you please describe your analysis?

A. Yes. I developed a model using traditional insurance profitability analyses and have calculated the statutory and total returns on equity that would be expected to arise assuming that actual underwriting and investment results materialize exactly as projected in this filing. The results are contained in Exhibits RB-35 and RB-36 filed with this testimony.

Q. What do you mean when you say you calculated the returns on equity that would be expected to arise *assuming* that actual underwriting and investment results materialize exactly as projected in this filing?

A. The rate of return presented in these exhibits is based on a series of assumptions regarding such inputs as underwriting profit, investment gain, leverage, and the like. If these assumptions actually materialize, then the rates of return calculated in the exhibits will prevail. However, to the extent that these assumptions are not realized, the rate of return will differ from that calculated in the exhibits. Therefore, I want to stress that these results are conditional on the assumptions underlying the analysis. To emphasize that fact, I use the term "pro forma" in connection with the rate of return calculations.

Q. Are you aware of the provisions of G.S. 58-36-10, providing that in making rates the NCRB is to consider investment income earned and realized on unearned premium and loss reserves?

A. Yes, and I understand that investment income on capital and surplus is not to be considered. As I have already indicated, I have estimated and presented the returns that can be expected if the filed underwriting profit provisions are fully earned and realized, both excluding and including investment income on capital and surplus, and all of those returns are either below or within the low end of Dr. Vander Weide's range for the industry's fair rate of return. Since the NCRB's filed underwriting profit provisions generate expected returns that are not excessive even if the investment income on capital and surplus is included, the expected returns which exclude that investment income cannot be excessive.

Q. Can you please now describe the components of the model you developed?

A. Yes. The model really consists of a single page for each line of business, which calculates the rate of return on equity attributable to undertaking the insurance activity. It sets forth estimates of income derived from underwriting, installment fees and investment of reserves and estimates of costs, comprised of losses, expenses and taxes. This exhibit is supported by several other exhibits which provide calculations of investment yield rates, tax rates, premium to surplus and net worth to surplus ratios, and installment fee income. I will describe the principal elements of these exhibits below.

1. Underwriting profit is the difference between earned premiums at manual rates and incurred losses and expenses, expressed as a percent of manual premium.
2. Installment fee income is projected based on historical installment revenues.
3. Taxes are calculated assuming that the regular corporate tax rate applies to statutory underwriting (plus installment fee) income, and that an additional tax liability applies due to the reserve discounting and revenue offset provisions of the 1986 Tax Reform Act. Taxes on investment income are calculated assuming that the current statutory tax rates apply to the various classes of investment income earned.
4. Investment gain on the insurance transaction is estimated as the product of an investment yield rate and the investible funds available from loss, loss



adjustment expense and unearned premium reserves (*i.e.*, policyholder supplied funds). The investment yield rate is derived as the average of the "embedded yield" and the "current yield," based on the actual portfolios of securities held by insurers. This estimated yield rate includes income from interest, dividends, real estate, and other assets, as well as realized capital gains. The investible funds are estimated using the well known ISO State-X calculation, modified as described below.

5. In my estimates of the expected total return, investment gain on surplus is estimated as the product of the aforementioned investment yield rate and the amount of surplus attributable to the insurance transaction. The amount of surplus attributable to the transaction includes an adjustment to reflect the additional surplus required to support the prepayment of expenses. (In statutory accounting, the prepayment of expenses acts to reduce statutory surplus. Since prepaid expenses are already deducted from investible reserves in the investment income calculation, they are added back here to avoid deducting them from the investible balance twice.)

Q. In previous testimony in North Carolina, you identified certain changes you made to the traditional rate of return analysis that is performed using this model. Did you continue these changes for this year's filing?

A. Yes, I modified the rate of return calculation from the traditional analysis in two ways.

First, I removed the reduction of investible funds by the amount of agents' balances from the ISO State-X calculation. However, it continues to be true that the funds represented by agents' balances are not available for investment by insurers. Therefore, in the rate of return calculation, the investment income from this modified State-X calculation is reduced by the investment income attributable to agents' balances. This calculation recognizes (1) that the majority of agents' balances represent premiums not yet paid by insureds because of installment payment plans, and hence is unavailable for investment and (2) that for the minority of premiums collected by agents but not yet remitted to the companies, the investment income on that premium is additional compensation to the agents and a cost to the companies as part of the insurance transaction.

In addition, I adjusted the trended loss, LAE and fixed expense ratios to reflect the proposed rate change. That is to say, I have divided the trended loss and expense ratios at present rates by one plus the proposed premium level change to reflect the changes in these ratios that occur when rates are changed.

Q. Could you please clarify how the underwriting profit provision contained in the rate filing was determined?

A. Yes. The issue of how that Rate Bureau determines the underwriting profit and contingency factor has routinely arisen in rate hearings in North Carolina over the past several years. Although it is evident from my exhibits that the Rate Bureau selects an underwriting profit and contingency provision to be included in the rates, there has been lengthy cross

examination on this issue in every rate hearing in recent memory. Therefore, to clarify this matter, I will briefly discuss the procedure used by the Rate Bureau to determine the underwriting profit and contingency factor that is included in the proposed rates.

Each year, prior to making its rate filing, the Auto Committee of the Rate Bureau meets to review data and determine values for a number of the important components of the proposed rates. One of these components is the underwriting profit factor. To determine this value, a procedure is followed in which I provide the committee with the estimated returns on equity (both statutory returns as well as returns adjusted to include investment income on surplus) associated with alternative underwriting profit provisions, and the committee then selects a provision that is consistent with the cost of capital that has been developed by Dr. Vander Weide. Thus, the process is best described as one in which I test alternative underwriting profit provisions, and the committee selects a value based on these tests.

Q. How do you know what values of the underwriting profit provision to test?

A. I have been performing this type of analysis on behalf of the NCRB for many years, and I am quite familiar with the dynamics of these models. Therefore, it is relatively easy to know the general range of values around which the underwriting profit is likely to fall. Normally, for each line of business, I will select approximately five or six values of the underwriting profit provision to test, that comprise a range of perhaps two to three percentage points, and the committee typically selects a value within that range. (For example, for this filing, I believe I tested underwriting profit provisions for liability in one-half percentage point increments ranging from 9.0% to 11.5%, and the committee selected a value of 11.0%.) Of course, if the committee is not satisfied with the range of values I propose, it is relatively straightforward to calculate returns associated with alternative values proposed by the committee.

Q. From what you've said, it appears that the NCRB *selects* an underwriting profit provision, rather than *deriving* such a provision from the cost of capital. Is that correct, and if so, isn't it true that actuarial standards of practice require that the underwriting profit provision be *derived* from an underlying cost of capital?

A. It is correct that the Rate Bureau committee selects an underwriting profit provision and then tests whether that provision results in an expected rate of return on net worth that is consistent with the cost of capital. However, despite what appears to be suggested by DOI witnesses, it is *not true* that actuarial standards of practice require that an underwriting profit be derived from the cost of capital. In fact, that issue is addressed explicitly in ASOP # 30, entitled "Treatment of Underwriting Profit and Contingency Factors and the Cost of Capital in Property/Casualty Insurance Ratemaking." Section 3.1 of that ASOP states the following:

Estimating the Cost of Capital and the Underwriting Profit Provision

– Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after taking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of

capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

The procedure utilized by the Rate Bureau is exactly the approach articulated in this section (i.e., "the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital").

Q. Could you please clarify how you selected your investment yield rate and premium to surplus ratio?

A. Yes. To select the investment yield rate, I was asked by the Rate Bureau to compute the average of what are known as the "embedded" and "current" yields, where each was based on the actual asset portfolios insurers currently hold. The Commissioner adopted an approach of averaging the embedded and current yields in his 1994 automobile decision, and in his decision in the 1996 case, he selected a yield which approximated the yield obtained from this approach. Since that time, the Rate Bureau has chosen to follow that methodology.

To estimate the embedded yield, I calculated the ratio of 2007 investment income divided by average invested assets and added to that an estimate of the ten year average ratio of realized capital gains to invested assets. The sum of these two is the estimated embedded yield.

To estimate the current yield, I determined the yields available in today's capital markets for the portfolio of securities currently held by the property-casualty insurance industry. I then calculated a weighted average of these yield rates based on the proportion of assets held by the industry in each of the various securities such as stocks, bonds, real estate and the like.

As far as the premium to surplus ratio is concerned, I also relied on information which reflects the actual degree of leverage for insurers writing auto insurance in North Carolina. My premium to surplus ratio is calculated by using the ten year (1998-2007) average premium to surplus ratio for the top 30 company groups which wrote auto insurance in North Carolina over the past ten years.

Q. Can you please provide the results of your calculations regarding the projected rate of return to the insurance transaction if your underlying assumptions are realized?

A. Yes. For the liability line of coverage, I estimate that insurers should expect to earn a statutory return on GAAP equity (excluding investment income on surplus) of 9.0%. If one includes consideration of investment income on surplus, the expected total rate of return on GAAP equity equals 12.3%.

For the physical damage line of coverage, the expected statutory rate of return on GAAP equity is 8.9%, while the total rate of return including investment income on surplus is 12.2%.

All these returns fall within (albeit at the lower end of) or below the range of Dr. Vander Weide's cost of capital.

Q. It appears that the Rate Bureau has not incorporated any assumption that insurers will provide savings to policyholders (i.e., deviations) in its development of the filed manual rate change. Is that correct?

A. It is not entirely correct. In developing the rates proposed in this filing, the Rate Bureau has again utilized all the data relating to non-fleet private passenger automobile insurance in North Carolina, regardless of whether the data reflects insureds written at manual rates, downward deviated rates, Facility rates or through consent-to-rate rates. In doing so, the Bureau recognizes that the market price for insurance coverage will vary from the manual rates for some insureds due to the granting of deviations, payment of Facility rates or payment of higher rates for physical damage coverage under the consent to rate provisions of the law. In essence, the Bureau has assumed that all of these variations will balance themselves out, such that an explicit reflection of anticipated deviations (or any of the other variations in the manual rates) in the rate of return calculations is not necessary.

I believe that by adopting this approach, the Bureau has given due to consideration to deviations (or savings to policyholders). However, I would hasten to repeat that there is absolutely no explicit provision for deviations in the current filing, and any representations to the contrary by other parties are simply incorrect.

Q. While there is no provision for deviations, it appears there is a small provision (0.25% of premium) for dividends in the rates. Is that correct?

A. Yes. In the past, the Rate Bureau had included a provision for policyholder dividends. Several years ago the Bureau stopped doing so because the Bureau did not believe that policyholder dividends on private passenger automobile policies in North Carolina would be material. In recent years the dividends paid by North Carolina automobile insurers have in fact been relatively small, but the data reflect that they have been paid consistently and in amounts that cannot be characterized as immaterial. In the most recent year, the amount of policyholder dividends increased substantially. Given all of this information, the Rate Bureau has elected to include a modest provision of 0.25% of premium to reflect anticipated dividends. I believe this is a very conservative assumption – in reality, the expected level of dividends is higher. Of course, if the actual dividend payout exceeds the 0.25% assumed in the filing, then the returns earned by investors will be lower than reported here.

## VI. CONCLUSION

Q. Based on the studies you have conducted, have you come to any conclusions regarding the underwriting profit provisions that have been filed by the NCRB in this case?

A. Yes. Based on my evaluation of Dr. Vander Weide's cost of capital estimates, my consideration of insurer specific risk characteristics, and my estimation of projected and expected returns, I believe that the underwriting profit provisions comply with North Carolina law and the returns expected to be realized by insurers will not be excessive.

Q. Does this conclude your testimony?

A. Yes, it does.

**DAVID APPEL**

One Pennsylvania Plaza  
New York, NY 10119  
(646) 473-3000

**PROFESSIONAL EXPERIENCE:**

1989 to present                    **MILLIMAN, INC.**  
Principal & Director - Economics Consulting  
  
Responsible for the formation, development and management of  
a national consulting practice in insurance economics.

1980 to 1989                    **NATIONAL COUNCIL ON COMPENSATION INSURANCE**  
Economic and Social Research Division  
1985 to 1989                    Vice President  
1983                              Assistant Vice President  
Responsible for all economic and social research of NCCI

1982                              Director of Economic and Social Research  
1981                              Senior Research Economist  
1980                              Associate Research Economist

1976 to 1997                    **RUTGERS UNIVERSITY**

1981-97                         Associate of the Graduate Faculty,  
Department of Economics, Newark, New Jersey  
1981-93                         Teach variety of graduate courses including:  
Microeconomic Theory, Industrial Organization, Public Finance

1978-80                         Instructor, Department of Economics,  
New Brunswick, New Jersey

1976-78                         Adjunct Instructor, Department of Economics,  
Newark, New Jersey

**EDUCATION:**

1980                              Ph.D., Economics, Rutgers University  
1976                              M.A., Economics, Rutgers University  
1972                              B.A., Economics, Brooklyn College, CUNY  
Certified ARIAS Arbitrator and Umpire  
Member: AAA Panel of Neutrals  
Fellow: National Academy of Social Insurance

PAPERS AND PUBLICATIONS

"Comment on Jaffee and Russell" in Deregulating Property-Liability Insurance, J. David Cummins, Editor, Brookings Institution Press, Washington, DC, 2002

"Dynamic Financial Analysis of a Workers Compensation Insurer", CAS Call Papers Program, 1997 (with Susan Witcraft and Mark Mulvaney)

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"Workers' Compensation and Employment: An Industry Analysis" in Disability and the Labor Market: Economic Problems, Policies and Programs, M. Anne Hill and Monroe Berkowitz, eds., (Ithaca:1986 ILR Press), (with James Lambrinos)

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"Survivorship and the Size Distribution of the Property-Liability Insurance Industry", Journal of Risk and Insurance, October 1985, (with John Worrall and Richard Butler).

"Regulating Competition-The Case of Workers' Compensation Insurance", Journal of Insurance Regulation, (with James Gerofsky), June 1985.

"The Wage Replacement Rate and Benefit Utilization in Workers' Compensation Insurance", Journal of Risk and Insurance, September 1982 (with John Worrall)

"Property Damages", in Joseph Seneca and Peter Asch, The Benefits of Air Pollution Control in New Jersey, Center for Coastal and Environmental Studies, Rutgers University, 1979

#### WORKING PAPERS

"Workers' Compensation Pricing: The Role of Policyholder Dividends" (with David Durbin)

"The Impact of Lifetime Work on Mortality: Do Unisex Pensions Matter?" (with Richard J. Butler)

"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler and John D. Worrall)

"Framing, Firm Size and Financial Incentives in Workers' Compensation Insurance" (with Richard J. Butler and John D. Worrall)

"Application of NAIC Profitability Models to Long Tailed Lines of Insurance" (with James Gerofsky)



INVITED PRESENTATIONS

Boston, MA, March 17, 2008  
CAS Ratemaking Seminar  
"Using Catastrophe Bonds to Infer Risk Loads/Profit Margins/Reinsurance Costs"

Pinehurst, North Carolina, May 21, 2007  
Workers Compensation Insurance Organizations Annual Meeting  
"Enterprise Risk Management: What Is It and Why Is It Important?"

Salt Lake City, Utah, March 13, 2006  
CAS Ratemaking Seminar  
"Including Reinsurance Costs in Primary Insurance Rates"

New Orleans, Louisiana, March 11, 2005  
CAS Ratemaking Seminar  
"Including Reinsurance Costs in Primary Insurance Rates"

Philadelphia, Pennsylvania, March 11, 2004  
CAS Ratemaking Seminar  
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

New York, New York, December 12, 2003  
Goldman Sachs Insurance Conference  
"Interest Rate Changes and Insurance Underwriting"

San Antonio, Texas, March 28, 2003  
CAS Ratemaking Seminar  
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

San Antonio, Texas, March 27, 2003  
CAS Ratemaking Seminar  
"Rate of Return Models in Insurance Ratemaking"

San Diego, California, May 20, 2002  
CAS Annual Meeting  
"The Actuary as an Expert Witness"

Tampa, Florida, March 7, 2002  
CAS Ratemaking Seminar  
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Chicago, Illinois, December 10, 2001  
NAIC Meeting  
"The Impact of Proposition 103 in California"

Kansas City, Missouri, April 30, 2001  
NAIC Meeting  
"Personal Lines Regulation"

Las Vegas, Nevada, March 12, 2001  
CAS Ratemaking Seminar  
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Washington DC, January 18, 2001  
Brookings Institution Conference on Insurance Regulation  
"Auto Insurance Experience in California"

Bermuda, September 14, 2000  
Ace Insurance Worldwide Actuarial Conference  
"Rate of Return Models In Property Casualty Insurance Ratemaking"

Orlando, Florida, June 9, 1998  
Florida Managed Care Institute Annual Conference  
"Issues in Integrated Health Care"

Seattle, Washington, July 21, 1997  
CAS Dynamic Financial Analysis Seminar  
"Dynamic Financial Analysis of a Workers Compensation Insurer"

Boston, Massachusetts, March 14, 1997  
CAS Ratemaking Seminar  
"Discounted Cash Flow Models in Insurance Ratemaking"

East Lansing, Michigan, July 15, 1996  
National Symposium on Workers Compensation  
"Managed Care in Workers Compensation"

New Orleans, Louisiana, March 20, 1996  
Global Business Research Seminar: Partnerships Between Insurers and Providers  
"Integrating the Data Systems"

Orlando, Florida, November 15, 1995  
Global Business Research Seminar: Documenting Savings From Managed Care  
"Evaluating Savings From Managed Care"

Orlando, Florida, October 27, 1995  
Self Insurance Association of America Annual Meeting  
"Managed Care in Workers Compensation: A Magic Act or Humbug?"

San Diego, California, October 16, 1995  
Global Business Research Seminar: Documenting Savings From Managed Care  
"Technical Issues in Measuring Savings From Managed Care"

Durham, North Carolina, September 6, 1995  
North Carolina HMO Association Annual Meeting  
"Workers Compensation in North Carolina: Risks and Opportunities for HMO's"

Washington, DC, May 22, 1995  
Global Business Research Seminar: Outcomes for Workers' Compensation Managed Care  
"Measuring and Reporting the Savings"

Orlando, Florida, April 13, 1995  
NCCI Annual Meeting  
"Managed Care in Workers Compensation"

Phoenix, Arizona, April 3, 1995  
Casualty Actuarial Society Seminar on Profitability  
"Rate of Return Models - Selecting the Parameters"

New Orleans, Louisiana, March 16, 1995  
Casualty Actuarial Society Ratemaking Seminar  
"Discounted Cash Flow Models for Insurance Ratemaking"

Orlando, Florida, March 14, 1995  
Standard & Poor's Rating Conference  
"Consolidation in the Property/Casualty Insurance Industry"

Minneapolis, Minnesota, October 11, 1994  
Casualty Actuarial Society Seminar on Medical Cost Containment  
"Managed Care and Workers' Compensation"

Toronto, Ontario, August 22, 1994  
American Risk and Insurance Association Annual Meeting  
"Current Issues in Workers' Compensation"

Boston, Massachusetts, May 17, 1994  
Casualty Actuarial Society Annual Meeting  
"Standard Of Practice on Profit and Contingency"

Hartford, Connecticut, April 20, 1994  
University of Connecticut Blue Cross/Blue Shield Symposium  
"24 Hour Coverage - What Will It Involve"

Atlanta, Georgia, March 10, 1994  
Casualty Actuarial Society Ratemaking Seminar  
"Cash Flow Models for Insurance Ratemaking"

Cambridge, Massachusetts, March 2, 1994  
Workers' Compensation Research Institute Health Care Reform Conference  
"Early Results of the Florida Pilot Project"

Phoenix, Arizona, November 15, 1993  
Casualty Actuarial Society Annual Meeting  
"The Use Of Managed Care in Workers' Compensation"

New York, New York, October 20, 1993  
Insurance Information Institute/Reinsurance Association of America Research Conference  
"The Impact of Health Care Reform on Casualty Insurance"

Somerset, New Jersey, July 13, 1993  
National Symposium on Workers' Compensation  
"Economic Analysis of Workers' Compensation Issues"

Boston, Massachusetts, June 30, 1993  
Institute of Actuaries of Japan Special Meeting  
"Health Care Costs in Workers' Compensation"

Dallas, Texas, June 15, 1993  
Stirling-Cooke Workers' Compensation Seminar  
"Workers' Compensation Medical Costs: Trends, Causes and Solutions"

New York, New York, June 3, 1993  
New York Business Group On Health  
"The Crisis in Workers' Compensation Health Care"

Mauna Lani Bay, Hawaii, May 3, 1993  
Western Association of Insurance Brokers Annual Meeting  
"Trends in Insurance Insolvency"

Kingston, Ontario, April 28, 1993  
Queen's University Workers' Compensation Conference  
"Exposure Bases for Workers' Compensation: Equity vs. Practicality"

Sanibel Island, Florida, March 29, 1993  
Workers' Compensation Reinsurance Bureau Annual Meeting  
"The Use of Managed Care in Workers' Compensation"

Baltimore, Maryland, March 23, 1993  
CAMAR Annual Meeting  
"Estimating the Cost of Capital in Insurance Ratemaking"

Philadelphia, Pennsylvania, December 1, 1992  
Economic Issues in Workers' Compensation Seminar,  
"Rate of Return Regulation in Workers' Compensation"

Seattle, Washington, October 16, 1992  
Casualty Actuarial Society Seminar on Profitability  
"Risk Based Capital Standards for Property Casualty Insurers"

Washington, DC, August 18, 1992  
American Risk and Insurance Association Annual Meeting  
"The Crisis in Workers' Compensation"

New York, New York, May 19, 1992  
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings  
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Palm Beach, Florida, April 23, 1992  
NCCI Annual Meeting  
"Is the Workers' Compensation Industry Competitive?"

Philadelphia, Pennsylvania, March 20, 1992  
University of Pennsylvania/Duncanson & Holt Special Seminar  
"Current Issues in Workers' Compensation"

Dallas, Texas, March 12, 1992  
Casualty Actuarial Society Ratemaking Seminar  
"Profitability Models in Insurance Ratemaking: Estimating the Parameters"

Houston, Texas, December 11, 1991  
NCCI/NAIC Commissioners Symposium  
"Rate Adequacy: Solvency and Safety Implications"

New York, New York, November 17, 1991  
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings  
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Philadelphia, Pennsylvania, November 12, 1991  
Casualty Actuarial Society Annual Meeting  
"The Impact of Medical Costs on Casualty Coverages"

New York, New York, May 17, 1991  
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings  
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Kiawah Island, South Carolina, April 15 & 16, 1991  
Casualty Actuarial Society Seminar on Profitability  
"Cost of Capital Estimation: Lessons From Public Utilities"

Chicago, Illinois, March 14, 1991  
Casualty Actuarial Society Ratemaking Seminar  
"The Use of Profitability Models in Insurance Ratemaking"

Orlando, Florida, October 24, 1990,  
Financial Management Association Annual Meeting,  
"Current Issues in Insurance Rate Regulation: California Prop. 103 and Pennsylvania Act 6"

New Brunswick, New Jersey, May 18, 1990,  
Joint Conference on Workers' Compensation,  
"Current State Issues and Benefit Reforms"

Orlando, Florida, May 8, 1990,  
National Association of Insurance Commissioners Southeast Zone Raters Conference,  
"Loss Cost Rating for Workers' Compensation"

Orlando, Florida, April 3, 1990,  
Workers' Compensation Reinsurance Bureau Annual Meeting,  
"Medical Costs in Workers' Compensation: Recent Trends in Cost Containment"

Philadelphia, Pennsylvania, March 15, 1990,  
CAS Ratemaking Seminar,  
"Rate of Return Models in Insurance Regulation: Return on Sales vs. Return on Equity"

Chicago, Illinois, November 10, 1989,  
Alliance of American Insurers Research Committee,  
"Recent Developments in Rate Regulation: California Proposition 103"

New York, New York, October 5, 1989,  
NCCI Legal Trends Seminar,  
"Medical Cost Containment in Workers' Compensation"

Philadelphia, Pennsylvania, September 7, 1989,  
Workers' Compensation Congress,  
"Medical Cost Containment in Workers' Compensation"

Denver, Colorado, August 21, 1989,  
American Risk and Insurance Association Annual Meeting,  
"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler)

Hilton Head, South Carolina, April 4, 1989,  
Workers' Compensation Reinsurance Bureau Annual Meeting,  
"Prospects for Workers' Compensation in the 1990's"

Mountain Lakes, New Jersey, March 29, 1989,  
St. Clares-Riverside Medical Center,  
"Stress in the Workplace"

Dallas, Texas, March 16, 1989,  
Casualty Actuarial Society Ratemaking Seminar,  
"The Impact of Tax Reform on Insurance Profitability"

New Orleans, Louisiana, December 15, 1988,  
NAIC-NCCI Commissioners School,  
"A Forecast for Workers' Compensation"

Philadelphia, Pennsylvania, November 17, 1988,  
Economic Issues in Workers' Compensation Seminar,  
"The Impact of Regulation on the Probability of Insolvency" (with John D. Worrall and David Durbin)

Boston, Massachusetts, November 14, 1988,  
American Public Health Association Annual Meeting,  
"Stress in the Workplace"

Atlanta, Georgia, September 14, 1988,  
Casualty Loss Reserve Seminar,  
"Estimating the Cost of Social Inflation in Workers' Compensation"

Reno, Nevada, August 15, 1988,  
American Risk and Insurance Association Annual Meeting,  
"Benefit Increases in Workers' Compensation"

New York, New York, June 13, 1988,  
National Association Of Insurance Commissioners Annual Meeting,  
"Alternative Rate of Return Models for Insurance Regulation"

Syracuse, New York, May 5, 1988,  
Current Issues in Workers' Compensation Symposium,  
"Workers' Compensation Stress Claims"

Hilton Head, South Carolina, April 22, 1988,  
Workers' Compensation Reinsurance Bureau Annual Meeting,  
"A Forecast for Workers' Compensation Insurers"

Absecon, New Jersey, April 19, 1988,  
Pennsylvania Coal Mine Rating Bureau Annual Meeting,  
"The Use of Rate of Return Models in Insurance Rate Regulation"

Philadelphia, Pennsylvania, November 17, 1987,  
Economic Issues in Workers' Compensation Seminar,  
"The Transition to Permanent Disability Status" (with John D. Worrall and David Durbin)

Charlotte, North Carolina, October 20, 1987,  
American Insurance Association Government Affairs Conference,  
"Prospects for Workers' Compensation in 1988"

Minneapolis, Minnesota, September 29, 1987,  
Minnesota Workers' Compensation Reinsurance Association Annual Meeting,  
"Economic and Demographic Characteristics of Workers' Compensation Claims"

Airlie, Virginia, July 7, 1987,  
National Symposium on Workers' Compensation,  
"Forecasting Workers' Compensation Experience"

Santa Clara, California, June 30, 1987,  
Symposium on Recent Advances in Ratemaking,  
"Econometric Models of Workers' Compensation Losses"

Storrs, Connecticut, May 1, 1987,  
University of Connecticut Symposium on Current Issues in Workers' Compensation,  
"Current Research in Workers' Compensation"

Philadelphia, Pennsylvania, April 16, 1987,  
Wharton School Graduate Seminar Series,  
"Impact of Tax Reform on Workers' Compensation Profitability"

Boca Raton, Florida, December 4, 1986,  
National Association of Insurance Commissioners/NCCI Commissioners School,  
Panel Discussion on Current Issues in Workers' Compensation

Philadelphia, Pennsylvania, November 7, 1985,  
Wharton School, University of Pennsylvania, Graduate Seminar Series,  
"Litigation in Workers' Compensation"

Vancouver, British Columbia, August 19, 1985,  
American Risk and Insurance Association Annual Meeting,  
"Earnings Loss and Permanent Disability"

Washington, D.C., April 23, 1985,  
Washington Conference on the Economics of Disability,  
"Employment Effects of Workers' Compensation Insurance"

Schenectady, New York, January 18, 1985,  
Union University Graduate Business Seminar Series,  
"The Use of Modern Portfolio Theory in Insurance Regulation"

EXPERT TESTIMONY

Santa Fe, New Mexico, November 19, 2008  
Annual Title Insurance Rate Hearing

New York, New York, November 13, 2008  
Georgia Hensley, et. al., vs. Computer Sciences Corp. et. al., Deposition

Tallahassee, Florida, October 29, 2008  
State Farm Florida Homeowners Insurance Hearing

Raleigh, North Carolina, July 1, 2008  
Auto Insurance Rate Hearing

San Francisco, California, May 5, 2008  
GeoVera Insurance Company Earthquake Rate Hearing

Tallahassee, Florida, January 23, 2008  
Hartford Insurance Group Homeowners Insurance Rate Hearing

Boston, Massachusetts, January 9, 2008  
Commerce Insurance Group Auto Insurance Rate Hearing

San Francisco, California, November 29, 2007  
Explorer Insurance Company Automobile Rate Hearing

Santa Fe, New Mexico, November 19, 2007  
Annual Title Insurance Rate Hearing

Reno, Nevada, June 14, 2007  
Public Hearing Regarding Merger Between UnitedHealth Group and Sierra Health Systems

Austin, Texas, May 31, 2007  
State Farm Lloyds Homeowners Rate Hearing

Reno, Nevada, October 26, 2006  
Public Hearing Regarding Demutualization of Employers Insurance Group

San Francisco, California, August 30, 2006  
Hearing on Proposed Title Insurance Rate Regulations

Austin, Texas, August 14, 2006  
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 28, 2005  
Auto Insurance Rate Hearing

Providence, Rhode Island, September 27, 2005  
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, August 23, 2005  
Safeco Insurance Company Earthquake Rate Hearing

Boston, Massachusetts, April 15, 2005  
Massachusetts Workers Compensation Rate Hearing



Lawrence, Massachusetts, February 14, 2005  
Highground, Inc. v. Mazonson

New York, NY, January 21, 2005  
NFHA v. Prudential Deposition

Austin, Texas, July 13, 2004  
Medical Protective Insurance Company Medical Malpractice Insurance Rate Hearing

Austin, Texas, December 16, 2003  
Biennial Title Insurance Rate Hearing

Providence, Rhode Island, November 17, 2003  
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, September 16, 2003  
Century National Proposition 103 Rollback Hearing

Austin, Texas, September 11, 2003  
Farmers Insurance Exchange Homeowner Rate Rollback Hearing

Austin, Texas, September 2, 2003  
State Farm Lloyds Homeowners Rate Rollback Hearing

Austin, Texas, May 21, 2003  
Farmers Insurance Group Settlement Hearing

Boston, Massachusetts, April 29, 2003  
Massachusetts Workers Compensation Rate Hearing

Los Angeles, California, March 12, 2003  
SCPIE Medical Malpractice Rate Hearing

Raleigh, North Carolina, July 17, 2002  
Auto Insurance Rate Hearing

Tallahassee, Florida, February 25, 2002  
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, February 5, 2002  
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 24, 2001  
Auto Insurance Rate Hearing

Boston, Massachusetts, August 14, 2001  
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, March 6, 2001  
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 23, 2000  
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, December 7, 1999  
Texas Auto Insurance Plan Association Rate Hearing

Raleigh, North Carolina, December 3, 1999  
Auto Insurance Rate Hearing

Austin, Texas, November 3, 1999  
Biennial Title Insurance Rate Hearing

Austin, Texas, September 8, 1999  
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 13, 1999  
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, June 22, 1999  
Texas Property Benchmark Rate Hearing

Honolulu, Hawaii, December 16, 1998  
NCCI Workers Compensation Insurance Rate Hearing

Richmond, Virginia, November 15, 1998  
NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, October 9, 1998  
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, May 19, 1998  
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, April 7, 1998  
Auto Insurance Benchmark Rate Hearing

Austin, Texas, February 17, 1998  
Property Insurance Benchmark Rate Hearing

Austin, Texas, November 18, 1997  
Biennial Title Insurance Rate Hearing

Tallahassee, Florida, September 8, 1997  
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, April 8, 1997  
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, March 10, 1997  
Auto Insurance Benchmark Rate Hearing

San Francisco, California, March 4, 1997  
Insurance Department Hearing on Rating Factors

Raleigh, North Carolina, July 16, 1996  
Auto Insurance Rate Hearing

San Francisco, California, March 11, 1996  
Century National Proposition 103 Rollback Hearing

Sacramento, California, January 30, 1996  
Hartford Steam Boiler Proposition 103 Rollback Hearing

San Francisco, California, January 8, 1996  
SAFECO Insurance Company Earthquake Rate Hearing

Austin, Texas, December 21, 1995  
Residential Property Insurance Benchmark Rate Hearing

Clearwater, Florida, December 8, 1995  
Florida Windstorm Underwriting Association Rate Hearing

Austin, Texas, November 28, 1995  
Private Passenger Auto Insurance Benchmark Rate Hearing

Austin, Texas, October 31, 1995  
Texas Automobile Insurance Plan Association Rate Hearing

Sacramento, California, April 18, 1995  
California Insurance Department Hearing on Auto Insurance Rating Factors

Portland, Maine, April 13, 1995  
Workers Compensation Assigned Risk Pool Fresh Start Hearing

San Francisco, California, February 6, 1995  
Farmers Insurance Group Earthquake Insurance Rate Hearing

Austin, Texas, January 6, 1995  
Special Hearing on Classification Rules for Automobile Insurance

Austin, Texas, December 15, 1994  
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, October 4, 1994  
Texas Automobile Insurance Plan Association Rate Hearing

Austin, Texas, September 27, 1994  
Private Passenger Auto Insurance Benchmark Rate Hearing

Raleigh, North Carolina, July 19, 1994  
Private Passenger Auto Insurance Rate Hearing

San Francisco, California, December 22, 1993  
Century National Homeowner's Insurance Rate Hearing

Raleigh, North Carolina, October 13, 1993  
Homeowners/Farmowners Insurance Rate Hearing

Tallahassee, Florida, October 4, 1993  
Workers' Compensation Insurance Rate Hearing

Boston, Massachusetts, September 9, 1993  
Automobile Insurance Rate Hearing

Austin, Texas, March 4, 1993  
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, February 10, 1993  
Automobile Insurance Benchmark Rate Hearing

Honolulu, Hawaii, November 18, 1992  
Liberty Mutual Insurance Automobile Rate Hearing

Raleigh, North Carolina, November 13, 1992  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 29, 1992  
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 14, 1992  
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, September 24, 1992  
Workers' Compensation Insurance Rate Hearing

Nashville, Tennessee, May 27, 1992  
Workers' Compensation Insurance Rate Hearing

San Francisco, California, May 13, 1992  
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, April 10, 1992  
Mercury General Proposition 103 Rollback Proceedings

Austin, Texas, January 27, 1992  
Texas Automobile Insurance Plan Rate Hearing

Austin, Texas, December 17, 1991  
Automobile Insurance Rate Hearing

Raleigh, North Carolina, December 16, 1991  
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 22, 1991  
Workers' Compensation Rate Hearing

Los Angeles, California, May 23, 1991,  
Proposition 103 RCD-2 Proceedings

San Francisco, California, April 9, 1991  
California Workers' Compensation Rate Study Commission

Nashville, Tennessee, March 20, 1991  
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, March 12, 1991,  
California Workers' Compensation Rate Study Commission

Olympia, Washington, February 26, 1991,  
House Financial Institutions/Insurance Committee Hearing on Rules for Insurance Regulatory Legislation

Olympia, Washington, November 27, 1990,  
Insurance Department Public Hearing on Proposed Rules for Ratemaking

Harrisburg, Pennsylvania, November 12, 1990,  
Allstate Insurance Company Automobile Insurance Rate Hearing

Tallahassee, Florida, November 1, 1990,  
Scanlan v. Martinez, et.al., Superior Court of Leon County

San Bruno, California, October 1, 1990,  
SAFECO Insurance Group Proposition 103 Rate Rollback Hearing

Austin, Texas, July 23, 1990,  
Texas State Board of Insurance Special Hearing on Investment Income in Ratemaking

Harrisburg, Pennsylvania, July 18, 1990,  
Pennsylvania National Mutual Insurance Company Automobile Insurance Rate Hearing

Harrisburg, Pennsylvania, June 28, 1990,  
Harleysville Mutual Insurance Company Automobile Insurance Rate Hearing

Columbia, South Carolina, March 30, 1990,  
Workers' Compensation Insurance Rate Hearing

San Bruno, California, March 19, 1990,  
California Proposition 103 Generic Hearing

Denver, Colorado, December 12, 1989,  
Workers' Compensation Insurance Rate Hearing

Tampa, Florida, October 23, 1989,  
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 17, 1989,  
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, September 25, 1989,  
SAFECO Insurance Company of America Proposition 103 Rate Hearing

Austin, Texas, August 29, 1989,  
Texas Insurance Advisory Association Property Insurance Rate Hearing

Providence, Rhode Island, April 13, 1989,  
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, January 24, 1989,  
Workers' Compensation Insurance Rate Hearing

Hartford, Connecticut, November 14, 1988,  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 3, 1988,  
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 2, 1988,  
Workers' Compensation Insurance Rate Hearing

Montgomery, Alabama, June 30, 1988,  
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, March 24, 1988,  
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 27, 1987,  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 9, 1987,  
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, August 6, 1987,  
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, February 24, 1987,  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 14, 1986,  
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 18, 1986,  
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, May 28, 1986,  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, December 6, 1985,  
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, October 10, 1985,  
Workers' Compensation Insurance Rate Hearing

Austin, Texas, July 23, 1985,  
Workers' Compensation Insurance Rate Hearing

Austin Texas, June 14, 1985,  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 18, 1984,  
Workers' Compensation Insurance Rate Hearing

Austin, Texas, August 29, 1984,  
Workers' Compensation Insurance Rate Hearing

Portland, Oregon, March 6, 1984,  
NA IC Public Hearing on Investment Income and Insurance Profitability

Tallahassee, Florida, February 25, 1984,  
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, August 18, 1983,  
Workers' Compensation Insurance Rate Hearing

Austin Texas, July 13, 1983,  
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, March 6, 1983,  
Workers' Compensation Insurance Rate Hearing

Baton Rouge, Louisiana, March 16, 1982,  
Louisiana Insurance Commission Public Hearing on Investment Income

Providence, Rhode Island, February 3, 1982,  
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, October 1, 1981,  
Workers' Compensation Insurance Rate Hearing

**Exhibit RB-33**

<b>Property-casualty vs S&amp;P 500</b>			
1980-98			
		Average Annual Return	Annualized Standard Deviation
1994-98	P/C	22.41%	18.84%
	S&P500	24.75%	17.09%
1989-93	P/C	13.85%	18.39%
	S&P500	15.31%	14.80%
1984-88	P/C	25.85%	24.52%
	S&P500	15.79%	20.90%
1980-83	P/C	22.73%	22.24%
	S&P500	17.86%	18.17%
1980-1998	P/C	21.13%	20.87%
	S&P500	18.46%	17.78%

**Sources:**

Compustat Research Insight, 12/31/98 CD Rom.

Ibbotson, SBBI 1998 Year Book, Large Company Stocks:

Total Returns, pp 184-185.

Ibbotson, SBBI, Year-end Summary Report 1998, Basic Series,

Large Company Stocks, Total Return, pp 9.

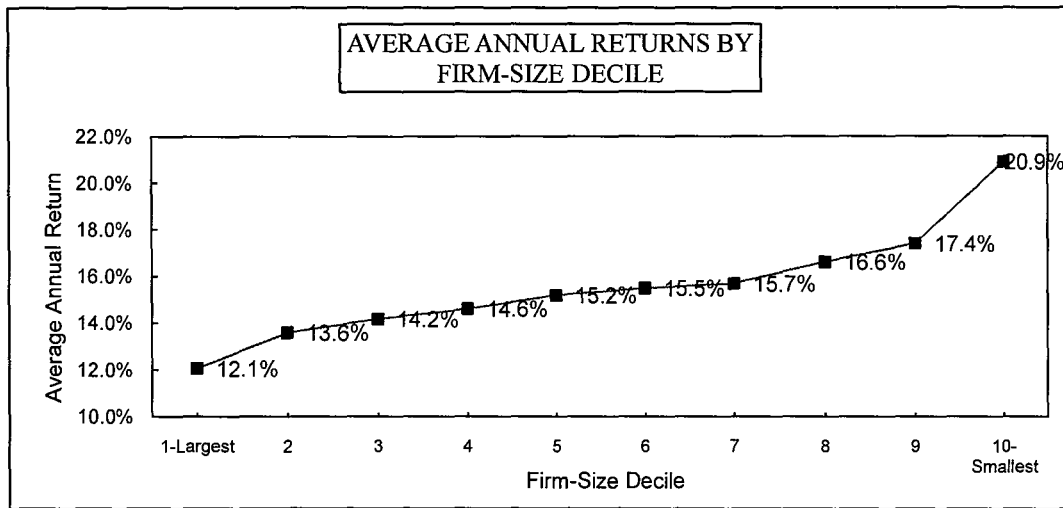


Exhibit RB-34

Page 1

Average Annual Returns for NYSE/AMEX/NASDAQ Firms  
Arranged into Firm-size Deciles  
Based on Market Capitalization

Firm-Size Decile	Average Annual Return 1926-2000
1-Largest	12.1%
2	13.6%
3	14.2%
4	14.6%
5	15.2%
6	15.5%
7	15.7%
8	16.6%
9	17.4%
10-Smallest	20.9%
Mid-Cap 3-5	14.5%
Low-Cap 6-8	15.8%
Micro-Cap 9-10	18.4%
NYSE Total Value Weighted Index	12.6%



**Exhibit RB-34**

**Page 2**

**Market Capitalizations and  
Distribution of Property-Casualty  
Companies by Firm Size**

Firm-Size Decile	Property-Casualty Companies			
	17 Insurers Used by Vander Weide		78 Other Public Companies	
	No. of Cos	% of Cos	No. of Cos	% of Cos
1-largest	4	23.5%	2	2.6%
2	3	17.6%	6	7.7%
3	7	41.2%	2	2.6%
4	2	11.8%	6	7.7%
5	1	5.9%	6	7.7%
6	0	0.0%	6	7.7%
7	0	0.0%	8	10.3%
8	0	0.0%	6	7.7%
9	0	0.0%	0	0.0%
10-smallest	0	0.0%	36	46.2%
Number of Companies	17	100.0%	78	100.0%
Average Decile	2.6		7.4	
Median Market Capitalization	\$3,769 million		\$210 million	
Average Market Capitalization	\$7,099 million		\$2,346 million	

Sources:

Standard & Poor's Compustat, Research Insight, 12/31/01 CD Rom.  
 Ibbotson Associates, "Stocks, Bonds, Bills, and Inflation 2001 Yearbook",  
 (Chicago: Ibbotson Associates, 2001), pp. 134.

**Exhibit RB-34**

**Page 3**

**Distribution of North Carolina Private Passenger Automobile Insurers  
By 2000 Statutory Surplus**

Firm-Size Decile*	17 Insurers Used by Vander Weide		67 Other Automobile Insurers	
	No. of Insurers	% of Insurers	No. of Insurers	% of Insurers
1-largest	16	94.1%	40	59.7%
2	1	5.9%	13	19.4%
3	0	0.0%	7	10.4%
4	0	0.0%	3	4.5%
5	0	0.0%	1	1.5%
6	0	0.0%	1	1.5%
7	0	0.0%	1	1.5%
8	0	0.0%	1	1.5%
9	0	0.0%	0	0.0%
10-smallest	0	0.0%	0	0.0%
Number of Companies	17	100.0%	67	100.0%
Median Statutory Surplus	\$1,273	Million	\$556	Million
Average Statutory Surplus	\$2,260	Million	\$2,847	Million

\*Firms were grouped into 10 size classes on the basis of the countrywide 2000 statutory surplus.

Source:

Data fr OneSource, P&C Finance Database, Jan. 2002 Ed.

Data fr Best's Insurance Reports P/C, Volumes I and II, 2001 Ed.

<b>NCRB - PRO FORMA STATUTORY RETURN</b>			
<b>PRIVATE PASSENGER AUTO LIABILITY</b>			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	63.00%		
Commission & Brokerage	9.70%		
General Expense	6.12%		
Other Acquisition Expense	7.73%		
Taxes, Licenses and Fees	2.20%		
Dividends	0.25%		
2. Pro-Forma Underwriting Profit	11.00%		
3. Installment Fee Income	1.15%		
4. Regular tax		4.25%	
5. Additional tax due to TRA		0.09%	
6. Return from Underwriting (post-tax)			7.81%
7. Investment Gain on Insurance Transaction	3.78%		
Less Investment Income on Agents Balances	0.75%		
Net Investment Gain on Insurance Transaction	3.03%	0.75%	2.28%
8. Statutory Return as a % of Premium (post-tax)			10.09%
9. Premium-to-Net Worth Ratio			0.896
10. Statutory Return as a % of Net Worth (post-tax)			9.03%

*Note: Lines (1) to (8) are all expressed as a % of premium.*

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	24.83%
(c) Inv. Yield =	4.87%
(d) P/S Ratio =	1.05
(e) NW/S Ratio =	1.17
(f) Installment Fee Income=	1.15%
(g) Additional TRA tax=	0.09%

## NOTES TO EXHIBIT RB-35, Page 1

1. The expense provisions are those used on page C-1 of Exhibit RB-1, adjusted to reflect the liability basic limits premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4.  $[(2.)+(3.)] \times (a.)$ .
5. See assumption (g) below.
6.  $(2.) + (3.) - [(4.) + (5.)]$ .
7. Pages 7-10. Investment income on agents' balances equals  $.145 \times 1.031 \times (c)$ , where .145 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8.  $(6.) + (7.)$ .
9.  $(d.)/(e.)$ .
10.  $(8.) \times (9.)$ .

## ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-35, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-35, pp. 11-13; average of current and embedded yields.
- (d) See RB-35, p. 14
- (e) See RB-35, pp. 15.
- (f) See RB-35, p. 3
- (g) See RB-35, pp. 4-6

<b>NCRB - PRO FORMA STATUTORY RETURN ADJUSTED TO INCLUDE INVESTMENT INCOME ON SURPLUS PRIVATE PASSENGER AUTO LIABILITY</b>			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	63.00%		
Commission & Brokerage	9.70%		
General Expense	6.12%		
Other Acquisition Expense	7.73%		
Taxes, Licenses and Fees	2.20%		
Dividends	0.25%		
2. Pro-Forma Underwriting Profit	11.00%		
3. Installment Fee Income	1.15%		
4. Regular tax		4.25%	
5. Additional tax due to TRA		0.09%	
6. Return from Underwriting (post-tax)			7.81%
7. Investment Gain on Insurance Transaction	3.78%		
Less Investment Income on Agents Balances	0.75%		
Net Investment Gain on Insurance Transaction	3.03%	0.75%	2.28%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	4.89%	1.22%	3.68%
9. Total Return as a % of Premium (post-tax)			13.77%
10. Premium-to-Net Worth Ratio			0.896
11. Total Return as a % of Net Worth (post-tax)			12.34%

*Note: Lines (1) to (9) are all expressed as a % of premium.*

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	24.83%
(c) Inv. Yield =	4.87%
(d) P/S Ratio =	1.05
(e) NW/S Ratio =	1.17
(f) Installment Fee Income =	1.15%
(g) Additional TRA tax =	0.09%

**NOTES TO EXHIBIT RB-35, Page 1A**

1. The expense provisions are those used on page C-1 of Exhibit RB-1, adjusted to reflect the liability basic limits premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4.  $[(2.)+(3.)] \times (a.)$ .
5. See assumption (g) below.
6.  $(2.) + (3.) - [(4.) + (5.)]$ .
7. Pages 7-10. Investment income on agents' balances equals  $.145 \times 1.031 \times (c)$ , where .145 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8.  $(c.)/(d.) + (\text{prepaid expenses/premium}) \times (c.)$ .
9.  $(6) + (7) + (8)$ .
10.  $(d.) / (e.)$ .
10.  $(9.) \times (10.)$ .

**ASSUMPTIONS**

- (a) Internal Revenue Code.
- (b) See RB-35, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-35, pp. 11-13; average of current and embedded yields.
- (d) See RB-35, p. 14
- (e) See RB-35, pp. 15.
- (f) See RB-35, p. 3
- (g) See RB-35, pp. 4-6

## NORTH CAROLINA

## PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1998	26,860	1,880,844	1,330,395	3,211,239	0.8%
1999	32,058	1,873,493	1,427,542	3,301,035	1.0%
2000	32,936	1,758,477	1,484,735	3,243,212	1.0%
2001	38,858	1,893,769	1,571,089	3,464,858	1.1%
2002	36,805	1,985,194	1,743,154	3,728,348	1.0%
2003	44,105	2,154,552	1,761,240	3,915,792	1.1%
2004	42,329	2,141,604	1,715,924	3,857,528	1.1%
2005	48,100	2,271,283	1,880,120	4,151,403	1.2%
2006	50,874	2,371,902	1,839,600	4,211,502	1.2%
2007	49,844	2,521,056	1,767,596	4,288,652	1.2%
Selected Five Year Average					1.2%

(in thousands)

Source: ISO.



**NORTH CAROLINA  
PRIVATE PASSENGER AUTO LIABILITY**

**ESTIMATION OF TRA TAXABLE INCOME**

1 Earned Premium (current year)	100.00%
2 UEPR (previous year)	27.73%
3 UEPR (current year)	28.64%
4 Increase = (3)-(2)	0.91%
5 20% of Increase = Taxable Income	0.18%
6 Tax Liability = (5)x.35	0.06%
7 Unpaid Losses (current year)	48.03%
8 Discounted unpaid losses (current year)	45.18%
9 Unpaid Losses (previous year)	46.50%
10 Discounted unpaid losses (previous year)	43.74%
11 Additional Income	0.09%
12 Tax Liability	0.03%
Other Tax Liabilities	
13 UEP	0.06%
14 Discounting of Loss Reserves	0.03%
15 Total	0.09%

NORTH CAROLINA  
PRIVATE PASSENGER AUTO LIABILITY  
CALCULATION OF TAXABLE INCOME

(1) AY Avg Acc Date	(2) AY Pay Pattern	(3) Percent Unpaid	(4) Total Losses	(5) Unpaid Losses
0.5	55.30%	44.70%	63.004	28.2
1.5	80.70%	19.30%	60.999	11.8
2.5	91.80%	8.20%	59.058	4.8
3.5	96.50%	3.50%	57.179	2.0
4.5	98.60%	1.40%	55.359	0.8
5.5	99.40%	0.60%	53.598	0.3
6.5	99.80%	0.20%	51.893	0.1
7.5	99.90%	0.10%	50.241	0.1
8.5	100.00%	0.00%	48.643	0.0
9.5	100.00%	0.00%	47.095	0.0
10.5	100.00%	0.00%	45.597	0.0
11.5	100.00%	0.00%	44.146	0.0
12.5	100.00%	0.00%	42.741	0.0
13.5	100.00%	0.00%	41.381	0.0
14.5	100.00%	0.00%	40.064	0.0
15.5	100.00%	0.00%	38.790	0.0
16.5	100.00%	0.00%	37.555	0.0
17.5	100.00%	0.00%	36.360	0.0
18.5	100.00%	0.00%	35.204	0.0
19.5	100.00%	0.00%	34.083	0.0
20.5	100.00%	0.00%	32.999	0.0
21.5	100.00%	0.00%	31.949	0.0
22.5	100.00%	0.00%	30.932	0.0
23.5	100.00%	0.00%	29.948	0.0
24.5	100.00%	0.00%	28.995	0.0
25.5	100.00%	0.00%	28.073	0.0
26.5	100.00%	0.00%	27.179	0.0
27.5	100.00%	0.00%	26.315	0.0
28.5	100.00%	0.00%	25.477	0.0
29.5	100.00%	0.00%	24.667	0.0
30.5	100.00%	0.00%	23.882	0.0
31.5	100.00%	0.00%	23.122	0.0
32.5	100.00%	0.00%	22.386	0.0
33.5	100.00%	0.00%	21.674	0.0
34.5	100.00%	0.00%	20.984	0.0
35.5	100.00%	0.00%	20.317	0.0
36.5	100.00%	0.00%	19.670	0.0
37.5	100.00%	0.00%	19.044	0.0
38.5	100.00%	0.00%	18.438	0.0
39.5	100.00%	0.00%	17.852	0.0
40.5	100.00%	0.00%	17.284	0.0
41.5	100.00%	0.00%	16.734	0.0
42.5	100.00%	0.00%	16.201	0.0
43.5	100.00%	0.00%	15.686	0.0
44.5	100.00%	0.00%	15.187	0.0
45.5	100.00%	0.00%	14.703	0.0
46.5	100.00%	0.00%	14.236	0.0
47.5	100.00%	0.00%	13.783	0.0
48.5	100.00%	0.00%	13.344	0.0
49.5	100.00%	0.00%	12.919	0.0
50.5	100.00%	0.00%	12.508	0.0
51.5	100.00%	0.00%	12.110	0.0
52.5	100.00%	0.00%	11.725	0.0
53.5	100.00%	0.00%	11.352	0.0
54.5	100.00%	0.00%	10.991	0.0
55.5	100.00%	0.00%	10.641	0.0
56.5	100.00%	0.00%	10.303	0.0
57.5	100.00%	0.00%	9.975	0.0
58.5	100.00%	0.00%	9.657	0.0
59.5	100.00%	0.00%	9.350	0.0
60.5	100.00%	0.00%	9.053	0.0
61.5	100.00%	0.00%	8.764	0.0
62.5	100.00%	0.00%	8.486	0.0
63.5	100.00%	0.00%	8.216	0.0
64.5	100.00%	0.00%	7.954	0.0
65.5	100.00%	0.00%	7.701	0.0
66.5	100.00%	0.00%	7.456	0.0
Sum				48.03

(6) AY at current year end	(7) Discount Factor	(8) Discounted Weight
2008	0.941835	26.5
2007	0.939269	11.1
2006	0.940826	4.6
2005	0.937860	1.9
2004	0.930391	0.7
2003	0.925799	0.3
2002	0.924394	0.1
2001	0.922334	0.0
2000	0.930998	0.0
1999	0.948818	0.0
1998	0.966446	0.0
1997	0.980298	0.0
1996	0.980298	0.0
1995	0.980298	0.0
1994	0.980298	0.0
1993	0.980298	0.0
1992	0.980298	0.0
1991	0.980298	0.0
1990	0.980298	0.0
1989	0.980298	0.0
1988	0.980298	0.0
1987	0.980298	0.0
1986	0.980298	0.0
1985	0.980298	0.0
1984	0.980298	0.0
1983	0.980298	0.0
1982	0.980298	0.0
1981	0.980298	0.0
1980	0.980298	0.0
1979	0.980298	0.0
1978	0.980298	0.0
1977	0.980298	0.0
1976	0.980298	0.0
1975	0.980298	0.0
1974	0.980298	0.0
1973	0.980298	0.0
1972	0.980298	0.0
1971	0.980298	0.0
1970	0.980298	0.0
1969	0.980298	0.0
1968	0.980298	0.0
1967	0.980298	0.0
1966	0.980298	0.0
1965	0.980298	0.0
1964	0.980298	0.0
1963	0.980298	0.0
1962	0.980298	0.0
1961	0.980298	0.0
1960	0.980298	0.0
1959	0.980298	0.0
1958	0.980298	0.0
1957	0.980298	0.0
1956	0.980298	0.0
1955	0.980298	0.0
1954	0.980298	0.0
1953	0.980298	0.0
1952	0.980298	0.0
1951	0.980298	0.0
1950	0.980298	0.0
1949	0.980298	0.0
1948	0.980298	0.0
1947	0.980298	0.0
1946	0.980298	0.0
1945	0.980298	0.0
1944	0.980298	0.0
1943	0.980298	0.0
1942	0.980298	0.0
Sum		45.18

(9) AY at prior year end	(10) Weight	(11) Discount Factor	(12) Discounted Weight
2007	27.2665	0.941835	25.7
2006	11.3982	0.939269	10.7
2005	4.6887	0.940826	4.4
2004	1.9376	0.937860	1.8
2003	0.75037185	0.930391	0.7
2002	0.31135547	0.925799	0.3
2001	0.10048286	0.924394	0.1
2000	0.04864282	0.922334	0.0
1999	0	0.930998	0.0
1998	0	0.948818	0.0
1997	0	0.966446	0.0
1996	0	0.980298	0.0
1995	0	0.980298	0.0
1994	0	0.980298	0.0
1993	0	0.980298	0.0
1992	0	0.980298	0.0
1991	0	0.980298	0.0
1990	0	0.980298	0.0
1989	0	0.980298	0.0
1988	0	0.980298	0.0
1987	0	0.980298	0.0
1986	0	0.980298	0.0
1985	0	0.980298	0.0
1984	0	0.980298	0.0
1983	0	0.980298	0.0
1982	0	0.980298	0.0
1981	0	0.980298	0.0
1980	0	0.980298	0.0
1979	0	0.980298	0.0
1978	0	0.980298	0.0
1977	0	0.980298	0.0
1976	0	0.980298	0.0
1975	0	0.980298	0.0
1974	0	0.980298	0.0
1973	0	0.980298	0.0
1972	0	0.980298	0.0
1971	0	0.980298	0.0
1970	0	0.980298	0.0
1969	0	0.980298	0.0
1968	0	0.980298	0.0
1967	0	0.980298	0.0
1966	0	0.980298	0.0
1965	0	0.980298	0.0
1964	0	0.980298	0.0
1963	0	0.980298	0.0
1962	0	0.980298	0.0
1961	0	0.980298	0.0
1960	0	0.980298	0.0
1959	0	0.980298	0.0
1958	0	0.980298	0.0
1957	0	0.980298	0.0
1956	0	0.980298	0.0
1955	0	0.980298	0.0
1954	0	0.980298	0.0
1953	0	0.980298	0.0
1952	0	0.980298	0.0
1951	0	0.980298	0.0
1950	0	0.980298	0.0
1949	0	0.980298	0.0
1948	0	0.980298	0.0
1947	0	0.980298	0.0
1946	0	0.980298	0.0
1945	0	0.980298	0.0
1944	0	0.980298	0.0
1943	0	0.980298	0.0
1942	0	0.980298	0.0
Sum			43.74

NOTES TO PAGES 4 AND 5

Page 4

- 1 Current year earned premium
- 2 Estimated prior year UEPR as percent of current year earned premium given assumed premium growth rate
- 3 Annual Statement, page 15, UEPR/Earned Premium for all companies writing this line of private passenger automobile insurance in North Carolina.
- 4 Line (3) - line (2)
- 5 Line (4) x .20.
- 6 Line (5) x .35.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - [ Line (9) - Line (10) ]
- 12 Line (11) x .35
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern
- 3 1 - Column (2)
- 4 Losses, given assumed historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year at current year end
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (11)

**NCRB INVESTMENT INCOME CALCULATION**  
**PRIVATE PASSENGER AUTO LIABILITY**  
 Projected Investment Earnings on Loss, Loss  
 Adjustment Expense and Unearned Premium Reserves

<b>A. UNEARNED PREMIUM RESERVES</b>		
1. Direct Earned Premiums		1,000,000
2. Mean UEPR	28.04%	280,400
3. Deductions for prepaid expenses		
Commissions & Brokerage	9.70%	
Taxes, Licenses & Fees	1.83%	
One Half Other Acquisition Expense	3.87%	
One Half General Expense	3.06%	
Total	18.46%	
4. Deduction for Prepaid Expenses: (2) x (3)		51,756
5. Net UEPR Subject to Inv (2) - (4)		228,644
<b>B. Loss and Loss Expense Reserves</b>		
1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	0.6300	630,035
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	0.870	548,412
<b>C. Net PH Funds Subj to Inv</b>		
(A5 + B3)		777,056
<b>D. Average Rate of Return</b>		
		4.87%
<b>E. Investment Earnings from Net Reserves (C) x (D)</b>		
		37,804
<b>F. Average Rate of Return as a Percent of</b>		
Direct Earned Premium (E) / (A1)		3.78%

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PRIVATE PASSENGER AUTO LIABILITY

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 of earned premium.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2007 for all companies writing Private Passenger Auto Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2007	2,495,076,574
2. Unearned Premium Reserve as of 12/31/2006	684,498,941
3. Unearned Premium Reserve as of 12/31/2007	714,521,400
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	699,510,171
5. Ratio (4) $\div$ (1)	0.280

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Auto Liability insurance policies exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PRIVATE PASSENGER AUTO LIABILITY

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions used in this filing.

Line B-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2006 and 2007 for Private Passenger Auto Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2006	1,703,407,276
2. Incurred Losses for Calendar Year 2007	1,772,529,395
3. Loss Reserves as of 12/31/2005	1,475,667,865
4. Loss Reserves as of 12/31/2006	1,496,117,471
5. Loss Reserves as of 12/31/2007	1,573,360,742
6. Mean Loss Reserve 2006: 1/2 [(3) + (4)]	1,485,892,668
7. Mean Loss Reserve 2007: 1/2 [(4) + (5)]	1,534,739,107
8. Ratio (6) ÷ (1)	0.872
9. Ratio (7) ÷ (2)	0.866
10. Loss Reserve: 1/2 [(8) + (9)]	0.869
11. Ratio of LAE Reserves to Loss Reserves (a)	0.203
12. Ratio of Incurred LAE to Incurred Losses (a)	0.201
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.870

(a) Based on 2007 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PRIVATE PASSENGER AUTO LIABILITY

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line D

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (shown below), plus the 10-year average ratio of capital gains to invested assets (see Exhibit RB-35 or 36, page 12). The current yield is the estimated, currently available rate of return (including income and expected capital gains) on the property/casualty industry investment portfolio (see Exhibit RB-35 or 36, page 11).

Embedded yield =	5.45%
Current yield =	4.28%
Average =	4.87%

<b>PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD</b>				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	9.62%	2.44%	35.00%	1.59%
States & territories	14.41%	3.39%	5.25%	3.21%
Special revenue	24.08%	3.42%	5.25%	3.24%
Public Utilities	1.34%	5.02%	35.00%	3.26%
Industrial	21.48%	4.72%	35.00%	3.07%
Preferred stock	1.58%	6.60%	14.18%	5.66%
Common stock	18.24%	10.10%	30.26%	7.04%
Mortgage Loans	0.39%	6.11%	35.00%	3.97%
Real estate	0.85%	4.60%	35.00%	2.99%
Cash & short-term invs.	8.01%	0.66%	35.00%	0.43%
Rate of Return Pre-Inv Exp	100.00%	4.69%	24.35%	3.55%
Investment Expenses		0.41%	35.00%	0.27%
Portfolio Rate of Return		<b>4.28%</b>	23.33%	<b>3.28%</b>

## Sources:

Various issues of Federal Reserve Statistical Release, H.15(519).

Mergent Bond Record.

Standard & Poor's CreditWeek.

Value Line Investment Survey, Part II.

Ibbotson Associates, SBBI Valuation Edition 2008 Yearbook.

Ibbotson and Siegel, AREUEA Journal, 1984.

A.M. Best's Aggregates & Averages, 2008 edition.



<b>PORTFOLIO YIELD AND TAX RATE EMBEDDED YIELD</b>		
	<b>Income</b>	<b>Tax Rate</b>
<b>Bonds</b>		
Taxable	26,829,002	35.00%
Non-Taxable	15,945,544	5.25%
<b>Stocks</b>		
Taxable	5,217,764	14.18%
Non-Taxable	1,787,257	5.25%
Mortgage Loans	277,884	35.00%
Real Estate	1,765,348	35.00%
Contract Loans	458	35.00%
Cash / Short Term Inv.	5,343,544	35.00%
All Other	5,818,516	35.00%
<b>Total</b>	<b>62,985,317</b>	<b>24.90%</b>
Inv. Expenses	5,452,582	35.00%
Net Inv. Income	57,532,735	23.94%
Mean Invested Assets	1,297,478,130	
Inv. Inc. Yield Rate	4.43%	23.94%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	1.02%	35.00%
Invest. Yield Rate (pre-tax)	<b>5.45%</b>	<b>26.00%</b>
Invest. Yield Rate (post-tax)	<b>4.03%</b>	

Source: Best's Aggregates and Averages, 2008 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).  
Capital Gains: RB-35, page 13

**CAPITAL GAINS OR LOSSES  
AS A PERCENT OF MEAN ASSETS**  
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
2007	1,297,478,130	9,031,778	0.70%
Total	9,535,962,223	96,848,980	1.02%

\*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty,"  
various editions

**NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE**

**PREMIUM-TO-SURPLUS RATIOS**

<u>Year</u>	<u>Liability</u>	<u>Physical Damage</u>
1998	0.931	0.946
1999	0.898	0.929
2000	0.951	0.980
2001	1.159	1.182
2002	1.377	1.400
2003	1.189	1.236
2004	1.089	1.109
2005	1.080	1.102
2006	0.928	0.956
2007	0.876	0.914
Ten-Year Average	1.048	1.076

Notes:

- 1 Ratios based on net premium written.
- 2 Top 30 Groups in each year from Best's Data Service.
- 3 Premiums and surplus from Best's Aggregate and Averages.

**NORTH CAROLINA PRIVATE PASSENGER AUTO  
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2003	2004	2005	2006	2007
Policyholder Surplus	347,020,052,576	391,294,425,276	425,759,944,800	486,231,429,443	517,875,621,253
+ Deferred Acquisition Costs	23,633,976,782	25,336,389,277	26,322,460,773	27,351,959,298	27,556,696,928
+ Non-Admitted DTA Provision	18,945,643,538	19,919,892,745	20,389,557,802	19,710,944,304	20,970,760,003
+ Non-admitted Assets (non-tax part)	16,495,566,662	22,629,830,486	23,050,311,315	25,215,840,687	28,591,349,752
+ Provision for Reinsurance	5,802,642,707	5,971,612,606	5,757,810,700	5,407,923,691	4,619,150,713
+ Provision for FASB 115(after-tax)	11,598,154,936	13,697,026,260	4,664,626,701	4,267,041,184	6,555,479,760
- Surplus Notes	(9,589,168,207)	(10,569,400,392)	(11,102,999,699)	(10,633,190,656)	(10,147,724,269)
GAAP-adjusted Net Worth	413,906,868,994	468,279,776,257	494,841,712,392	557,551,947,951	596,021,334,139
Ratio of GAAP Net Worth to Statutory Surplus	1.19	1.20	1.16	1.15	1.15
Five Year Average	1.17				

Source: ISO

<b>NCRB - PRO FORMA STATUTORY RETURN</b>			
<b>PRIVATE PASSENGER PHYSICAL DAMAGE</b>			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	61.27%		
Commission & Brokerage	9.70%		
General Expense	5.75%		
Other Acquisition Expense	7.92%		
Taxes, Licenses and Fees	2.10%		
Dividends	0.25%		
2. Pro-Forma Underwriting Profit	13.00%		
3. Installment Fee Income	1.15%		
4. Regular tax		4.95%	
5. Additional tax due to TRA		0.07%	
6. Return from Underwriting (post-tax)			9.13%
7. Investment Gain on Insurance Transaction	1.51%		
Less Investment Income on Agents Balances	0.79%		
Net Investment Gain on Insurance Transaction	0.71%	0.18%	0.54%
8. Statutory Return as a % of Premium (post-tax)			9.67%
9. Premium-to-Net Worth Ratio			0.919
10. Statutory Return as a % of Net Worth (post-tax)			8.89%

*Note: Lines (1) to (8) are all expressed as a % of premium.*

## Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	24.83%
(c) Inv. Yield =	4.87%
(d) P/S Ratio =	1.08
(e) NW/S Ratio =	1.17
(f) Installment Fee Income =	1.15%
(g) Additional TRA tax =	0.07%

**NOTES TO EXHIBIT RB-36, Page 1**

1. The expense provisions are those used on page C-7 of Exhibit RB-1, adjusted to reflect the physical damage premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4.  $[(2.)+(3.)] \times (a.)$ .
5. See assumption (g) below.
6.  $(2.) + (3.) - [(4.) + (5.)]$ .
7. Pages 7-10. Investment income on agents' balances equals  $.147 \times 1.031 \times (c)$ , where .147 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8.  $(6.) + (7.)$ .
9.  $(d.)/(e.)$ .
10.  $(8.) \times (9.)$ .

**ASSUMPTIONS**

- (a) Internal Revenue Code.
- (b) See RB-36, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-36, pp. 11-13; average of current and embedded yields.
- (d) See RB-36, p. 14
- (e) See RB-36, pp. 15.
- (f) See RB-36, p. 3
- (g) See RB-36, pp. 4-6

<b>NCRB - PRO FORMA STATUTORY RETURN ADJUSTED TO INCLUDE INVESTMENT INCOME ON SURPLUS PRIVATE PASSENGER PHYSICAL DAMAGE</b>			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	61.27%		
Commission & Brokerage	9.70%		
General Expense	5.75%		
Other Acquisition Expense	7.92%		
Taxes, Licenses and Fees	2.10%		
Dividends	0.25%		
2. Pro-Forma Underwriting Profit	13.00%		
3. Installment Fee Income	1.15%		
4. Regular tax		4.95%	
5. Additional tax due to TRA		0.07%	
6. Return from Underwriting (post-tax)			9.13%
7. Investment Gain on Insurance Transaction	1.51%		
Less Investment Income on Agents Balances	0.79%		
Net Investment Gain on Insurance Transaction	0.71%	0.18%	0.54%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	4.78%	1.19%	3.59%
9. Total Return as a % of Premium (post-tax)			13.26%
10. Premium-to-Net Worth Ratio			0.919
11. Total Return as a % of Net Worth (post-tax)			12.18%

*Note: Lines (1) to (9) are all expressed as a % of premium.*

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	24.83%
(c) Inv. Yield =	4.87%
(d) P/S Ratio =	1.08
(e) NW/S Ratio =	1.17
(f) Installment Fee Income =	1.15%
(g) Additional TRA tax =	0.07%

**NOTES TO EXHIBIT RB-36, Page 1A**

1. The expense provisions are those used on page C-7 of Exhibit RB-1, adjusted to reflect the physical damage premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4.  $[(2.)+(3.)] \times (a.)$ .
5. See assumption (g) below.
6.  $(2.) + (3.) - [(4.) + (5.)]$ .
7. Pages 7-10. Investment income on agents' balances equals  $.147 \times 1.031 \times (c)$ , where .147 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8.  $(c.)/(d.) + (\text{prepaid expenses/premium})*(c.)$ .
9.  $(6) + (7) + (8)$ .
10.  $(d.) / (e.)$ .
10.  $(9.) \times (10.)$ .

**ASSUMPTIONS**

- (a) Internal Revenue Code.
- (b) See RB-36, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-36, pp. 11-13; average of current and embedded yields.
- (d) See RB-36, p. 14
- (e) See RB-36, pp. 15.
- (f) See RB-36, p. 3
- (g) See RB-36, pp. 4-6



## NORTH CAROLINA

## PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1998	26,860	1,880,844	1,330,395	3,211,239	0.8%
1999	32,058	1,873,493	1,427,542	3,301,035	1.0%
2000	32,936	1,758,477	1,484,735	3,243,212	1.0%
2001	38,858	1,893,769	1,571,089	3,464,858	1.1%
2002	36,805	1,985,194	1,743,154	3,728,348	1.0%
2003	44,105	2,154,552	1,761,240	3,915,792	1.1%
2004	42,329	2,141,604	1,715,924	3,857,528	1.1%
2005	48,100	2,271,283	1,880,120	4,151,403	1.2%
2006	50,874	2,371,902	1,839,600	4,211,502	1.2%
2007	49,844	2,521,056	1,767,596	4,288,652	1.2%
Selected Five Year Average					1.2%

(in thousands)

Source: ISO.

**NORTH CAROLINA  
PRIVATE PASSENGER PHYSICAL DAMAGE**

**ESTIMATION OF TRA TAXABLE INCOME**

1 Earned Premium (current year)	100.00%
2 UEPR (previous year)	28.30%
3 UEPR (current year)	29.33%
4 Increase = (3)-(2)	1.03%
5 20% of Increase = Taxable Income	0.21%
6 Tax Liability = (5)x.35	0.07%
7 Unpaid Losses (current year)	2.54%
8 Discounted unpaid losses (current year)	2.48%
9 Unpaid Losses (previous year)	2.45%
10 Discounted unpaid losses (previous year)	2.40%
11 Additional Income	0.00%
12 Tax Liability	0.00%
Other Tax Liabilities	
13 UEP	0.07%
14 Discounting of Loss Reserves	0.00%
15 Total	0.07%

NORTH CAROLINA
PRIVATE PASSENGER PHYSICAL DAMAGE
CALCULATION OF TAXABLE INCOME

Table with 5 columns: (1) AY Avg Acc Date, (2) AY Pay Pattern, (3) Percent Unpaid, (4) Total Losses, (5) Unpaid Losses. Rows include years from 0.5 to 66.5 and a Sum row.

Table with 3 columns: (6) AY at current year end, (7) Discount Factor, (8) Discounted Weight. Rows include years from 2008 to 1942 and a Sum row.

Table with 4 columns: (9) AY at prior year end, (10) Weight, (11) Discount Factor, (12) Discounted Weight. Rows include years from 2007 to 1942 and a Sum row.

NOTES TO PAGES 4 AND 5

Page 4

- 1 Current year earned premium
- 2 Estimated prior year UEPR as percent of current year earned premium given assumed premium growth rate
- 3 Annual Statement, page 15, UEPR/Earned Premium for all companies writing this line of private passenger automobile insurance in North Carolina.
- 4 Line (3) - line (2)
- 5 Line (4) x .20.
- 6 Line (5) x .35.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - [ Line (9) - Line (10) ]
- 12 Line (11) x .35
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern
- 3 1 - Column (2)
- 4 Losses, given assumed historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year at current year end
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (11)

**NCRB INVESTMENT INCOME CALCULATION**  
**PRIVATE PASSENGER PHYSICAL DAMAGE**  
 Projected Investment Earnings on Loss, Loss  
 Adjustment Expense and Unearned Premium Reserves

<b>A. UNEARNED PREMIUM RESERVES</b>		
1. Direct Earned Premiums		1,000,000
2. Mean UEPR	28.99%	289,900
3. Deductions for prepaid expenses		
Commissions & Brokerage	9.70%	
Taxes, Licenses & Fees	1.75%	
One Half Other Acquisition Expense	3.96%	
One Half General Expense	2.88%	
Total	18.29%	
4. Deduction for Prepaid Expenses: (2) x (3)		53,019
5. Net UEPR Subject to Inv (2) - (4)		236,881
<b>B. Loss and Loss Expense Reserves</b>		
1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	0.6127	612,711
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	0.118	72,503
<b>C. Net PH Funds Subj to Inv</b>		
(A5 + B3)		309,384
<b>D. Average Rate of Return</b>		
		4.87%
<b>E. Investment Earnings from Net Reserves (C) x (D)</b>		
		15,052
<b>F. Average Rate of Return as a Percent of</b>		
Direct Earned Premium (E) / (A1)		1.51%

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PRIVATE PASSENGER PHYSICAL DAMAGE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 of earned premium.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2007 for all companies writing Private Passenger Physical Damage insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2007	1,758,689,145
2. Unearned Premium Reserve as of 12/31/2006	503,682,512
3. Unearned Premium Reserve as of 12/31/2007	515,894,429
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	509,788,471
5. Ratio (4) ÷ (1)	0.290

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Physical Damage insurance policies exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PRIVATE PASSENGER PHYSICAL DAMAGE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions used in this filing.

Line B-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2006 and 2007 for Private Passenger Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2006	999,416,417
2. Incurred Losses for Calendar Year 2007	1,015,850,558
3. Loss Reserves as of 12/31/2005	85,263,193
4. Loss Reserves as of 12/31/2006	83,497,488
5. Loss Reserves as of 12/31/2007	84,318,092
6. Mean Loss Reserve 2006: 1/2 [(3) + (4)]	84,380,341
7. Mean Loss Reserve 2007: 1/2 [(4) + (5)]	83,907,790
8. Ratio (6) ÷ (1)	0.084
9. Ratio (7) ÷ (2)	0.083
10. Loss Reserve: 1/2 [(8) + (9)]	0.084
11. Ratio of LAE Reserves to Loss Reserves (a)	0.651
12. Ratio of Incurred LAE to Incurred Losses (a)	0.172
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.118

(a) Based on 2007 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PRIVATE PASSENGER PHYSICAL DAMAGE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line D

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (shown below), plus the 10-year average ratio of capital gains to invested assets (see Exhibit RB-35 or 36, page 12). The current yield is the estimated, currently available rate of return (including income and expected capital gains) on the property/casualty industry investment portfolio (see Exhibit RB-35 or 36, page 11).

Embedded yield =	5.45%
Current yield =	4.28%
Average =	4.87%



<b>PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD</b>				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	9.62%	2.44%	35.00%	1.59%
States & territories	14.41%	3.39%	5.25%	3.21%
Special revenue	24.08%	3.42%	5.25%	3.24%
Public Utilities	1.34%	5.02%	35.00%	3.26%
Industrial	21.48%	4.72%	35.00%	3.07%
Preferred stock	1.58%	6.60%	14.18%	5.66%
Common stock	18.24%	10.10%	30.26%	7.04%
Mortgage Loans	0.39%	6.11%	35.00%	3.97%
Real estate	0.85%	4.60%	35.00%	2.99%
Cash & short-term invs.	8.01%	0.66%	35.00%	0.43%
Rate of Return Pre-Inv Exp	100.00%	4.69%	24.35%	3.55%
Investment Expenses		0.41%	35.00%	0.27%
Portfolio Rate of Return		<b>4.28%</b>	23.33%	<b>3.28%</b>

## Sources:

Various issues of Federal Reserve Statistical Release, H.15(519).

Mergent Bond Record.

Standard & Poor's CreditWeek.

Value Line Investment Survey, Part II.

Ibbotson Associates, SBBI Valuation Edition 2008 Yearbook.

Ibbotson and Siegel, AREUEA Journal, 1984.

A.M. Best's Aggregates & Averages, 2008 edition.

<b>PORTFOLIO YIELD AND TAX RATE EMBEDDED YIELD</b>		
	Income	Tax Rate
Bonds		
Taxable	26,829,002	35.00%
Non-Taxable	15,945,544	5.25%
Stocks		
Taxable	5,217,764	14.18%
Non-Taxable	1,787,257	5.25%
Mortgage Loans	277,884	35.00%
Real Estate	1,765,348	35.00%
Contract Loans	458	35.00%
Cash / Short Term Inv.	5,343,544	35.00%
All Other	5,818,516	35.00%
<b>Total</b>	<b>62,985,317</b>	<b>24.90%</b>
Inv. Expenses	5,452,582	35.00%
Net Inv. Income	57,532,735	23.94%
Mean Invested Assets	1,297,478,130	
Inv. Inc. Yield Rate	4.43%	23.94%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	1.02%	35.00%
Invest. Yield Rate (pre-tax)	<b>5.45%</b>	<b>26.00%</b>
Invest. Yield Rate (post-tax)	<b>4.03%</b>	

Source: Best's Aggregates and Averages, 2008 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).  
Capital Gains: RB-36, page 13

**CAPITAL GAINS OR LOSSES  
AS A PERCENT OF MEAN ASSETS**  
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
2007	1,297,478,130	9,031,778	0.70%
Total	9,535,962,223	96,848,980	1.02%

\*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty,"  
various editions

**NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE**

**PREMIUM-TO-SURPLUS RATIOS**

<u>Year</u>	<u>Liability</u>	<u>Physical Damage</u>
1998	0.931	0.946
1999	0.898	0.929
2000	0.951	0.980
2001	1.159	1.182
2002	1.377	1.400
2003	1.189	1.236
2004	1.089	1.109
2005	1.080	1.102
2006	0.928	0.956
2007	0.876	0.914
Ten-Year Average	1.048	1.076

Notes:

- 1 Ratios based on net premium written.
- 2 Top 30 Groups in each year from Best's Data Service.
- 3 Premiums and surplus from Best's Aggregate and Averages.

**NORTH CAROLINA PRIVATE PASSENGER AUTO  
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2003	2004	2005	2006	2007
Policyholder Surplus	347,020,052,576	391,294,425,276	425,759,944,800	486,231,429,443	517,875,621,253
+ Deferred Acquisition Costs	23,633,976,782	25,336,389,277	26,322,460,773	27,351,959,298	27,556,696,928
+ Non-Admitted DTA Provision	18,945,643,538	19,919,892,745	20,389,557,802	19,710,944,304	20,970,760,003
+ Non-admitted Assets (non-tax part)	16,495,566,662	22,629,830,486	23,050,311,315	25,215,840,687	28,591,349,752
+ Provision for Reinsurance	5,802,642,707	5,971,612,606	5,757,810,700	5,407,923,691	4,619,150,713
+ Provision for FASB 115(after-tax)	11,598,154,936	13,697,026,260	4,664,626,701	4,267,041,184	6,555,479,760
- Surplus Notes	(9,589,168,207)	(10,569,400,392)	(11,102,999,699)	(10,633,190,656)	(10,147,724,269)
GAAP-adjusted Net Worth	413,906,868,994	468,279,776,257	494,841,712,392	557,551,947,951	596,021,334,139
Ratio of GAAP Net Worth to Statutory Surplus	1.19	1.20	1.16	1.15	1.15
Five Year Average	1.17				

Source: ISO