

July 22, 2009

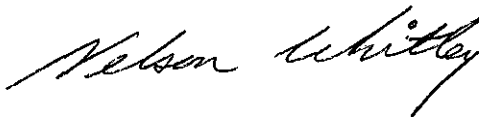
Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Reinsurance Facility
5401 Six Forks Road
Post Office Box 176010
Raleigh, NC 27619-6010

RE: **North Carolina Reinsurance Facility**
Revision of Automobile Insurance Rates - Private Passenger Cars
Private Passenger Auto
Our File Number: PC126227

Dear Mr. Lucas:

We hereby acknowledge your letter of July 17, 2009, which was received by this Department July 20, 2009 to become effective November 1, 2009.

Sincerely,



Nelson Whitley
Policy & Rate Analyst
Property & Casualty Division
(919) 733-3368 Ext. 238
nelson.whitley@ncdoi.gov

July 7, 2009

Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Reinsurance Facility
5401 Six Forks Road
Post Office Box 176010
Raleigh, NC 27619-6010

RE: NORTH CAROLINA REINSURANCE FACILITY

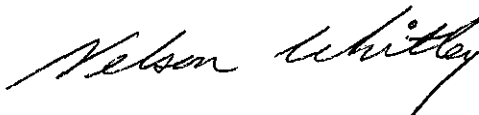
Revision of Automobile Insurance Rates - Private Passenger Cars
Your File Number: Private Passenger Auto

OUR FILE NUMBER: PC126227

Dear Mr. Lucas:

We hereby acknowledge your letter of July 1, 2009, which was received by this Department July 1, 2009 to become effective October 1, 2009.

Sincerely,



Nelson Whitley
Policy & Rate Analyst
Property & Casualty Division
(919) 733-3368 Ext. 238
nelson.whitley@ncdoi.gov



July 17, 2009

Honorable Wayne Goodwin
Commissioner of Insurance
North Carolina Department of Insurance
P. O. Box 26387
Raleigh, North Carolina 27611

Re: Revision of Automobile Insurance Rates -
Private Passenger Cars and Motorcycles
Other than "Clean Risks"
AMENDMENT TO Filing dated July 1, 2009
DOI Filing# PC126227

Dear Sir:

Enclosed please find certain **revised pages** for the above referenced filing (the "July 1, 2009 PPA Filing"). As a result of the Settlement Agreement and Consent Order issued July 15, 2009 in connection with the 2009 private passenger automobile insurance rate filing by the North Carolina Rate Bureau, the North Carolina Reinsurance Facility (the "Facility") has filed earlier today revised increased limits factors, revised factors for inexperienced operator surcharges and revised factors for Safe Driver Insurance Plan surcharges for bodily injury, property damage and medical payments coverages ceded to the Facility. In addition, the Facility has determined that it is desirable for the changes in the July 1, 2009 PPA Filing to become effective on November 1, 2009, contemporaneously with the changes resulting from the above-mentioned Settlement Agreement and Consent Order and the revisions to the various rating factors described above, rather than on October 1, 2009 as originally filed. The incorporation of all of these changes into the July 1, 2009 PPA Filing results in changes to certain pages of that filing, and revised pages reflecting those changes are enclosed herein.

Please note that the pre-filed testimony of Patrick B. Woods has been revised as necessary to reflect these changes and, though only a handful of pages have been revised in that testimony, the testimony is reprinted in its entirety and included herein. We request that these revised pages, which reflect their revision as of this date, be inserted in the July 1, 2009 PPA Filing in substitution for the corresponding pages.

Please note that the July 1, 2009 PPA Filing as amended indicates the need for effective statewide rate level changes of -4.5% for bodily injury, -5.7% for property damage and +0.6% for medical payments, for an overall average statewide rate level change of -4.8% for the stated coverages. The filing as amended also indicates a need for a statewide rate level change of +6.1% for the motorcycle liability coverages and includes the appropriate relativities for such change.

As indicated above, the revised rates set forth in the July 1, 2009 PPA Filing as amended, which apply only to ceded risks other than "clean risks," will become effective November 1, 2009 in accordance with the following Rule of Application:

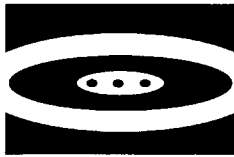
These changes are applicable to all new and renewal policies becoming effective on or after November 1, 2009. No policy effective prior to November 1, 2009 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of these changes except at the request of the insured and at the customary short rate charges as of the date of such request, but in no event prior to November 1, 2009.

Sincerely,

F. Timothy Lucas
Automobile Manager

FTL:dms

Enclosures



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

Exhibit RF-1
North Carolina Reinsurance Facility

RECEIVED

July 1, 2009

JUL 01 2009

Honorable Wayne Goodwin
Commissioner of Insurance
North Carolina Department of Insurance
P. O. Box 26387
Raleigh, North Carolina 27611

N.C. Dept of Insurance
Property & Casualty

Re: Revision of Automobile Insurance Rates -
Private Passenger Cars

Dear Sir:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Reinsurance Facility are revised premium rates for bodily injury and property damage liability and medical payments insurance for nonfleet private passenger automobiles and bodily injury and property damage liability insurance for motorcycles ceded to the Reinsurance Facility. The rates set forth and supported in the enclosed materials apply only to ceded risks other than "clean risks" as defined in G.S. 58-37-35(1). The rates for "clean risks" ceded to the Reinsurance Facility and the rates for uninsured and combined uninsured/underinsured motorists coverages ceded to the Reinsurance Facility are not affected by this filing.

Rates established hereby reflect consideration duly given to data for the experience period set forth herein. Included in the enclosed materials are statistical data supporting and explaining rate levels varying by territory within the State according to loss experience within each territory. The filing indicates the need for effective statewide rate level changes of -3.9% for bodily injury, -5.9% for property damage and +0.7% for medical payments, for an overall average statewide rate level change of -4.5% for the stated coverages. The filing also indicates a need for a statewide rate level change of +5.8% for the motorcycle liability coverages and includes the appropriate relativities for such change. The ratios in the filing relating

to expense experience were developed from special calls issued by the North Carolina Rate Bureau.

Information and statistical data required pursuant to G.S. 58-36-15(h) and information and statistical data described in 11 NCAC 10.1104 are contained in Section F to the extent presently available. In addition, the pre-filed testimony of (a) Raymond F. Evans, Jr., General Manager - North Carolina Reinsurance Facility; (b) Patrick B. Woods, Assistant Vice President and Actuary - Insurance Services Office; and (c) Doug Williams, Managing Director and Senior Portfolio Manager, Evergreen Investment Management Company, LLC, is submitted herewith.

The revised rates set forth herein, which apply only to ceded risks other than "clean risks," will become effective October 1, 2009 in accordance with the following Rule of Application:

These changes are applicable to all policies becoming 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,

A handwritten signature in cursive script, appearing to read "Tim Lucas", written in dark ink.

F. Timothy Lucas
Automobile Manager

FTL:dms

Enclosures

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE CEDED INSURANCE
REVISION OF RATES

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SECTION A
SUMMARY OF REVISION

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

SUMMARY OF STATEWIDE RATE LEVEL INDICATIONS

<u>COVERAGE</u>	<u>TOTAL LIMITS PREMIUM WEIGHT (A)</u>	<u>FILED CHANGE</u>
Ceded Liability(B):		
Bodily Injury (C)	\$163,729	-4.5%
Property Damage(C)	124,312	-5.7%
Medical Payments	12,118	0.6%
Ceded Total(D)	300,159	-4.8%

Motorcycle Liability (E):	26,059	6.1%

(A) In Thousands.

(B) Includes only ceded business written at Other-Than-Clean Risk rates.

(C) Indications are combined for basic and higher limits.

BI higher limits effective change = -1.6%

PD higher limits effective change = 0.2%

(D) Ceded Total represents overall effect for the coverages listed.

(E) Includes voluntary and ceded business.

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

<u>Terr.</u> <u>Code</u>	<u>Description</u>	<u>30/60</u> <u>B.I.</u>	<u>\$25,000</u> <u>P.D.</u>	<u>30/60/25</u> <u>Combined</u>	<u>\$500</u> <u>Med. Pay.</u>
11	Asheville	-3.1%	-6.3%	-4.9%	5.4%
13	Durham	-5.3%	-7.8%	-6.5%	0.2%
14	Greensboro	-2.4%	-5.1%	-3.7%	0.3%
15	High Point	-4.1%	-6.0%	-5.0%	0.3%
16	Raleigh	-3.5%	-5.6%	-4.5%	0.3%
17	Wilmington	-6.2%	-7.6%	-6.9%	-3.0%
18	Winston-Salem	-4.9%	-5.8%	-5.4%	0.3%
24	Remainder-West	-0.4%	-5.1%	-2.6%	4.5%
25	Gaston County	-0.1%	-6.9%	-3.1%	3.2%
26	Remainder-South	-5.3%	-6.0%	-5.6%	-2.6%
31	Small City-East	-4.7%	-5.5%	-5.1%	-3.4%
32	Small City-West	-0.4%	-5.7%	-2.9%	4.5%
33	Remainder-East	-5.0%	-7.2%	-5.9%	-3.6%
40	Fayetteville	-6.2%	-6.9%	-6.5%	0.2%
41	Onslow County	-4.8%	-6.9%	-5.9%	0.2%
43	Craven County	-7.0%	-7.1%	-7.0%	0.2%
47	Wayne County	-0.6%	-3.9%	-2.0%	3.4%
51	Mecklenburg County -Remainder	6.6%	-2.5%	1.7%	14.1%
52	Charlotte	-1.2%	-5.5%	-3.3%	3.5%
	STATEWIDE	-2.9%	-5.9%	-4.3%	0.6%

The displayed Bodily Injury and Property Damage rate level changes by territory are the basic limits changes.

SECTION B
MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

PROPOSED BASE RATES - CEDED OTHER-THAN-CLEAN RISK LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
11	\$179	\$204	\$20
13	256	232	28
14	251	228	27
15	280	222	31
16	252	241	28
17	277	249	30
18	236	216	26
24	215	183	24
25	315	237	34
26	331	202	36
31	251	214	27
32	220	196	24
33	249	181	27
40	325	249	36
41	245	237	27
43	234	191	26
47	285	192	31
51	224	234	25
52	300	256	33

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSURED

Liability and Medical Payments Rates

Page B-1 shows the liability and medical payments base rates by territory, given the filed rate level changes. These pages set forth the filed manual rates, for their respective sets of territories, 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 revisions to classification rate differentials, but no revisions to classifications.

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

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage
0-499	[15%]17%
500-1249	[24%]27%
1250-1499	[33%]37%
1500-up	[43%]48%

SECTION C
SUPPORTING EXPERIENCE

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGESSTATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2007Ceded Business - Risks Written at Other-Than-Clean Risk RatesAll 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)	\$77,957,884	\$75,342,433	\$7,612,505
(2) Loss Development Factor (b)	1.122	1.029	1.076
(3) Developed Losses and ALAE (1)x(2)	87,468,746	77,527,364	8,191,055
(4) Unallocated Loss Adjustment Expense Factor (See page D-19)	0.134	0.117	0.134
(5) Unallocated Loss Adjustment Expense (3)x(4)	11,720,812	9,070,702	1,097,601
(6) General and Other Acquisition Expenses (c)	22,048,374	16,143,757	1,812,676
(7) Earned Exposures (a)	418,195	418,195	245,784
(8) Incurred Claims (a)	13,111	31,148	6,120
(9) Claim Development Factor (d)	0.940	1.013	1.021
(10) Developed Claims (9)x(10)	12,324	31,553	6,249
(11) Average Annual Change in Losses and ALAE (See page D-7)	2.2%	1.0%	-0.5%
(12) Average Annual Change in Expenses (See page D-6)	3.0%	3.0%	3.0%
(13) Years of Trend - Losses and ALAE (e)	3.12	3.12	3.12
(14) Years of Trend - ULAE (f)	3.12	3.12	3.12
(15) Years of Trend - G & OA Expenses (g)	2.83	2.83	2.83
(16) Projected Losses and ALAE (e)	93,591,558	80,008,240	8,059,998
(17) Projected ULAE (f)	12,857,731	9,950,560	1,204,068
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	254.54	215.11	37.69
(19) Projected G & OA Expenses (g)	23,966,583	17,548,264	1,970,379
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	57.31	41.96	8.02
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	311.85	257.07	45.71
(22) Percentage Dividends (h)	0.00%	0.00%	0.00%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-19)	0.878	0.878	0.878
(24) Investment Income (i)	3.1%	3.1%	3.1%
(25) Installment Income (i)	1.2%	1.2%	1.2%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.00000	1.00000	1.00000
(27) Premium Required per exposure $[(21)x(26)]/[(23)+(24)+(25)-(22)]$	338.60	279.12	49.63
(28) Distributional Adjustment Factor (k)	1.342	1.354	1.796
(29) Required 30/60/25 Base Class Premium $[(27)/(28)]$	252.31	206.14	27.63

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.
- (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 for Medical Payments. See pages D-13-15.
- (c) The general expenses and other acquisition expenses have been calculated to be 6.5% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-154.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-16-18.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
 $[(3) \times (1 + (11))]$, where (13) = the number of years of projection from the average date of accident to 8/13/2010.
- (f) Projected unallocated loss adjustment expenses =
(14)
 $[(5) \times (1 + (12))]$, where (14) = the number of years of projection from 7/1/2007 to 8/13/2010.
- (g) Projected general and other acquisition expenses =
(15)
 $[(6) \times (1 + (12))]$, where (15) = the number of years of projection from 7/1/2007 to 5/1/2010.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-171 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.
- (k) Distributional adjustment factor = Average Rate / Base Rate. See page C-11.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGESSTATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2006Ceded Business - Risks Written at Other-Than-Clean Risk RatesAll 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)	\$94,385,476	\$82,653,568	\$8,493,850
(2) Loss Development Factor (b)	1.046	1.009	1.026
(3) Developed Losses and ALAE (1)x(2)	98,727,208	83,397,450	8,714,690
(4) Unallocated Loss Adjustment Expense Factor (See page D-20)	0.127	0.111	0.127
(5) Unallocated Loss Adjustment Expense (3)x(4)	12,538,355	9,257,117	1,106,766
(6) General and Other Acquisition Expenses (c)	21,268,082	18,806,860	1,724,698
(7) Earned Exposures (a)	426,423	426,423	246,212
(8) Incurred Claims (a)	14,053	34,152	6,872
(9) Claim Development Factor (d)	0.978	1.004	1.011
(10) Developed Claims (9)x(10)	13,744	34,289	6,948
(11) Average Annual Change in Losses and ALAE (See page D-7)	2.7%	0.8%	-1.2%
(12) Average Annual Change in Expenses (See page D-6)	3.0%	3.0%	3.0%
(13) Years of Trend - Losses and ALAE (e)	4.12	4.12	4.12
(14) Years of Trend - ULAE (f)	4.12	4.12	4.12
(15) Years of Trend - G & OA Expenses (g)	3.83	3.83	3.83
(16) Projected Losses and ALAE (e)	110,179,564	86,149,566	8,287,670
(17) Projected ULAE (f)	14,168,341	10,460,542	1,250,646
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	291.61	226.56	38.74
(19) Projected G & OA Expenses (g)	23,820,252	21,063,683	1,931,662
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	55.86	49.40	7.85
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	347.47	275.96	46.59
(22) Percentage Dividends (h)	0.00%	0.00%	0.00%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-20)	0.879	0.879	0.879
(24) Investment Income (i)	3.1%	3.1%	3.1%
(25) Installment Income (i)	1.2%	1.2%	1.2%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.00000	1.00000	1.00000
(27) Premium Required per exposure $[(21)x(26)]/[(23)+(24)+(25)-(22)]$	376.87	299.31	50.53

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.
- (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 for Medical Payments. See pages D-13-15.
- (c) The general expenses and other acquisition expenses have been calculated to be 7.0% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-154.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-16-18.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
 $[(3) \times (1 + (11))^{(13)}]$, where (13) = the number of years of projection from the average date of accident to 8/13/2010.
- (f) Projected unallocated loss adjustment expenses =
(14)
 $[(5) \times (1 + (12))^{(14)}]$, where (14) = the number of years of projection from 7/1/2006 to 8/13/2010.
- (g) Projected general and other acquisition expenses =
(15)
 $[(6) \times (1 + (12))^{(15)}]$, where (15) = the number of years of projection from 7/1/2006 to 5/1/2010.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-171 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGESSTATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2005Ceded Business - Risks Written at Other-Than-Clean Risk RatesAll 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)	\$93,162,356	\$76,316,310	\$8,117,689
(2) Loss Development Factor (b)	1.014	1.001	1.011
(3) Developed Losses and ALAE (1)x(2)	94,466,629	76,392,626	8,206,984
(4) Unallocated Loss Adjustment Expense Factor (See page D-21)	0.128	0.122	0.128
(5) Unallocated Loss Adjustment Expense (3)x(4)	12,091,729	9,319,900	1,050,494
(6) General and Other Acquisition Expenses (c)	19,090,932	15,481,001	1,723,643
(7) Earned Exposures (a)	402,032	402,032	231,197
(8) Incurred Claims (a)	13,786	33,423	6,843
(9) Claim Development Factor (d)	0.987	0.999	1.003
(10) Developed Claims (9)x(10)	13,607	33,390	6,864
(11) Average Annual Change in Losses and ALAE (See page D-7)	2.4%	1.2%	-1.7%
(12) Average Annual Change in Expenses (See page D-6)	3.0%	3.0%	3.0%
(13) Years of Trend - Losses and ALAE (e)	5.12	5.12	5.12
(14) Years of Trend - ULAE (f)	5.12	5.12	5.12
(15) Years of Trend - G & OA Expenses (g)	4.83	4.83	4.83
(16) Projected Losses and ALAE (e)	106,652,824	81,205,361	7,517,597
(17) Projected ULAE (f)	14,062,681	10,839,044	1,221,725
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	300.26	228.95	37.80
(19) Projected G & OA Expenses (g)	22,011,845	17,849,594	1,987,360
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	54.75	44.40	8.60
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	355.01	273.35	46.40
(22) Percentage Dividends (h)	0.00%	0.00%	0.00%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-21)	0.877	0.877	0.877
(24) Investment Income (i)	3.1%	3.1%	3.1%
(25) Installment Income (i)	1.2%	1.2%	1.2%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.00435	1.00435	1.00435
(27) Premium Required per exposure $[(21)x(26)]/((23)+(24)+(25)-(22))$	387.56	298.41	50.65

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.
- (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 for Medical Payments. See pages D-13-15.
- (c) The general expenses and other acquisition expenses have been calculated to be 4.9% and 8.1%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-154.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-16-18.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
 $[(3) \times (1 + (11))^{(13)}]$, where (13) = the number of years of projection from the average date of accident to 8/13/2010.
- (f) Projected unallocated loss adjustment expenses =
(14)
 $[(5) \times (1 + (12))^{(14)}]$, where (14) = the number of years of projection from 7/1/2005 to 8/13/2010.
- (g) Projected general and other acquisition expenses =
(15)
 $[(6) \times (1 + (12))^{(15)}]$, where (15) = the number of years of projection from 7/1/2005 to 5/1/2010.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-171 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (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	6,336	67.48	0.694	97.23	1.0	97.23	0.650	185	179
13	9,325	106.44	0.697	152.71	1.0	152.71	1.021	271	256
14	9,034	103.23	0.694	148.75	1.0	148.75	0.995	258	251
15	2,764	110.32	0.648	170.25	0.9	170.07	1.137	293	280
16	26,435	99.39	0.665	149.46	1.0	149.46	1.000	262	252
17	8,619	113.23	0.676	167.50	1.0	167.50	1.120	296	277
18	9,809	88.50	0.639	138.50	1.0	138.50	0.926	249	236
24	110,488	77.32	0.630	122.73	1.0	122.73	0.821	216	215
25	9,355	119.53	0.615	194.36	1.0	194.36	1.300	316	315
26	37,619	123.56	0.601	205.59	1.0	205.59	1.375	350	331
31	20,620	100.21	0.672	149.12	1.0	149.12	0.997	264	251
32	37,340	81.76	0.646	126.56	1.0	126.56	0.846	221	220
33	63,610	95.77	0.651	147.11	1.0	147.11	0.984	262	249
40	9,900	133.53	0.662	201.71	1.0	201.71	1.349	347	325
41	6,832	103.02	0.712	144.69	1.0	144.69	0.968	258	245
43	5,435	93.27	0.685	136.16	0.9	137.03	0.916	252	234
47	7,417	109.01	0.630	173.03	1.0	173.03	1.157	287	285
51	4,056	90.74	0.692	131.13	0.9	130.15	0.870	211	224
52	32,706	124.52	0.675	184.47	1.0	184.47	1.234	305	300
SW	417,700	96.80	0.648	149.52		149.52			

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	6,336	93.29	0.777	120.06	1.0	120.06	0.987	218	204
13	9,325	110.90	0.794	139.67	1.0	139.67	1.148	252	232
14	9,034	108.39	0.790	137.20	1.0	137.20	1.128	241	228
15	2,764	101.17	0.759	133.29	1.0	133.29	1.096	237	222
16	26,435	112.78	0.772	146.09	1.0	146.09	1.201	256	241
17	8,619	114.19	0.751	152.05	1.0	152.05	1.250	270	249
18	9,809	95.47	0.739	129.19	1.0	129.19	1.062	230	216
24	110,488	76.98	0.727	105.89	1.0	105.89	0.870	193	183
25	9,355	102.83	0.716	143.62	1.0	143.62	1.181	255	237
26	37,619	83.84	0.704	119.09	1.0	119.09	0.979	215	202
31	20,620	95.81	0.754	127.07	1.0	127.07	1.045	227	214
32	37,340	85.65	0.746	114.81	1.0	114.81	0.944	208	196
33	63,610	75.66	0.724	104.50	1.0	104.50	0.859	195	181
40	9,900	115.02	0.757	151.94	1.0	151.94	1.249	268	249
41	6,832	108.19	0.756	143.11	1.0	143.11	1.176	255	237
43	5,435	83.49	0.750	111.32	1.0	111.32	0.915	206	191
47	7,417	83.06	0.740	112.24	1.0	112.24	0.923	200	192
51	4,056	109.24	0.773	141.32	1.0	141.32	1.162	241	234
52	32,706	122.11	0.778	156.95	1.0	156.95	1.290	272	256
SW	417,700	90.44	0.743	121.65		121.65			

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

Liability data shown in column (1) is for ceded business written at Other-Than-Clean Risk rates only. Data shown in column (2) is voluntary and ceded 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.
- (3) Distributional adjustment factor = Present average rate for year ended 12/31/2007 divided by the current base class base rate. The average rate is for voluntary and ceded data combined. See pages C-12-13.
- (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-23.
- (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-12-13.
- (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 page C-1.

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
(1) Projected general and other acquisition expenses per exposure (from page C-1, line (20))	57.31	41.96
(2) Required average premium per exposure (from page C-1, line (27))	338.60	279.12
(3) Fixed ratio = (1) / (2)	0.169	0.150
(4) Variable ratio 1 - (3)	0.831	0.850
(5) Required Base Class Premium (from page C-1, line (29))	252.31	206.14
(6) Flattened expenses (5) x (3)	42.64	30.92

Offsets are as follows:

- 1) Offsets for the classification factor changes are shown on page C-14.
These offsets are required so that these changes will have no rate level effect.

NORTH CAROLINA

REVISED BASE RATE

1.814
10.95%
\$27.60
\$27.63

(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Terr	MP Exp	Pres. MP Rate	Rev BI Rate	BI Cp Offset	Rev MP Rate	Rev. Base Class Premium	Rev. T/L MP Rate	Pres. T/L MP Rate	Terr % Change
11	2,648	19	179	0.999	20	53,013	36.28	34.47	5.4%
13	5,073	28	256	0.998	28	142,329	50.79	50.79	0.2%
14	4,070	27	251	0.997	27	110,221	48.98	48.98	0.3%
15	1,246	31	280	0.997	31	38,742	56.23	56.23	0.3%
16	15,668	28	252	0.997	28	440,024	50.79	50.79	0.3%
17	3,848	31	277	0.998	30	115,671	54.42	56.23	-3.0%
18	4,670	26	236	0.997	26	121,785	47.16	47.16	0.3%
24	65,665	23	215	0.999	24	1,577,538	43.54	41.72	4.5%
25	3,697	33	315	0.998	34	125,950	61.68	59.86	3.2%
26	24,505	37	331	0.999	36	883,063	65.30	67.12	-2.6%
31	13,208	28	251	0.998	27	357,331	48.98	50.79	-3.4%
32	20,077	23	220	0.999	24	482,330	43.54	41.72	4.5%
33	48,613	28	249	1.000	27	1,312,551	48.98	50.79	-3.6%
40	4,013	36	325	0.998	36	144,758	65.30	65.30	0.2%
41	2,396	27	245	0.998	27	64,822	48.98	48.98	0.2%
43	3,784	26	234	0.998	26	98,581	47.16	47.16	0.2%
47	5,688	30	285	0.999	31	176,505	56.23	54.42	3.4%
51	2,418	22	224	0.996	25	60,693	45.35	39.91	14.1%
52	14,207	32	300	0.996	33	470,714	59.86	58.05	3.5%
	245,494					6,776,621			0.6%

- (1) Average Medical Payments Increased Limits Factor. See page E-6.
- (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-7.
- (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
LIABILITY COVERAGES

CALCULATION OF STATEWIDE DISTRIBUTIONAL ADJUSTMENT FACTORS

	BODILY INJURY LIABILITY				PROPERTY DAMAGE LIABILITY		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
T	EARNED	30/60	30/60	(2)/(3)	\$25,000	\$25,000	(5)/(6)
E	CAR YEARS	PRES.	BASE	DISTRIB.	PRES.	BASE	DISTRIB.
R	YR. ENDED	AVG.	CLASS	ADJUST.	AVG.	CLASS	ADJUST.
R	12/31/2007	PREM	RATE	FACTOR	PREM	RATE	FACTOR
11	6,336	281.42	185	1.521	331.62	218	1.521
13	9,325	381.00	271	1.406	354.28	252	1.406
14	9,034	369.89	258	1.434	345.52	241	1.434
15	2,764	398.52	293	1.360	322.35	237	1.360
16	26,435	366.52	262	1.399	358.13	256	1.399
17	8,619	410.49	296	1.387	374.44	270	1.387
18	9,809	341.36	249	1.371	315.31	230	1.371
24	110,488	305.36	216	1.414	272.84	193	1.414
25	9,355	427.52	316	1.353	344.99	255	1.353
26	37,619	399.39	350	1.141	245.34	215	1.141
31	20,620	359.32	264	1.361	308.96	227	1.361
32	37,340	311.89	221	1.411	293.54	208	1.411
33	63,610	333.74	262	1.274	248.39	195	1.274
40	9,900	479.92	347	1.383	370.66	268	1.383
41	6,832	384.83	258	1.492	380.36	255	1.492
43	5,435	350.08	252	1.389	286.18	206	1.389
47	7,417	353.65	287	1.232	246.44	200	1.232
51	4,056	314.90	211	1.492	359.67	241	1.492
52	32,706	402.64	305	1.320	359.07	272	1.320
SW	417,700	348.94	260.08	1.342	296.37	218.90	1.354

MEDICAL PAYMENTS						
	(1)	(2)	(3)	(4)		
T	EARNED	\$500	\$500	(2)/(3)		
E	CAR YEARS	PRES.	BASE	DISTRIB.		
R	YR. ENDED	AVG.	CLASS	ADJUST.		
R	12/31/2007	PREM	RATE	FACTOR		
11	2,648	21.38	19	1.125		
13	5,073	29.11	28	1.040		
14	4,070	29.87	27	1.106		
15	1,246	31.47	31	1.015		
16	15,668	29.29	28	1.046		
17	3,848	32.25	31	1.040		
18	4,670	26.78	26	1.030		
24	65,665	24.28	23	1.056		
25	3,697	33.10	33	1.003		
26	24,505	30.73	37	0.831		
31	13,208	27.67	28	0.988		
32	20,077	24.48	23	1.064		
33	48,613	26.39	28	0.943		
40	4,013	36.08	36	1.002		
41	2,396	28.88	27	1.070		
43	3,784	26.04	26	1.002		
47	5,688	26.83	30	0.894		
51	2,418	25.10	22	1.141		
52	14,207	32.67	32	1.021	AVERAGE ILF	TOTAL
SW	245,494	27.18	27.45	0.990	1.814	1.796

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
BODILY INJURY LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

	(1) EARNED CAR YEARS YR. ENDED 12/31/2007	(2) 30/60 PRES. AVG. PREM(A)	(3) 30/60 BASE CLASS RATE	(4) (2)/(3) DISTRIB. ADJUST. FACTOR	(5) (3)/SW(3) HISTORICAL ADJUST. FACTOR
T					
E					
R					
R					
11	6,336	128.43	185	0.694	0.711
13	9,325	188.81	271	0.697	1.042
14	9,034	179.16	258	0.694	0.992
15	2,764	189.86	293	0.648	1.127
16	26,435	174.34	262	0.665	1.007
17	8,619	199.99	296	0.676	1.138
18	9,809	159.18	249	0.639	0.957
24	110,488	136.00	216	0.630	0.831
25	9,355	194.33	316	0.615	1.215
26	37,619	210.46	350	0.601	1.346
31	20,620	177.50	264	0.672	1.015
32	37,340	142.85	221	0.646	0.850
33	63,610	170.54	262	0.651	1.007
40	9,900	229.87	347	0.662	1.334
41	6,832	183.60	258	0.712	0.992
43	5,435	172.58	252	0.685	0.969
47	7,417	180.80	287	0.630	1.104
51	4,056	146.06	211	0.692	0.811
52	32,706	205.99	305	0.675	1.173
SW	417,700	168.43	260.08	0.648	

(A) Voluntary and Ceded business combined.

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	EARNED CAR YEARS YR. ENDED 12/31/2007	\$25000 PRES. AVG. PREM(A)	\$25000 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,336	169.37	218	0.777	0.996
13	9,325	199.98	252	0.794	1.151
14	9,034	190.30	241	0.790	1.101
15	2,764	179.96	237	0.759	1.083
16	26,435	197.65	256	0.772	1.169
17	8,619	202.74	270	0.751	1.233
18	9,809	170.03	230	0.739	1.051
24	110,488	140.30	193	0.727	0.882
25	9,355	182.63	255	0.716	1.165
26	37,619	151.30	215	0.704	0.982
31	20,620	171.20	227	0.754	1.037
32	37,340	155.20	208	0.746	0.950
33	63,610	141.10	195	0.724	0.891
40	9,900	202.93	268	0.757	1.224
41	6,832	192.87	255	0.756	1.165
43	5,435	154.51	206	0.750	0.941
47	7,417	148.00	200	0.740	0.914
51	4,056	186.32	241	0.773	1.101
52	32,706	211.61	272	0.778	1.243
SW	417,700	162.65	218.90	0.743	

(A) Voluntary and Ceded business combined.

REVIEW OF NORTH CAROLINA PRIVATE PASSENGER CLASSIFICATION EXPERIENCE

Premium Offsets to Maintain Constant Premium Volume

Terr.	Other Than Clean	
	Risk Ceded	Liability
11	0.999	
13	0.998	
14	0.997	
15	0.997	
16	0.997	
17	0.998	
18	0.997	
24	0.999	
25	0.998	
26	0.999	
31	0.998	
32	0.999	
33	1.000	
40	0.998	
41	0.998	
43	0.998	
47	0.999	
51	0.996	
52	0.996	

Note: Offsets reflect changes to classification plan factors that will be effective November 1, 2009.

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 F-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 F. 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 official 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 Level Exhibits

1. Experience

Private Passenger Automobile Liability

Private passenger automobile liability experience for ceded business written at Other-Than-Clean Risk Rates 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.

Based on credibility considerations, the overall rate level change for Bodily Injury, Property Damage and Medical Payments is 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. Indications for all three years were reviewed to make sure that there were no anomalies or abnormalities associated with the latest year.

Motorcycle Liability

Motorcycle data are obtained from a Special Call for Expense Experience issued by the Rate Bureau. See page F-155. The 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. Private Passenger Losses

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. In the present filing, these loss development factors to develop to 63 months are as follows:

<u>Accident Year Ended</u>	<u>Bodily Injury</u>	<u>Property Damage</u>	<u>Medical Payments</u>
12/31/2007 (reported as of 15 months)	1.122	1.029	1.076
12/31/2006 (reported as of 27 months)	1.046	1.009	1.026
12/31/2005 (reported as of 39 months)	1.014	1.001	1.011

The derivation of the factors shown above is presented on pages D-13, D-14, and D-15. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

3. Private Passenger Loss Adjustment Expense

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 F-154.

4. Private Passenger 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 page F-154.

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-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. 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-7 and D-8.

6. Prospective Annual Change in Expenses

The average annual change in expenses is based on the change in the All Items Consumer Price Index, the All Items - Less Energy Consumer Price Index and the Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service, as shown on pages D-9-12. The expected average annual change in expenses is then selected based on analysis and review of this data.

7. Trend Period

The number of years of projection 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 November 1, 2009. The losses and loss adjustment expenses are projected to August 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 (May 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-19, D-20, and D-21.

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-12-C-13). 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-23.

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-12-C-13.

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. The rate change has been distributed in such a way that 100% of the general and other acquisition expenses have been flattened by territory. An offset is applied to reflect the adopted revisions in class differentials. The calculation of the flattened general and other acquisition expenses and the application of the offset are described on page C-9.

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%	-1.0%	-0.5%

<u>Expense Trend</u>			3.0%

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	0.995	0.983
Payments	2006	0.999	0.966	0.965	0.995	0.988
	2007	1.000	1.000	1.000	0.995	0.995

(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 8/13/2010, 3.12, 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, 4.12 for 2006 and 5.12 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	2005	\$ 6,124	1.43
Injury	2006	6,359	1.39
	2007	6,830	1.35
Property	2005	\$ 2,580	3.81
Damage	2006	2,685	3.76
	2007	2,746	3.68
Medical	2005	\$ 1,731	1.23
Payments	2006	1,733	1.18
	2007	1,732	1.14

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages F-122 and F-124.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
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	
Oct-08	216.6	
Nov-08	212.4	205.6
Dec-08	210.2	

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)	3.22%	2.85%	3.03%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.21%	2.90%	3.05%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.44%	2.58%	3.01%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	0.91%	1.04%	0.97%
(5) Average Annual Index (D)			
Year Ended 6/30/2006	198.99	190.93	
Year Ended 12/31/2006	201.59	193.35	
Year Ended 6/30/2007	204.14	196.23	
Year Ended 12/31/2007	207.34	199.60	
Year Ended 6/30/2008	211.69	202.83	
Year Ended 12/31/2008	215.30	205.13	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2006	1.06	1.08	1.07
Year Ended 12/31/2006	1.04	1.06	1.05
Year Ended 6/30/2007	1.03	1.05	1.04
Year Ended 12/31/2007	1.01	1.03	1.02
Year Ended 6/30/2008	0.99	1.01	1.00
Year Ended 12/31/2008	0.98	1.00	0.99

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>
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	
Oct-08	216.7	
Nov-08	216.4	205.6
Dec-08	215.9	

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)	2.59%	2.85%	2.72%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.65%	2.90%	2.78%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.70%	2.58%	2.64%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	2.40%	1.04%	1.72%
(5) Average Annual Index (D)			
Year Ended 6/30/2006	201.01	190.93	
Year Ended 12/31/2006	203.68	193.35	
Year Ended 6/30/2007	206.29	196.23	
Year Ended 12/31/2007	208.92	199.60	
Year Ended 6/30/2008	211.77	202.83	
Year Ended 12/31/2008	214.75	205.13	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2006	1.07	1.08	1.08
Year Ended 12/31/2006	1.06	1.06	1.06
Year Ended 6/30/2007	1.05	1.05	1.05
Year Ended 12/31/2007	1.03	1.03	1.03
Year Ended 6/30/2008	1.02	1.01	1.02
Year Ended 12/31/2008	1.01	1.00	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
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Basic Limits(a) Incurred Losses as of					
Accident Year	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				

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	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
Three Year Average	1.039	1.014	1.008	1.000

	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

Accident Year	Bodily Injury Incurred Claims as of				
	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				

Accident Year	Claim Development Factors			
	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

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

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				

Accident Year	Claim Development Factors			
	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

SUMMARY OF 2007 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.2
Underwriting Profit	-
Contingencies	0.0
 Total	 12.2
 Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	 87.8
 Loss Adjustment Expense	
Bodily Injury & Medical Payments	13.4
Property Damage	11.7
 General Administration	 6.5
 Other Acquisition Expenses	 8.3

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

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2006 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.1
Underwriting Profit	-
Contingencies	0.0
 Total	 12.1
 Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	 87.9
 Loss Adjustment Expense	
Bodily Injury & Medical Payments	12.7
Property Damage	11.1
 General Administration	 7.0
 Other Acquisition Expenses	 8.3

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

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2005 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.3
Underwriting Profit	-
Contingencies	0.0
 Total	 12.3
 Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	 87.7
 Loss Adjustment Expense	
Bodily Injury & Medical Payments	12.8
Property Damage	12.2
 General Administration	 4.9
 Other Acquisition Expenses	 8.1

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

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 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
INCREASED LIMITS REVIEW

NORTH CAROLINA

Increased limits Revision

This filing adopts the approved changes to the increased limits factors for Bodily Injury and Property Damage Liability effective 11/1/2009. The overall effect of these changes for these coverages is shown on page E-2.

These changes have not been applied to the basic limits Bodily Injury and Property Damage Liability rates.

Pages E-3-4 display the calculation of the average increased limits factors for Bodily Injury and Property Damage on a 30/60/25 basis. The average increased limits factors derived on these pages are used in the determination of the premium weights shown on page A-1.

Page E-5 displays the calculation of the average increased limits factor for Medical Payments. This factor is used in the determination of the distributional adjustment factor on page C-11 and in the determination of the premium weights shown on page A-1.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE

CALCULATION OF TOTAL LIMITS CHANGES

North Carolina Year Ending 12/31/2007

Other Than Clean Risk Ceded Bodily Injury

	(1)	(2)	(3)	(4)	(5)	(6)
Limit Of	Written	Current	(1)/(2)	Revised	(3)x(4)	(5)/(1)
Liability	Premium	ILF	30/60	ILF	T/L	Percent
			Premium		Premium	Change
30/60	81,332,521	1.00	81,332,521	1.00	81,332,521	0.0%
50/100	34,983,843	1.21	28,912,267	1.18	34,116,475	-2.5%
100/200	111,420	1.46	76,315	1.39	106,078	-4.8%
100/300	25,231,090	1.48	17,048,034	1.40	23,867,248	-5.4%
250/500	982,265	1.79	548,751	1.66	910,927	-7.3%
300/300	171,301	1.74	98,449	1.62	159,487	-6.9%
1000/1000	15	2.14	7	1.96	14	-6.7%
All Other	10,760	1.116	9,642	1.097	10,577	-1.7%
	142,823,215		128,025,986		140,503,327	-1.6%

North Carolina Year Ending 12/31/2007

Other Than Clean Risk Ceded Property Damage

	(1)	(2)	(3)	(4)	(5)	(6)
Limit Of	Written	Current	(1)/(2)	Revised	(3)x(4)	(5)/(1)
Liability	Premium	ILF	\$25,000	ILF	T/L	Percent
			Premium		Premium	Change
\$25,000	56,820,278	1.000	56,820,278	1.000	56,820,278	0.0%
50,000	40,832,389	1.006	40,588,856	1.010	40,994,745	0.4%
100,000	1,402,546	1.018	1,377,747	1.030	1,419,079	1.2%
250,000	871	1.035	842	1.059	892	2.4%
500,000	833	1.068	780	1.113	868	4.2%
1,000,000	(43)	1.121	(38)	1.202	(46)	7.0%
All Other	117,151	1.003	116,801	1.005	117,385	0.2%
	99,174,025		98,905,266		99,353,201	0.2%

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

Year Ending 12/31/2007

Other-Than-Clean Risk Ceded Bodily Injury - 30/60 base

	(1)	(2)	(3)	(4)	(5) (3)x(4)
Limit Of Liability	Written Premium	Prior ILF	30/60 Premium	Current ILF	T/L Premium
30/60	81,332,521	1.00	81,332,521	1.00	81,332,521
50/100	34,983,843	1.15	30,420,733	1.21	36,809,087
100/200	111,420	1.33	83,774	1.46	122,310
100/300	25,231,090	1.35	18,689,696	1.48	27,660,750
250/500	982,265	1.57	625,646	1.79	1,119,906
300/300	171,301	1.54	111,234	1.74	193,547
1000/1000	15	1.83	8	2.14	17
All Other	10,760	1.088	9,890	1.122	11,097
	142,823,215	1.088	131,273,502	1.122	147,249,235

Year Ending 12/31/2006

Other-Than-Clean Risk Ceded Bodily Injury - 30/60 base

	(1)	(2)	(3)	(4)	(5) (3)x(4)
Limit Of Liability	Written Premium	Prior ILF*	30/60 Premium	Current ILF	T/L Premium
30/60	81,193,586	1.00	81,193,586	1.00	81,193,586
50/100	31,546,241	1.15	27,431,514	1.21	33,192,132
100/200	100,389	1.32	76,052	1.46	111,036
100/300	25,780,592	1.34	19,239,248	1.48	28,474,087
250/500	1,153,189	1.55	743,993	1.79	1,331,747
300/300	111,749	1.53	73,039	1.74	127,088
1000/1000	4,218	1.80	2,343	2.14	5,014
All Other	860,631	1.086	792,478	1.122	889,160
	140,750,595	1.086	129,552,253	1.122	145,323,850

Year Ending 12/31/2005

Other-Than-Clean Risk Ceded Bodily Injury - 30/60 base

	(1)	(2)	(3)	(4)	(5) (3)x(4)
Limit Of Liability	Written Premium	Prior ILF	30/60 Premium	Current ILF	T/L Premium
30/60	87,519,443	1.00	87,519,443	1.00	87,519,443
50/100	30,134,207	1.14	26,433,515	1.21	31,984,553
100/200	107,682	1.30	82,832	1.46	120,935
100/300	25,867,187	1.32	19,596,354	1.48	29,002,604
250/500	1,184,757	1.52	779,445	1.79	1,395,207
300/300	112,370	1.50	74,913	1.74	130,349
1000/1000	(1,013)	1.76	(576)	2.14	(1,233)
All Other	14,872	1.078	13,796	1.116	15,396
	144,939,505	1.078	134,499,722	1.116	150,167,254

* 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

Other-Than-Clean Risk Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5) (3)x(4)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	T/L Premium
25,000	56,820,278	1.000	56,820,278	1.000	56,820,278
50,000	40,832,389	1.010	40,428,108	1.006	40,670,677
100,000	1,402,546	1.030	1,361,695	1.018	1,386,206
250,000	871	1.059	822	1.035	851
300,000	0	1.069	0	1.041	0
500,000	833	1.113	748	1.068	799
1,000,000	(43)	1.202	(36)	1.121	(40)
All Other	117,151	1.005	116,568	1.003	116,918
	99,174,025	1.005	98,728,183	1.003	98,995,689

Year Ending 12/31/2006

Other-Than-Clean Risk Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5) (3)x(4)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	T/L Premium
25,000	65,483,368	1.000	65,483,368	1.000	65,483,368
50,000	45,409,646	1.010	44,960,046	1.006	45,229,806
100,000	1,819,792	1.030	1,766,788	1.018	1,798,590
250,000	932	1.059	880	1.035	911
300,000	0	1.069	0	1.041	0
500,000	101	1.113	91	1.068	97
1,000,000	0	1.202	0	1.121	0
All Other	126,138	1.004	125,635	1.003	126,012
	112,839,977	1.004	112,336,808	1.003	112,638,784

Year Ending 12/31/2005

Other-Than-Clean Risk Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5) (3)x(4)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	T/L Premium
25,000	69,353,779	1.000	69,353,779	1.000	69,353,779
50,000	43,000,529	1.010	42,574,781	1.006	42,830,230
100,000	1,567,303	1.030	1,521,653	1.018	1,549,043
250,000	220	1.059	208	1.035	215
300,000	268	1.069	251	1.041	261
500,000	118	1.113	106	1.068	113
1,000,000	0	1.202	0	1.121	0
All Other	130,418	1.004	129,898	1.002	130,158
	114,052,635	1.004	113,580,676	1.002	113,863,799

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

Year Ending 12/31/2007

Other-Than-Clean Risk Ceded Medical Payments - \$500 Base

Limit	(1) Written Premium	(2) Current ILF	(3) (1)/(2) B/L Premium
\$500	305,647	1.00	305,647
750	8,874	1.33	6,672
1,000	6,694,251	1.60	4,183,907
2,000	4,511,249	2.34	1,927,884
3,000	418	2.79	150
5,000	284,602	3.38	84,202
10,000	3,605	3.86	934
All Other	-317	1.814	-175
Total	11,808,329	1.814	6,509,221

Year Ending 12/31/2006

Other-Than-Clean Risk Ceded Medical Payments - \$500 Base

Limit	(1) Written Premium	(2) Current ILF	(3) (1)/(2) B/L Premium
\$500	300,431	1.00	300,431
750	6,922	1.33	5,205
1,000	6,364,298	1.60	3,977,686
2,000	4,313,054	2.34	1,843,185
3,000	840	2.79	301
5,000	375,533	3.38	111,104
10,000	1,286	3.86	333
All Other	76	1.821	42
Total	11,362,440	1.821	6,238,287

Year Ending 12/31/2005

Other-Than-Clean Risk Ceded Medical Payments - \$500 Base

Limit	(1) Written Premium	(2) Current ILF	(3) (1)/(2) B/L Premium
\$500	347,714	1.00	347,714
750	10,610	1.33	7,977
1,000	7,073,617	1.60	4,421,011
2,000	4,731,006	2.34	2,021,797
3,000	339	2.79	122
5,000	331,822	3.38	98,172
10,000	2,906	3.86	753
All Other	-220	1.812	-121
Total	12,497,794	1.812	6,897,425

SECTION F
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 certain policy form, rule and rate filings filed under Articles 36 and 37. 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.	F-2-32
2. Credibility factor development and application.	F-33-35
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	F-36-109
4. Trending factor development and application.	F-110-150
5. Changes in premium base resulting from rating exposure trends.	F-151
6. Limiting factor development and application.	F-152
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	F-153-155
8. Percent rate change.	F-156
9. Final proposed rates.	F-157
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	F-158-185
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	F-186-191
12. Investment earnings on capital and surplus.	F-192
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	F-193
14. Additional supplemental information (as per 11 NCAC 10.1104)	F-194-195

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.	F-3-4
(1)	Paid/incurred losses and loss adjustment expense.	F-5
(1)	Anticipated loss ratios.	F-6
(a)	Companies excluded - rate level, trend, loss development, investment income and expenses.	F-7
(b)	Increased limits factors and deductible credits.	F-8
(c)	Adjustments to premium, losses, loss adjustment expenses and exposures.	F-9
(d)	Calculation of earned premium at present rates.	F-10
(e)	Written and earned premiums and market shares for the ten largest writers.	F-11
(f)	Composite loss and premium information from each of the latest two annual statements for the 50 largest writers. Part 2, line 19 Part 3, line 19 Page 15, lines 19.1 and 19.2	F-12-16
(g)	Deviations.	Not applicable
(h)	Dividends.	Not applicable
(i)	Loss and loss adjustment expenses.	F-17-19
(j)	Excess losses (Comprehensive)	Not applicable
(k)	Territory data.	F-20-32

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED 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	\$146,853,323	\$139,007,069	\$148,975,498
Property Damage	119,084,626	122,920,655	109,079,441
Medical Payments	13,258,795	11,272,536	12,247,810

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	\$147,472,708	\$149,582,556	\$145,925,652
Property Damage	125,576,955	126,905,487	123,939,826
Medical Payments	12,260,768	12,464,104	12,118,146

- (a) Ceded Liability premiums are for business written at Facility rates only and are at a 30/60 level for Bodily Injury, \$25,000 for Property Damage, and Total Limits for Medical Payments.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
EARNED PREMIUM - MOTORCYCLES

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

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Motorcycle Liability	\$ 27,043,109	\$ 26,135,507	\$ 29,354,122

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

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Motorcycle Liability	\$ 21,509,378	\$ 21,795,989	\$ 26,058,756

a) Earned premium at collected level are the earned premiums shown on page F-155. Earned premium at current level are the earned premium at collected level adjusted to a current level.

(b) Voluntary and ceded business combined.

NORTH CAROLINA
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	94,102,738	102,346,339
12/31/2006	83,716,958	102,745,819
12/31/2007	44,986,059	84,874,160
Property Damage		
12/31/2005	76,537,110	76,590,208
12/31/2006	82,619,181	82,822,641
12/31/2007	74,364,740	75,700,037
Medical Payments		
12/31/2005	8,042,267	8,085,457
12/31/2006	8,403,620	8,469,689
12/31/2007	6,868,821	7,603,513

- (a) Paid and incurred losses are for ceded other than clean risk business. 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 F-154.

NORTH CAROLINA
ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS
CEDED

PRIVATE PASSENGER AUTO

<u>Coverage</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Bodily Injury	.778	.769	.726
Property Damage	.791	.772	.758
Medical Payments	.811	.770	.781
Motorcycle Liability	.572	.755	.729

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.

United Services Automobile Association (2.59%), USAA Casualty Insurance Company (1.64%), USAA General Indemnity (0.34%), Pennsylvania National Casualty Insurance Company (0.57%), 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%), American States Preferred Insurance Co. (0.41%), State Automobile Mutual Insurance Co. (0.00%), State Automobile Property and Casualty Insurance Co. (0.55%), and companies from the Hartford Insurance Group (0.93%) have been deleted for all rate levels. Their data were inaccurately reported to their statistical agents.

The increased limits review is contained in Section E.

See also prefiled testimony of P. Woods.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
ADJUSTMENTS TO PREMIUMS AND LOSSES

The 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.

PREMIUM AT PRESENT RATES CALCULATION

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

$$\text{EPMR} = \text{Exposures by Class} \times \text{Territory Base Rate} \times [\text{Class Rating Factor} + \text{Safe Driver Insurance Plan Factor}] \times \text{Average Airbag Discount}^* \times \text{Average Increased Limits Factor}^*$$

* 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 F-3.

A sample calculation of the earned premium at manual rates for a single class and territory combination is shown below for Bodily Injury 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 30/60 base rate	185
(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)	\$12,025

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 & phy dmg combined

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 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
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	1,339,252	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 LIABILITY 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	Reinsurance	Reinsurance	Net	Unpaid	Unpaid	Incurred
	Business	Assumed	Ceded	Payments	Current	Previous	Current
					Year	Year	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	Net Losses	Losses
	Direct	Reinsurance	Reinsurance	Net	Unpaid	Unpaid	Incurred
	Business	Assumed	Ceded	Payments	Current	Previous	Current
					Year	Year	Year
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

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

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	179,066,239	285,310,431
2006	1,703,407,276	2,316,658,861	190,839,348	288,952,147
2007	1,772,529,395	2,495,076,574	173,187,165	281,983,624

The data are not comparable for the following reasons:

- Annual Statement losses and premiums include Voluntary and Facility data. Filing data are for ceded business written at Other-Than-Clean Risk rates only for Bodily Injury, Property Damage and Medical Payments.
- Annual Statement premium is at total limits collected level. Filing premium is at basic limits current level for Bodily Injury and Property Damage, and on a total limits current level for Medical Payments.
- 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 (total limits for Medical Payments) and include allocated loss adjustment expense only.
- 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.

NORTH CAROLINA
CEDED FILING
EXPECTED LOSS RATIOS

Private Passenger Auto	10/1/2006 Implementation	10/1/2007 Implementation	10/1/2008 Implementation
Bodily Injury	.721	.749	.766
Property Damage	.756	.767	.762
Medical Payments	.783	.767	.770
Motorcycle Liability	.729	.691	.766

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	94,102,738	8,243,601	1.012	103,574,495
12/31/2006	83,716,958	19,028,861	1.060	108,910,568
12/31/2007	44,986,059	39,888,101	1.171	99,387,641

<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	12,091,729	1.127	1.161	130,766,953
12/31/2006	12,538,355	1.114	1.127	135,457,099
12/31/2007	11,720,812	1.068	1.094	118,968,569

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	76,537,110	53,098	1.001	76,666,798
12/31/2006	82,619,181	203,460	1.008	83,485,222
12/31/2007	74,364,740	1,335,297	1.027	77,743,938

<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	9,319,900	1.062	1.161	92,240,543
12/31/2006	9,257,117	1.033	1.127	96,673,005
12/31/2007	9,070,702	1.031	1.094	90,077,348

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	8,042,267	43,190	1.011	8,174,397
12/31/2006	8,403,620	66,069	1.026	8,689,901
12/31/2007	6,868,821	734,692	1.076	8,181,380

<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	1,050,494	0.913	1.161	8,682,848
12/31/2006	1,106,766	0.949	1.127	9,494,041
12/31/2007	1,097,601	0.985	1.094	9,259,435

- (a) Data on a paid/reserve basis is available only for total limits. See page F-5.
- (b) See pages F-43, F-44, and F-45.
- (c) See pages C-1, C-3, and C-5 for the unallocated loss adjustment expense factors.
- (d) Using selected trends on page D-6.

The following pages F-21-32 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.

See also pages C-7-8.

NORTH CAROLINA
AUTOMOBILE LIABILITY EXPERIENCE (1)
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
BODILY INJURY

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			
F-21	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

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)	<u>Incurring Losses (5)</u>		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

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)	<u>Incurred Losses (5)</u>		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)	<u>Incurred Losses (5)</u>		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>Incurred Losses (5)</u>		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
					Basic Limits	Excess Limits				
F-25	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

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)	<u>Incurred Losses (5)</u>		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
					Basic Limits	Excess Limits				
F-26	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

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)	<u>Incurred Losses (5)</u>		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.

NORTH CAROLINA
AUTOMOBILE LIABILITY EXPERIENCE (1)
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
PROPERTY DAMAGE

		Accident	Earned	Collected	Incurred Losses (5)		Average			
Territory		Year	Car	Earned	Basic	Excess	Claims	Claim	Claim	Pure
			Years	Premium (2)	Limits	Limits		Cost (4)	Freq. (3)	Prem. (4)
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

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				
F-29	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

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				
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

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				
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.

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

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.

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.

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 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
F-37-96. 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 and Property Damage and the five year factor for Medical Payments.

Development for all coverages is to 63 months.

Additional information regarding loss development is contained in the
prefiled testimony of P. Woods.

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>
2003	6,044,390	6,044,390	4,510,582
2004	6,216,885	6,216,885	4,675,148
2005	6,380,628	6,380,628	4,797,838
2006	6,524,761	6,524,761	4,923,328
2007	6,678,502	6,678,502	5,056,228

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2003	949,074,847	963,162,094	116,325,170
2004	1,001,328,224	944,532,385	127,128,014
2005	1,054,594,409	977,512,213	135,018,152
2006	1,061,042,938	1,007,891,551	132,192,089
2007	1,173,302,045	1,009,531,199	157,004,286

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				

Accident Year	Loss Development Factors			
	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				

Accident Year	Loss Development Factors			
	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				

Accident Year	Loss Development Factors			
	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.

The Reinsurance Facility is advised by ISO that the data described in Subparagraph (3)(c) are not available.

See attached Exhibit (3)(d).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	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				

Accident Year	Loss Development Factors			
	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				

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	1.000	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				

Loss Development Factors				
Accident Year	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
Three Year Average	1.039	1.014	1.008	1.000

	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.

See attached Exhibit (3)(e).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

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	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	Bodily Injury Excess Limits(a) Incurred Losses as of				
	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				

Accident Year	Loss Development Factors			
	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

Three Year Average	0.898	0.929	1.003	0.984

	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.

See attached Exhibit (3)(f).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Paid Claims as of				
	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

Accident Year	Medical Payments Paid Claims as of				
	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				

Accident Year	Claim Development Factors			
	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

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

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				

Accident Year	Claim Development Factors			
	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

See attached Exhibit (3)(g).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

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

Bodily Injury Total Limits Paid Losses as of					
Accident Year	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

Three Year Average	1.035	1.005	1.003	1.001

	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
Three Year Average	1.200	1.030	1.015	1.003

	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				

Accident Year	Loss Development Factors			
	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
Three Year Average	1.040	1.012	1.010	1.000

	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

Bodily Injury Basic Limits(a) Incurred Losses as of					
Accident Year	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				

Loss Development Factors				
Accident Year	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

Accident Year	Bodily Injury Paid Claims as of				
	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
Three Year Average	1.154	1.019	1.008	1.001

	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
Three Year Average	1.008	1.001	1.001	1.000

	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

Accident Year	Medical Payments Incurred Claims as of				
	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				

Accident Year	Claim Development Factors			
	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

Accident Year	Property Damage Outstanding Claims as of		
	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				

Accident Year	Loss Development Factors			
	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				

Accident Year	Loss Development Factors			
	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				

Accident Year	Loss Development Factors			
	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

Bodily Injury Basic Limits(a) Incurred Losses as of					
Accident Year	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

Property Damage Basic Limits(a) Incurred Losses as of					
Accident Year	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

Accident Year	Medical Payments Paid Claims as of				
	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				

Accident Year	Claim Development Factors			
	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

Property Damage Incurred Claims as of					
Accident Year	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

Accident Year	Medical Payments Incurred Claims as of				
	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				

Accident Year	Claim Development Factors			
	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

Medical Payments Outstanding Claims as of			
Accident Year	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

Exhibit (3)(i)
Exhibit (7)(c)

Responses provided in connection with items (3)(i) and (7)(c) in the Rate Bureau's January 30, 2009 filing are enclosed herewith.



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

Allstate Insurance Company
2775 Sanders Road, D6 Northbrook, IL 60062-0000 T 847-402-3994 F 847-402-0017 E sarm2@allstate.com



Erie
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Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530 • 814.870.2000
Toll free 1.800.458.0811 • Fax 814.870.3122 • www.erieinsurance.com

Kevin L. Russell,
Supervisor,
Commercial Pricing II and Reserving
Erie Insurance Group
100 Erie Insurance Place
Erie, Pennsylvania 16530
Telephone (814)870-3395
Fax (814)870-4383
Kevin.russell@erieinsurance.com

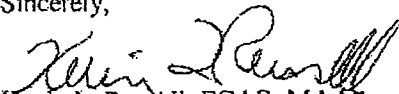
Nov 05, 2008

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

The Erie "Is Above All In Service"™. We commit, care and serve. It's our true blue promise.



- 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

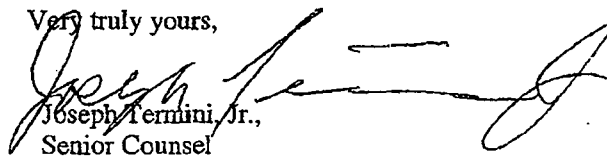
Dear Mr. Lucas:

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

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:

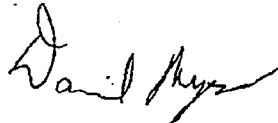
I am providing the following information concerning expense cutting activities and reserve strengthening for Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, Nationwide Property & Casualty Company, and Nationwide Affinity Insurance Company of America.

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,

A handwritten signature in black ink, appearing to read "Daniel Myers", with a stylized flourish at the end.

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.

A handwritten signature in black ink, appearing to read "Roger Batdorff", written over a horizontal line.

Roger Batdorff
Actuarial & Research Manager

RB/cww

RECEIVED

NOV 07 2008

N.C. RATE BUREAU

North Carolina Farm Bureau Mutual Insurance Company, Inc.
Farm Bureau Insurance of N.C., Inc.
Visit Us On The Web At: 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".

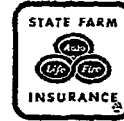
Progressive has undertaken modest expense cutting activities in the last year having the some impact on Adjusting and all Other expenses for our private passenger non-fleet motor vehicle coverages. These changes will only modestly impact our anticipated expense levels in North Carolina.

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

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



We know what it means to serve.

INSURANCE • INVESTMENTS • BANKING • MEMBER SERVICES

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

9800 Fredericksburg Road San Antonio, Texas 78288

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

See attached exhibits, Section D of RF-1 and pre-filed testimony of P. Woods.

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%	-1.0%	-0.5%
 <u>Expense Trend</u>			 3.0%

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	0.995	0.983
Payments	2006	0.999	0.966	0.965	0.995	0.988
	2007	1.000	1.000	1.000	0.995	0.995

(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 8/13/2010, 3.12, 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, 4.12 for 2006 and 5.12 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	2005	\$ 6,124	1.43
Injury	2006	6,359	1.39
	2007	6,830	1.35
Property	2005	\$ 2,580	3.81
Damage	2006	2,685	3.76
	2007	2,746	3.68
Medical	2005	\$ 1,731	1.23
Payments	2006	1,733	1.18
	2007	1,732	1.14

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages F-122 and F-124.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data.

ISO-NAII-NISS FAST TRACK

PRIVATE PASSENGER AUTOMOBILE -

BI TOTAL LIMITS

STATE: NORTH CAROLINA

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	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	ARISING CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2004	920,640	10,373	15,560	77,312,114	1.13		7,453		83.98		1.69	
6/2004	932,627	10,455	16,489	80,189,617	1.12		7,670		85.98		1.77	
9/2004	941,930	10,661	16,811	88,003,044	1.13		8,255		93.43		1.78	
12/2004	947,094	11,224	17,709	85,623,628	1.19		7,629		90.41		1.87	
3/2005	950,856	10,464	15,627	81,767,988	1.10	-2.7	7,814	4.8	85.99	2.4	1.64	-3.0
6/2005	960,913	11,117	16,902	84,232,004	1.16	3.6	7,577	-1.2	87.66	2.0	1.76	-0.6
9/2005	971,662	10,830	15,538	86,077,964	1.11	-1.8	7,948	-3.7	88.59	-5.2	1.60	-10.1
12/2005	978,928	11,240	16,563	90,375,917	1.15	-3.4	8,041	5.4	92.32	2.1	1.69	-9.6
3/2006	985,379	10,722	15,988	87,960,569	1.09	-0.9	8,204	5.0	89.27	3.8	1.62	-1.2
6/2006	997,710	10,514	16,078	85,951,955	1.05	-9.5	8,175	7.9	86.15	-1.7	1.61	-8.5
9/2006	1,006,442	10,171	15,530	100,653,706	1.01	-9.0	9,896	24.5	100.01	12.9	1.54	-3.8
12/2006	1,014,300	11,685	17,933	97,881,697	1.15	0.0	8,377	4.2	96.50	4.5	1.77	4.7
3/2007	1,022,130	10,646	16,007	93,103,265	1.04	-4.6	8,745	6.6	91.09	2.0	1.57	-3.1
6/2007	1,035,219	11,129	15,979	103,760,623	1.08	2.9	9,323	14.0	100.23	16.3	1.54	-4.3
9/2007	1,043,876	10,775	15,178	100,811,199	1.03	2.0	9,356	-5.5	96.57	-3.4	1.45	-5.8
12/2007	1,050,324	10,932	16,884	106,566,965	1.04	-9.6	9,748	16.4	101.46	5.1	1.61	-9.0
3/2008	1,055,162	10,598	15,382	93,718,324	1.00	-3.8	8,843	1.1	88.82	-2.5	1.46	-7.0
6/2008	1,065,490	10,721	15,472	101,851,399	1.01	-6.5	9,500	1.9	95.59	-4.6	1.45	-5.8
9/2008	1,069,632	10,598	14,638	106,465,259	0.99	-3.9	10,046	7.4	99.53	3.1	1.37	-5.5
12/2008	1,069,372	10,923	17,114	106,985,236	1.02	-1.9	9,794	0.5	100.04	-1.4	1.60	-0.6
4 QTRS ENDING												
12/2004	3,742,291	42,713	66,569	331,128,403	1.14		7,752		88.48		1.78	
3/2005	3,772,507	42,804	66,636	335,584,277	1.13		7,840		88.96		1.77	
6/2005	3,800,793	43,466	67,049	339,626,664	1.14		7,814		89.36		1.76	
9/2005	3,830,525	43,635	65,776	337,701,584	1.14		7,739		88.16		1.72	
12/2005	3,862,359	43,651	64,630	342,453,873	1.13	-0.9	7,845	1.2	88.66	0.2	1.67	-6.2
3/2006	3,896,882	43,909	64,991	348,646,454	1.13	0.0	7,940	1.3	89.47	0.6	1.67	-5.6
6/2006	3,933,679	43,306	64,167	350,366,405	1.10	-3.5	8,090	3.5	89.07	-0.3	1.63	-7.4
9/2006	3,968,459	42,647	64,159	364,942,147	1.07	-6.1	8,557	10.6	91.96	4.3	1.62	-5.8
12/2006	4,003,831	43,092	65,529	372,447,927	1.08	-4.4	8,643	10.2	93.02	4.9	1.64	-1.8
3/2007	4,040,582	43,016	65,548	377,590,623	1.06	-6.2	8,778	10.6	93.45	4.4	1.62	-3.0
6/2007	4,078,091	43,631	65,449	395,399,291	1.07	-2.7	9,062	12.0	96.96	8.9	1.60	-1.8
9/2007	4,115,525	44,235	65,097	395,556,784	1.07	0.0	8,942	4.5	96.11	4.5	1.58	-2.5
12/2007	4,151,549	43,482	64,048	404,242,052	1.05	-2.8	9,297	7.6	97.37	4.7	1.54	-6.1
3/2008	4,184,581	43,434	63,423	404,857,111	1.04	-1.9	9,321	6.2	96.75	3.5	1.52	-6.2
6/2008	4,214,852	43,026	62,916	402,947,887	1.02	-4.7	9,365	3.3	95.60	-1.4	1.49	-6.9
9/2008	4,240,608	42,849	62,376	408,601,947	1.01	-5.6	9,536	6.6	96.35	0.2	1.47	-7.0
12/2008	4,259,656	42,840	62,606	409,020,218	1.01	-3.8	9,548	2.7	96.02	-1.4	1.47	-4.5
ANNUAL RATE OF CHANGE(17 PT.)					-3.3		6.4		2.8		-4.8	
ANNUAL RATE OF CHANGE(12 PT.)					-3.5		6.8		2.9		-4.7	
ANNUAL RATE OF CHANGE(9 PT.)					-3.5		5.2		1.3		-5.9	
ANNUAL RATE OF CHANGE(6 PT.)					-4.7		4.8		-0.5		-5.8	

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ISO-NAII-NISS FAST TRACK

PRIVATE PASSENGER AUTOMOBILE -

PROPERTY DAMAGE

STATE: NORTH CAROLINA

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
3/2004	920,640	32,349	80,151,170	3.51		2,478		87.06	
6/2004	932,627	32,070	77,845,536	3.44		2,427		83.47	
9/2004	941,930	32,251	79,634,212	3.42		2,469		84.54	
12/2004	947,094	32,079	82,284,912	3.39		2,565		86.88	
3/2005	950,856	33,119	82,756,983	3.48	-0.9	2,499	0.8	87.03	-0.0
6/2005	960,913	33,111	81,347,362	3.45	0.3	2,457	1.2	84.66	1.4
9/2005	971,662	32,633	80,874,182	3.36	-1.8	2,478	0.4	83.23	-1.5
12/2005	978,928	30,938	79,969,734	3.16	-6.8	2,585	0.8	81.69	-6.0
3/2006	985,379	33,537	87,137,485	3.40	-2.3	2,598	4.0	88.43	1.6
6/2006	997,710	31,282	81,692,329	3.14	-9.0	2,611	6.3	81.88	-3.3
9/2006	1,006,442	32,123	84,005,745	3.19	-5.1	2,615	5.5	83.47	0.3
12/2006	1,014,300	34,705	90,143,565	3.42	8.2	2,597	0.5	88.87	8.8
3/2007	1,022,130	34,725	94,032,965	3.40	0.0	2,708	4.2	92.00	4.0
6/2007	1,035,219	34,104	88,248,003	3.29	4.8	2,588	-0.9	85.25	4.1
9/2007	1,043,876	33,379	88,846,340	3.20	0.3	2,662	1.8	85.11	2.0
12/2007	1,050,324	34,007	91,511,152	3.24	-5.3	2,691	3.6	87.13	-2.0
3/2008	1,055,162	34,146	92,661,956	3.24	-4.7	2,714	0.2	87.82	-4.5
6/2008	1,065,490	33,498	90,460,074	3.14	-4.6	2,700	4.3	84.90	-0.4
9/2008	1,069,632	32,560	87,641,980	3.04	-5.0	2,692	1.1	81.94	-3.7
12/2008	1,069,372	33,373	92,637,452	3.12	-3.7	2,776	3.2	86.63	-0.6
4 QTRS ENDING									
12/2004	3,742,291	128,749	319,915,830	3.44		2,485		85.49	
3/2005	3,772,507	129,519	322,521,643	3.43		2,490		85.49	
6/2005	3,800,793	130,560	326,023,469	3.44		2,497		85.78	
9/2005	3,830,525	130,942	327,263,439	3.42		2,499		85.44	
12/2005	3,862,359	129,801	324,948,261	3.36	-2.3	2,503	0.7	84.13	-1.6
3/2006	3,896,882	130,219	329,328,763	3.34	-2.6	2,529	1.6	84.51	-1.1
6/2006	3,933,679	128,390	329,673,730	3.26	-5.2	2,568	2.8	83.81	-2.3
9/2006	3,968,459	127,880	332,805,293	3.22	-5.8	2,602	4.1	83.86	-1.8
12/2006	4,003,831	131,647	342,979,124	3.29	-2.1	2,605	4.1	85.66	1.8
3/2007	4,040,582	132,835	349,874,604	3.29	-1.5	2,634	4.2	86.59	2.5
6/2007	4,078,091	135,657	356,430,278	3.33	2.1	2,627	2.3	87.40	4.3
9/2007	4,115,525	136,913	361,270,873	3.33	3.4	2,639	1.4	87.78	4.7
12/2007	4,151,549	136,215	362,638,460	3.28	-0.3	2,662	2.2	87.35	2.0
3/2008	4,184,581	135,636	361,267,451	3.24	-1.5	2,664	1.1	86.33	-0.3
6/2008	4,214,852	135,030	363,479,522	3.20	-3.9	2,692	2.5	86.24	-1.3
9/2008	4,240,608	134,211	362,275,162	3.16	-5.1	2,699	2.3	85.43	-2.7
12/2008	4,259,656	133,577	363,401,462	3.14	-4.3	2,721	2.2	85.31	-2.3
ANNUAL RATE OF CHANGE(17 PT.)				-2.0		2.5		0.4	
ANNUAL RATE OF CHANGE(12 PT.)				-1.5		2.3		0.8	
ANNUAL RATE OF CHANGE(9 PT.)				-2.7		2.1		-0.7	
ANNUAL RATE OF CHANGE(6 PT.)				-4.7		2.4		-2.4	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED DECEMBER 2008

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	6.0%	6.8%	7.0%
12 points	5.9%	6.5%	6.8%
9 points	4.8%	5.0%	5.2%
6 points	4.5%	4.6%	4.8%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-3.9%	-3.7%	-3.6%
12 points	-3.8%	-3.6%	-3.5%
9 points	-3.7%	-3.6%	-3.5%
6 points	-5.0%	-4.9%	-4.7%

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.4%	2.5%	2.6%
12 points	2.2%	2.3%	2.3%
9 points	2.0%	2.0%	2.1%
6 points	2.3%	2.3%	2.4%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-2.0%	-2.0%	-2.0%
12 points	-1.5%	-1.5%	-1.5%
9 points	-2.8%	-2.7%	-2.7%
6 points	-4.9%	-4.8%	-4.7%

NORTH CAROLINA
FAST TRACK TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED DECEMBER 2008

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.97	0.96
9 points	0.96	0.96
6 points	0.92	0.92
FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.97	-0.97
12 points	-0.95	-0.95
9 points	-0.95	-0.95
6 points	-0.97	-0.97

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.98	0.98
9 points	0.98	0.98
6 points	0.98	0.98
FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.83	-0.83
12 points	-0.67	-0.67
9 points	-0.87	-0.87
6 points	-0.99	-0.99

PRIVATE PASSENGER AUTOMOBILE - BI TOTAL LIMITS

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	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	ARISING CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2004	18,670,638	214,841	299,832	1,972,741,421	1.15		9,182		105.66		1.61	
6/2004	18,881,093	210,737	303,627	2,037,295,377	1.12		9,667		107.90		1.61	
9/2004	19,012,835	206,617	303,385	2,023,189,089	1.09		9,792		106.41		1.60	
12/2004	19,051,573	211,297	311,028	2,086,334,395	1.11		9,874		109.51		1.63	
3/2005	19,063,706	206,153	294,224	1,967,247,605	1.08	-6.1	9,543	3.9	103.19	-2.3	1.54	-4.3
6/2005	19,307,479	206,061	300,801	2,043,310,389	1.07	-4.5	9,916	2.6	105.83	-1.9	1.56	-3.1
9/2005	19,482,792	200,907	291,471	2,016,190,033	1.03	-5.5	10,035	2.5	103.49	-2.7	1.50	-6.2
12/2005	19,531,433	200,110	296,958	2,020,687,611	1.02	-8.1	10,098	2.3	103.46	-5.5	1.52	-6.7
3/2006	19,522,920	201,508	288,553	2,024,848,125	1.03	-4.6	10,048	5.3	103.72	0.5	1.48	-3.9
6/2006	19,763,478	200,714	285,370	2,051,774,608	1.02	-4.7	10,222	3.1	103.82	-1.9	1.44	-7.7
9/2006	19,872,364	196,120	278,342	2,055,431,811	0.99	-3.9	10,480	4.4	103.43	-0.1	1.40	-6.7
12/2006	19,862,431	201,601	295,344	2,167,618,288	1.01	-1.0	10,752	6.5	109.13	5.5	1.49	-2.0
3/2007	19,843,126	195,995	277,438	2,070,943,542	0.99	-3.9	10,566	5.2	104.37	0.6	1.40	-5.4
6/2007	20,051,882	194,753	273,169	2,116,699,643	0.97	-4.9	10,869	6.3	105.56	1.7	1.36	-5.6
9/2007	20,127,966	189,518	270,296	2,114,090,643	0.94	-5.1	11,155	6.4	105.03	1.5	1.34	-4.3
12/2007	20,094,180	193,080	281,927	2,212,778,283	0.96	-5.0	11,460	6.6	110.12	0.9	1.40	-6.0
3/2008	20,111,273	188,526	263,887	2,110,643,774	0.94	-5.1	11,196	6.0	104.95	0.6	1.31	-6.4
6/2008	20,292,733	190,999	255,143	2,173,448,533	0.94	-3.1	11,379	4.7	107.10	1.5	1.26	-7.4
9/2008	20,389,860	184,781	246,024	2,182,370,866	0.91	-3.2	11,811	5.9	107.03	1.9	1.21	-9.7
12/2008	20,339,819	186,693	262,257	2,269,447,308	0.92	-4.2	12,156	6.1	111.58	1.3	1.29	-7.9
4 QTRS ENDING												
12/2004	75,616,139	843,492	1217872	8,119,560,282	1.12		9,626		107.38		1.61	
3/2005	76,009,207	834,804	1212264	8,114,066,466	1.10		9,720		106.75		1.59	
6/2005	76,435,593	830,128	1209438	8,120,081,478	1.09		9,782		106.23		1.58	
9/2005	76,905,550	824,418	1197524	8,113,082,422	1.07		9,841		105.49		1.56	
12/2005	77,385,410	813,231	1183454	8,047,435,638	1.05	-6.3	9,896	2.8	103.99	-3.2	1.53	-5.0
3/2006	77,844,624	808,586	1177783	8,105,036,158	1.04	-5.5	10,024	3.1	104.12	-2.5	1.51	-5.0
6/2006	78,300,623	803,239	1162352	8,113,500,377	1.03	-5.5	10,101	3.3	103.62	-2.5	1.48	-6.3
9/2006	78,690,195	798,452	1149223	8,152,742,155	1.01	-5.6	10,211	3.8	103.61	-1.8	1.46	-6.4
12/2006	79,021,193	799,943	1147609	8,299,672,832	1.01	-3.8	10,375	4.8	105.03	1.0	1.45	-5.2
3/2007	79,341,399	794,430	1136494	8,345,768,249	1.00	-3.8	10,505	4.8	105.19	1.0	1.43	-5.3
6/2007	79,629,803	788,469	1124293	8,410,693,284	0.99	-3.9	10,667	5.6	105.62	1.9	1.41	-4.7
9/2007	79,885,405	781,867	1116247	8,469,352,116	0.98	-3.0	10,832	6.1	106.02	2.3	1.40	-4.1
12/2007	80,117,154	773,346	1102830	8,514,512,111	0.97	-4.0	11,010	6.1	106.28	1.2	1.38	-4.8
3/2008	80,385,301	765,877	1089279	8,554,212,343	0.95	-5.0	11,169	6.3	106.42	1.2	1.36	-4.9
6/2008	80,626,152	762,123	1071253	8,610,961,233	0.95	-4.0	11,299	5.9	106.80	1.1	1.33	-5.7
9/2008	80,888,046	757,386	1046981	8,679,241,456	0.94	-4.1	11,459	5.8	107.30	1.2	1.29	-7.9
12/2008	81,133,685	750,999	1027311	8,735,910,481	0.93	-4.1	11,632	5.6	107.67	1.3	1.27	-8.0
ANNUAL RATE OF CHANGE(17 PT.)					-4.4		5.0		0.3		-5.6	
ANNUAL RATE OF CHANGE(12 PT.)					-4.0		5.8		1.4		-5.7	
ANNUAL RATE OF CHANGE(9 PT.)					-4.1		5.9		1.2		-6.4	
ANNUAL RATE OF CHANGE(6 PT.)					-4.0		5.7		1.3		-7.8	

ISO-NAII-NISS FAST TRACK

PRIVATE PASSENGER AUTOMOBILE -

PROPERTY DAMAGE

STATE: MULTIPD

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
3/2004	26,336,450	1071568	2,670,107,283	4.07		2,492		101.38	
6/2004	26,686,557	994,355	2,462,510,978	3.73		2,476		92.28	
9/2004	26,882,764	991,226	2,487,973,255	3.69		2,510		92.55	
12/2004	26,908,700	992,868	2,528,735,213	3.69		2,547		93.97	
3/2005	26,929,421	1061906	2,701,496,310	3.94	-3.2	2,544	2.1	100.32	-1.0
6/2005	27,291,935	1018164	2,590,704,415	3.73	0.0	2,544	2.7	94.93	2.9
9/2005	27,529,913	1016404	2,620,750,827	3.69	0.0	2,578	2.7	95.20	2.9
12/2005	27,563,166	977,435	2,581,152,585	3.55	-3.8	2,641	3.7	93.64	-0.4
3/2006	27,562,596	1048446	2,781,862,305	3.80	-3.6	2,653	4.3	100.93	0.6
6/2006	27,953,779	989,198	2,616,890,887	3.54	-5.1	2,645	4.0	93.61	-1.4
9/2006	28,117,717	980,490	2,614,613,680	3.49	-5.4	2,667	3.5	92.99	-2.3
12/2006	28,084,284	1004097	2,719,760,599	3.58	0.8	2,709	2.6	96.84	3.4
3/2007	28,070,994	1057913	2,880,585,858	3.77	-0.8	2,723	2.6	102.62	1.7
6/2007	28,411,663	1023866	2,763,036,231	3.60	1.7	2,699	2.0	97.25	3.9
9/2007	28,525,567	1004682	2,742,997,512	3.52	0.9	2,730	2.4	96.16	3.4
12/2007	28,427,246	1028932	2,824,594,937	3.62	1.1	2,745	1.3	99.36	2.6
3/2008	28,475,464	1064396	2,965,566,888	3.74	-0.8	2,786	2.3	104.14	1.5
6/2008	28,772,811	1010297	2,783,261,501	3.51	-2.5	2,755	2.1	96.73	-0.5
9/2008	28,898,848	978,337	2,712,588,851	3.39	-3.7	2,773	1.6	93.86	-2.4
12/2008	28,801,124	967,710	2,720,925,717	3.36	-7.2	2,812	2.4	94.47	-4.9
4 QTRS ENDING									
12/2004	106814471	4050017	10,149,326,729	3.79		2,506		95.02	
3/2005	107407442	4040355	10,180,715,756	3.76		2,520		94.79	
6/2005	108012820	4064164	10,308,909,193	3.76		2,537		95.44	
9/2005	108659969	4089342	10,441,686,765	3.76		2,553		96.10	
12/2005	109314435	4073909	10,494,104,137	3.73	-1.6	2,576	2.8	96.00	1.0
3/2006	109947610	4060449	10,574,470,132	3.69	-1.9	2,604	3.3	96.18	1.5
6/2006	110609454	4031483	10,600,656,604	3.64	-3.2	2,629	3.6	95.84	0.4
9/2006	111197258	3995569	10,594,519,457	3.59	-4.5	2,652	3.9	95.28	-0.9
12/2006	111718376	4022231	10,733,127,471	3.60	-3.5	2,668	3.6	96.07	0.1
3/2007	112226774	4031698	10,831,851,024	3.59	-2.7	2,687	3.2	96.52	0.4
6/2007	112684658	4066366	10,977,996,368	3.61	-0.8	2,700	2.7	97.42	1.6
9/2007	113092508	4090558	11,106,380,200	3.62	0.8	2,715	2.4	98.21	3.1
12/2007	113435470	4115393	11,211,214,538	3.63	0.8	2,724	2.1	98.83	2.9
3/2008	113839940	4121876	11,296,195,568	3.62	0.8	2,741	2.0	99.23	2.8
6/2008	114201088	4108307	11,316,420,838	3.60	-0.3	2,755	2.0	99.09	1.7
9/2008	114574369	4081962	11,286,012,177	3.56	-1.7	2,765	1.8	98.50	0.3
12/2008	114948247	4020740	11,182,342,957	3.50	-3.6	2,781	2.1	97.28	-1.6
ANNUAL RATE OF CHANGE(17 PT.)				-1.6		2.7		1.1	
ANNUAL RATE OF CHANGE(12 PT.)				-1.0		2.3		1.2	
ANNUAL RATE OF CHANGE(9 PT.)				-1.0		2.0		1.0	
ANNUAL RATE OF CHANGE(6 PT.)				-2.6		2.0		-0.7	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED DECEMBER 2008

MULTISTATE BODILY INJURY

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	4.8%	5.2%	5.3%
12 points	5.2%	5.6%	5.8%
9 points	5.4%	5.8%	5.9%
6 points	5.4%	5.6%	5.7%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-4.7%	-4.3%	-4.2%
12 points	-4.3%	-4.0%	-4.0%
9 points	-4.4%	-4.2%	-4.1%
6 points	-4.2%	-4.1%	-4.0%

MULTISTATE PROPERTY DAMAGE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.5%	2.6%	2.6%
12 points	2.2%	2.3%	2.3%
9 points	2.0%	2.0%	2.0%
6 points	1.9%	1.9%	2.0%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-1.6%	-1.5%	-1.5%
12 points	-1.0%	-1.0%	-1.0%
9 points	-1.0%	-0.9%	-1.0%
6 points	-2.7%	-2.6%	-2.6%

NORTH CAROLINA
FAST TRACK TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED DECEMBER 2008

MULTISTATE BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.99
12 points	1.00	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	-0.98	-0.98

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	-0.85	-0.85
12 points	-0.69	-0.69
9 points	-0.58	-0.58
6 points	-0.89	-0.89

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM COST

ALL CARRIERS

(1)	(2)	(3)	AVERAGE PAID		(6)	(7)	AVERAGE PAID	
			CLAIM COST (A)				CLAIM COST (A)	
			(4)	(5)			(8)	(9)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2)/(3)	EXPONENTIAL	PAID LOSSES (A)	PAID CLAIMS	EXPONENTIAL	CURVE OF BEST FIT (B)
				CURVE OF BEST FIT (B)			CURVE OF BEST FIT (B)	
<u>BODILY INJURY (25/50 LIMIT)</u>				<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>				
Dec-02	\$560,921,177	96,980	5,784	\$5,570.35	\$583,191,788	221,358	\$2,635	\$2,496.56
Mar-03	569,840,013	98,031	5,813	5,649.52	585,934,477	222,069	2,639	2,513.62
Jun-03	575,159,482	98,659	5,830	5,729.82	590,846,724	224,904	2,627	2,530.80
Sep-03	570,499,849	98,755	5,777	5,811.25	601,174,773	230,230	2,611	2,548.09
Dec-03	578,126,767	99,719	5,798	5,893.84	607,731,962	235,466	2,581	2,565.51
Mar-04	578,378,892	99,684	5,802	5,977.61	614,258,216	239,170	2,568	2,583.04
Jun-04	587,773,754	100,979	5,821	6,062.57	620,234,160	243,165	2,551	2,600.69
Sep-04	600,962,824	101,974	5,893	6,148.73	615,743,810	242,681	2,537	2,618.47
Dec-04	604,104,653	102,281	5,906	6,236.12	621,932,792	244,291	2,546	2,636.36
Mar-05	614,245,123	102,772	5,977	6,324.75	627,485,422	246,310	2,548	2,654.38
Jun-05	618,225,435	102,873	6,010	6,414.64	631,671,224	246,705	2,560	2,672.52
Sep-05	619,111,321	102,892	6,017	6,505.81	635,302,673	247,768	2,564	2,690.78
Dec-05	622,459,483	101,642	6,124	6,598.27	628,235,467	243,492	2,580	2,709.17
Mar-06	629,437,209	102,016	6,170	6,692.05	637,159,084	244,730	2,604	2,727.69
Jun-06	630,633,611	101,246	6,229	6,787.16	638,433,955	242,768	2,630	2,746.33
Sep-06	634,357,480	100,053	6,340	6,883.63	644,595,815	242,089	2,663	2,765.10
Dec-06	642,197,893	100,998	6,359	6,981.46	663,272,417	247,014	2,685	2,783.99
Mar-07	647,570,982	100,610	6,436	7,080.68	671,741,530	247,151	2,718	2,803.02
Jun-07	662,754,365	101,122	6,554	7,181.32	681,592,955	249,904	2,727	2,822.18
Sep-07	673,932,025	101,513	6,639	7,283.38	684,780,464	249,592	2,744	2,841.46
Dec-07	679,283,021	99,461	6,830	7,386.90	679,644,016	247,496	2,746	2,860.88
Mar-08	680,024,445	98,200	6,925	7,491.88	675,020,269	245,009	2,755	2,880.43
Jun-08	683,348,262	97,297	7,023	7,598.36	675,703,888	243,367	2,776	2,900.12
Sep-08	682,945,692	96,334	7,089	7,706.35	672,751,650	241,931	2,781	2,919.94

(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	6.8%	1.6%	
	9-points	6.4%	2.1%	
	12-points	5.8%	2.8%	
	15-points	5.3%	2.8%	

(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)	(2)	(3)	AVERAGE PAID		(6)	(7)	AVERAGE PAID	
			CLAIM COST (A)				CLAIM COST (A)	
			(4)	(5)			(8)	(9)
YEAR	PAID	PAID	ACTUAL	EXPONENTIAL	PAID	PAID	ACTUAL	EXPONENTIAL
ENDED	LOSSES(A)	CLAIMS	(2)/(3)	CURVE OF	LOSSES(A)	CLAIMS	(6)/(7)	CURVE OF
				BEST FIT (B)				BEST FIT (B)
<u>BODILY INJURY (25/50 EXCESS)</u>					<u>BODILY INJURY (TOTAL LIMITS)</u>			
Dec-02	\$113,943,398	96,980	\$1,175	\$1,263.41	\$674,864,575	96,980	\$6,959	\$6,832.83
Mar-03	114,305,404	98,031	1,166	1,294.23	684,145,417	98,031	6,979	6,943.60
Jun-03	120,193,848	98,659	1,218	1,325.80	695,353,330	98,659	7,048	7,056.18
Sep-03	123,263,735	98,755	1,248	1,358.15	693,763,584	98,755	7,025	7,170.58
Dec-03	132,035,735	99,719	1,324	1,391.28	710,162,502	99,719	7,122	7,286.83
Mar-04	135,241,257	99,684	1,357	1,425.22	713,620,149	99,684	7,159	7,404.97
Jun-04	140,159,506	100,979	1,388	1,459.99	727,933,260	100,979	7,209	7,525.03
Sep-04	150,010,451	101,974	1,471	1,495.60	750,973,275	101,974	7,364	7,647.03
Dec-04	154,932,128	102,281	1,515	1,532.09	759,036,781	102,281	7,421	7,771.00
Mar-05	156,771,721	102,772	1,525	1,569.46	771,016,844	102,772	7,502	7,896.99
Jun-05	152,170,027	102,873	1,479	1,607.75	770,395,462	102,873	7,489	8,025.02
Sep-05	145,337,018	102,892	1,413	1,646.97	764,448,339	102,892	7,430	8,155.13
Dec-05	141,176,463	101,642	1,389	1,687.14	763,635,946	101,642	7,513	8,287.35
Mar-06	146,764,331	102,016	1,439	1,728.30	776,201,540	102,016	7,609	8,421.71
Jun-06	149,980,616	101,246	1,481	1,770.46	780,614,227	101,246	7,710	8,558.25
Sep-06	164,092,103	100,053	1,640	1,813.65	798,449,583	100,053	7,980	8,697.00
Dec-06	170,571,506	100,998	1,689	1,857.90	812,769,399	100,998	8,047	8,838.00
Mar-07	173,015,888	100,610	1,720	1,903.22	820,586,870	100,610	8,156	8,981.29
Jun-07	182,324,846	101,122	1,803	1,949.65	845,079,211	101,122	8,357	9,126.90
Sep-07	175,953,634	101,513	1,733	1,997.21	849,885,659	101,513	8,372	9,274.87
Dec-07	177,327,460	99,461	1,783	2,045.93	856,610,481	99,461	8,613	9,425.24
Mar-08	174,664,647	98,200	1,779	2,095.84	854,689,092	98,200	8,704	9,578.05
Jun-08	173,123,485	97,297	1,779	2,146.97	856,471,747	97,297	8,803	9,733.33
Sep-08	178,360,557	96,334	1,851	2,199.34	861,306,249	96,334	8,941	9,891.14
					25/50		TOTAL	
(10)RATE OF CHANGE IN PAID CLAIM COSTS FOR					<u>EXCESS</u>		<u>LIMITS</u>	
ANY 12 MONTH INTERVAL ON THE EXPONENTIAL								
CURVE OF BEST FIT:								
					6-points	2.4%	5.9%	
					9-points	4.8%	6.1%	
					12-points	10.1%	6.6%	
					15-points	8.3%	5.9%	

- (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

AVERAGE PAID CLAIM COST (A)				
(1)	(2)	(3)	(4)	(5)
YEAR	PAID	PAID	ACTUAL	EXPONENTIAL
ENDED	LOSSES (A)	CLAIMS	(2)/(3)	CURVE OF
				BEST FIT (B)
Dec-02	\$98,807,323	62,557	\$1,579	\$1,732.57
Mar-03	100,623,869	62,930	1,599	1,732.67
Jun-03	101,897,874	63,601	1,602	1,732.77
Sep-03	101,824,929	63,520	1,603	1,732.88
Dec-03	101,449,178	62,555	1,622	1,732.98
Mar-04	101,713,082	61,816	1,645	1,733.08
Jun-04	101,794,562	61,354	1,659	1,733.18
Sep-04	102,792,212	60,674	1,694	1,733.28
Dec-04	103,205,467	59,958	1,721	1,733.38
Mar-05	102,781,502	59,478	1,728	1,733.48
Jun-05	102,943,294	59,246	1,738	1,733.58
Sep-05	102,897,784	59,584	1,727	1,733.69
Dec-05	102,777,869	59,379	1,731	1,733.79
Mar-06	104,035,116	60,025	1,733	1,733.89
Jun-06	103,736,147	59,736	1,737	1,733.99
Sep-06	103,513,028	59,239	1,747	1,734.09
Dec-06	104,952,403	60,575	1,733	1,734.19
Mar-07	104,424,370	60,642	1,722	1,734.29
Jun-07	106,505,075	61,387	1,735	1,734.40
Sep-07	106,628,919	61,930	1,722	1,734.50
Dec-07	105,570,724	60,969	1,732	1,734.60
Mar-08	106,860,699	61,432	1,739	1,734.70
Jun-08	106,754,193	61,602	1,733	1,734.80
Sep-08	106,027,961	60,899	1,741	1,734.90

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR MEDICAL
ANY 12 MONTH INTERVAL ON THE EXPONENTIAL PAYMENTS
CURVE OF BEST FIT:

6-points	0.5%
9-points	0.0%
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)
YEAR	EARNED	PAID	PAID	PAID	PAID
ENDED	EXPOSURES	CLAIMS	CLAIM	CLAIMS	CLAIM
			FREQ		FREQ
			(2)/(3)		(5)/(3)
<u>BODILY INJURY</u>			<u>PROPERTY DAMAGE</u>		
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
Sep-08	6,868,145	96,334	1.4026	241,931	3.5225

(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	-6.1%	-4.7%
9-points	-4.3%	-2.6%
12-points	-4.1%	-2.3%
15-points	-4.1%	-2.6%
24-points	-2.8%	-1.3%

(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

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
Sep-08	5,080,510	60,899	1.1987

(5) RATE OF CHANGE IN PAID
CLAIM FREQS FOR ANY 12 MONTH
INTERVAL ON THE EXPONENTIAL
CURVE OF BEST FIT:

6-points	-2.2%
9-points	-0.8%
12-points	-0.9%
15-points	-1.2%
24-points	-3.0%

MEDICAL
PAYMENTS

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2008

ALL CARRIERS

BODILY INJURY 25/50 BASIC

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	4.7%	5.2%	5.3%
12 points	5.3%	5.7%	5.8%
9 points	5.9%	6.3%	6.4%
6 points	6.3%	6.5%	6.8%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-3.0%	-2.8%	-2.8%
15 points	-4.5%	-4.1%	-4.1%
12 points	-4.4%	-4.1%	-4.1%
9 points	-4.5%	-4.3%	-4.3%
6 points	-6.6%	-6.3%	-6.1%

PROPERTY DAMAGE TOTAL LIMITS

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.7%	2.8%	2.8%
12 points	2.6%	2.7%	2.8%
9 points	2.0%	2.0%	2.1%
6 points	1.5%	1.6%	1.6%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-1.3%	-1.3%	-1.3%
15 points	-2.8%	-2.7%	-2.6%
12 points	-2.3%	-2.3%	-2.3%
9 points	-2.7%	-2.6%	-2.6%
6 points	-4.9%	-4.8%	-4.7%

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	0.0%	0.0%	0.0%
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	-1.2%	-1.2%	-1.2%
12 points	-1.0%	-1.0%	-0.9%
9 points	-0.8%	-0.8%	-0.8%
6 points	-2.2%	-2.2%	-2.2%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2008

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	7.0%	8.0%	8.3%
12 points	8.3%	9.3%	10.1%
9 points	4.4%	4.6%	4.8%
6 points	2.4%	2.4%	2.4%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	5.2%	5.8%	5.9%
12 points	5.9%	6.4%	6.6%
9 points	5.6%	5.9%	6.1%
6 points	5.5%	5.7%	5.9%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 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	-0.93	-0.93
15 points	-0.99	-0.99
12 points	-0.98	-0.97
9 points	-0.95	-0.95
6 points	-0.99	-0.99

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.98
12 points	0.97	0.97
9 points	0.97	0.97
6 points	0.98	0.98

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.67	-0.67
15 points	-0.95	-0.95
12 points	-0.91	-0.90
9 points	-0.86	-0.86
6 points	-1.00	-1.00

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.15	0.15
12 points	0.05	0.05
9 points	0.04	0.04
6 points	0.56	0.56

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.93	-0.93
15 points	-0.87	-0.87
12 points	-0.74	-0.74
9 points	-0.53	-0.53
6 points	-0.87	-0.87

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2008

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.90	0.89
12 points	0.91	0.90
9 points	0.87	0.87
6 points	0.52	0.52

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	1.00	0.99
9 points	0.99	0.99
6 points	0.98	0.98

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
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	
Oct-08	216.6	
Nov-08	212.4	205.6
Dec-08	210.2	

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)	3.22%	2.85%	3.03%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.21%	2.90%	3.05%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.44%	2.58%	3.01%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	0.91%	1.04%	0.97%
(5) Average Annual Index (D)			
Year Ended 6/30/2006	198.99	190.93	
Year Ended 12/31/2006	201.59	193.35	
Year Ended 6/30/2007	204.14	196.23	
Year Ended 12/31/2007	207.34	199.60	
Year Ended 6/30/2008	211.69	202.83	
Year Ended 12/31/2008	215.30	205.13	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2006	1.06	1.08	1.07
Year Ended 12/31/2006	1.04	1.06	1.05
Year Ended 6/30/2007	1.03	1.05	1.04
Year Ended 12/31/2007	1.01	1.03	1.02
Year Ended 6/30/2008	0.99	1.01	1.00
Year Ended 12/31/2008	0.98	1.00	0.99

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 DECEMBER 2008

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.99%	3.17%	3.22%
36 points	3.02%	3.16%	3.21%
24 points	3.28%	3.38%	3.44%
12 points	0.91%	0.91%	0.91%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	2.67%	2.81%	2.85%
12 points	2.75%	2.85%	2.90%
8 points	2.48%	2.54%	2.58%
4 points	1.03%	1.03%	1.04%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED DECEMBER 2008

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.96	0.96
36 points	0.92	0.93
24 points	0.84	0.84
12 points	0.17	0.17

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.99	0.98
8 points	0.96	0.95
4 points	0.90	0.90

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	ALL ITEMS - LESS ENERGY <u>CPI INDEX</u>	COMPENSATION <u>COST INDEX</u>
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	
Oct-08	216.7	
Nov-08	216.4	205.6
Dec-08	215.9	

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)	2.59%	2.85%	2.72%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.65%	2.90%	2.78%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.70%	2.58%	2.64%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	2.40%	1.04%	1.72%
(5) Average Annual Index (D)			
Year Ended 6/30/2006	201.01	190.93	
Year Ended 12/31/2006	203.68	193.35	
Year Ended 6/30/2007	206.29	196.23	
Year Ended 12/31/2007	208.92	199.60	
Year Ended 6/30/2008	211.77	202.83	
Year Ended 12/31/2008	214.75	205.13	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2006	1.07	1.08	1.08
Year Ended 12/31/2006	1.06	1.06	1.06
Year Ended 6/30/2007	1.05	1.05	1.05
Year Ended 12/31/2007	1.03	1.03	1.03
Year Ended 6/30/2008	1.02	1.01	1.02
Year Ended 12/31/2008	1.01	1.00	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 DECEMBER 2008

ALL ITEMS - LESS ENERGY CPI INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.44%	2.56%	2.59%
36 points	2.52%	2.62%	2.65%
24 points	2.59%	2.66%	2.70%
12 points	2.34%	2.37%	2.40%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	2.67%	2.81%	2.85%
12 points	2.75%	2.85%	2.90%
8 points	2.48%	2.54%	2.58%
4 points	1.03%	1.03%	1.04%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED DECEMBER 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	0.95	0.95

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.99	0.98
8 points	0.96	0.95
4 points	0.90	0.90

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	10/08	216.6	
3/06	199.8		11/08	212.4	205.6
4/06	201.5		12/08	210.2	
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 F-154 and F-155.

See the attached Exhibit (4)(d), Section D of RF-1 and the pre-filed testimony of P. Woods.

CPI GASOLINE INDEX
ANNUAL PERCENT CHANGE

Quarter	(1) Index	(2) Annual Percentage Change
1999:2	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%
2008:4	1.989	-21.0%
2009:1	1.628	-38.5%

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-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
Jun-08	3.933	4.051	4.190
Jul-08	3.962	4.089	4.228
Aug-08	3.672	3.795	3.938
Sep-08	3.767	3.879	4.014
Oct-08	3.190	3.263	3.420
Nov-08	2.062	2.183	2.363

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 <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
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
1/03	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%
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%

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
5/06	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	233.7	3,014.8	0.5%	11,421.6	141,831.1	-0.1%
2/07	218.7	3,012.7	0.5%	10,785.7	141,730.9	-0.2%
3/07	259.3	3,015.4	0.4%	11,767.1	141,672.8	-0.2%
4/07	252.4	3,017.4	0.5%	11,805.2	141,778.0	-0.1%
5/07	267.2	3,020.4	0.6%	12,162.7	141,882.1	0.2%
6/07	265.3	3,022.5	0.7%	12,017.3	142,075.9	0.6%
7/07	267.0	3,026.7	0.9%	12,253.7	142,127.8	0.8%
8/07	271.5	3,031.7	1.1%	12,367.5	142,199.1	1.1%
9/07	246.2	3,031.5	0.9%	11,758.2	142,066.1	0.8%
10/07	261.6	3,035.0	0.8%	12,097.9	142,177.6	0.6%
11/07	246.0	3,035.2	0.8%	11,424.8	142,021.5	0.4%
12/07	240.9	3,029.8	0.5%	11,838.0	141,699.7	0.1%
1/08	229.5	3,025.6	0.4%	No further update available		
2/08	217.6	3,024.5	0.4%			
3/08	248.1	3,013.3	-0.1%			
4/08	248.3	3,009.2	-0.3%			
5/08	257.3	2,999.3	-0.7%			
6/08	251.8	2,985.8	-1.2%			
7/08	257.7	2,976.5	-1.7%			
8/08	257.0	2,962.0	-2.3%			
9/08	234.9	2,950.7	-2.7%			
10/08	252.0	2,941.1	-3.1%			
11/08	233.1	2,928.2	-3.5%			
12/08	238.5	2,925.8	-3.4%			
1/09	222.8	2,919.1	-3.5%			
2/09	215.8	2,917.3	-3.5%			
3/09	245.1	2,914.3	-3.3%			

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%	0.3%	0.6%	-0.2%	0.5%
10/2004	0.5%	0.3%	0.2%	0.5%	0.2%	0.3%	1.6%	1.6%
11/2004	0.1%	0.3%	0.1%	0.6%	0.2%	0.0%	0.9%	1.0%
12/2004	-0.4%	0.3%	0.0%	0.7%	0.4%	-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%	0.2%	0.1%	0.5%	0.2%
3/2005	0.8%	0.4%	0.2%	0.6%	0.3%	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%	0.5%	1.1%	2.9%	1.7%
10/2005	0.2%	0.5%	0.1%	0.9%	0.5%	0.2%	2.5%	0.5%
11/2005	-0.8%	0.6%	0.0%	1.4%	0.2%	0.3%	-1.5%	1.9%
12/2005	-0.4%	0.1%	0.1%	0.0%	0.3%	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%	0.3%	0.2%	0.2%	0.6%
4/2006	0.9%	0.3%	0.0%	0.3%	0.8%	-0.4%	1.3%	2.8%
5/2006	0.5%	0.3%	0.1%	0.3%	-0.2%	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%	0.3%	0.4%	0.4%	1.4%
8/2006	0.2%	0.2%	0.1%	0.4%	0.3%	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%	0.3%	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%	-0.3%	0.7%	-1.0%	-0.4%
2/2007	0.5%	0.9%	1.3%	1.2%	0.3%	0.4%	1.7%	0.8%
3/2007	0.9%	0.2%	0.1%	0.5%	0.6%	0.1%	1.5%	2.1%
4/2007	0.6%	0.3%	0.0%	0.4%	0.1%	0.1%	1.2%	2.3%
5/2007	0.6%	0.2%	0.1%	0.4%	0.6%	-0.1%	1.1%	0.5%
6/2007	0.2%	0.1%	0.1%	0.2%	0.5%	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%	0.2%	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%	0.6%	-0.2%	0.9%	2.2%
3/2008	0.9%	0.2%	0.2%	0.2%	0.4%	0.1%	2.8%	3.1%
4/2008	0.6%	0.1%	0.0%	0.2%	0.2%	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%	0.0%	0.4%	2.0%	1.6%
7/2008	0.5%	0.1%	0.1%	0.4%	0.3%	0.2%	2.5%	2.2%
8/2008	-0.4%	0.1%	0.5%	0.4%	0.7%	0.9%	-3.2%	-0.4%
9/2008	-0.1%	0.2%	0.3%	0.4%	-0.1%	0.8%	-1.1%	-3.1%
10/2008	-1.0%	0.2%	0.1%	0.6%	0.1%	0.9%	-5.3%	-6.5%
11/2008	-1.9%	0.2%	0.2%	0.4%	0.0%	0.2%	-5.2%	-6.3%
12/2008	-1.0%	0.1%	0.2%	0.1%	0.0%	0.2%	-3.3%	-3.2%
1/2009	0.4%	0.7%	0.5%	1.4%	0.2%	0.4%	0.1%	-2.3%
2/2009	0.5%	0.7%	0.3%	1.3%	0.2%	-0.3%	-0.9%	-1.6%
3/2009	0.2%	0.2%	0.4%	0.5%	-0.4%	0.4%	-0.8%	-0.7%

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:
<u>Month</u>	<u>All Items</u>	<u>Med. Care</u>	<u>Phys. Serv.</u>	<u>Hospital & Other Related Services</u>	<u>Income</u>	<u>Auto Bodywork</u>	<u>All Items</u>	<u>Metal/MPR</u>
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%	2.7%	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%	2.5%	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%	2.5%	2.5%	6.7%	17.8%
2/2005	3.0%	4.3%	3.7%	5.4%	2.4%	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%	3.0%	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%	3.3%	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%	3.8%	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%	4.2%	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%	4.7%	4.6%	7.6%	17.3%
7/2006	4.1%	4.0%	1.3%	6.4%	4.5%	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%	4.1%	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%	4.4%	3.7%	0.5%	12.7%
12/2006	2.5%	3.6%	1.7%	6.1%	4.9%	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%	4.1%	3.5%	3.1%	9.5%
3/2007	2.8%	4.0%	3.6%	5.8%	4.4%	3.4%	4.4%	11.1%
4/2007	2.6%	4.0%	3.7%	5.9%	3.6%	3.9%	4.3%	10.5%
5/2007	2.7%	4.0%	3.6%	6.0%	4.4%	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%	3.9%	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%	3.6%	3.5%	7.7%	4.1%
11/2007	4.3%	5.0%	4.1%	7.9%	3.6%	3.5%	8.7%	4.5%
12/2007	4.1%	5.2%	4.1%	8.1%	3.1%	3.5%	7.9%	4.1%
1/2008	4.3%	4.9%	3.5%	8.5%	3.5%	3.0%	10.4%	6.4%
2/2008	4.0%	4.5%	2.1%	8.2%	3.8%	2.4%	9.5%	7.8%
3/2008	4.0%	4.6%	2.1%	7.9%	3.6%	2.3%	11.0%	8.8%
4/2008	3.9%	4.3%	2.1%	7.7%	3.8%	2.2%	11.4%	11.4%
5/2008	4.2%	4.1%	2.8%	7.5%	3.1%	2.6%	13.4%	13.8%
6/2008	5.0%	4.0%	2.8%	7.4%	2.6%	2.9%	15.4%	15.8%
7/2008	5.6%	3.5%	2.4%	6.8%	2.9%	3.1%	17.4%	17.9%
8/2008	5.4%	3.3%	2.7%	6.9%	3.5%	3.7%	15.4%	18.1%
9/2008	4.9%	3.2%	3.0%	6.6%	3.0%	4.2%	13.5%	15.0%
10/2008	3.7%	2.8%	2.7%	6.0%	2.9%	4.2%	6.7%	7.2%
11/2008	1.1%	2.7%	2.9%	5.4%	2.6%	4.1%	-1.2%	0.8%
12/2008	0.1%	2.6%	2.9%	5.4%	2.4%	3.9%	-4.3%	-2.3%
1/2009	0.0%	2.6%	2.8%	5.3%	2.5%	4.1%	-5.5%	-6.1%
2/2009	0.2%	2.8%	3.2%	5.8%	2.0%	4.0%	-7.2%	-9.6%
3/2009	-0.4%	2.8%	3.4%	6.1%	1.2%	4.4%	-10.5%	-12.8%

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>
1/2003	1.890	1.8%	1/2006	2.008	2.2%
2/2003	1.897	1.7%	2/2006	2.016	2.2%
3/2003	1.902	1.7%	3/2006	2.026	2.2%
4/2003	1.902	1.4%	4/2006	2.030	2.2%
5/2003	1.903	1.5%	5/2006	2.033	2.4%
6/2003	1.903	1.6%	6/2006	2.036	2.6%
7/2003	1.905	1.6%	7/2006	2.039	2.6%
8/2003	1.908	1.4%	8/2006	2.044	2.8%
9/2003	1.910	1.4%	9/2006	2.049	2.9%
10/2003	1.917	1.5%	10/2006	2.056	2.7%
11/2003	1.916	1.4%	11/2006	2.053	2.5%
12/2003	1.915	1.5%	12/2006	2.051	2.5%
1/2004	1.919	1.5%	1/2007	2.060	2.6%
2/2004	1.927	1.6%	2/2007	2.071	2.7%
3/2004	1.937	1.8%	3/2007	2.079	2.6%
4/2004	1.941	2.1%	4/2007	2.082	2.6%
5/2004	1.943	2.1%	5/2007	2.084	2.5%
6/2004	1.944	2.2%	6/2007	2.086	2.5%
7/2004	1.945	2.1%	7/2007	2.090	2.5%
8/2004	1.947	2.0%	8/2007	2.094	2.4%
9/2004	1.952	2.2%	9/2007	2.100	2.5%
10/2004	1.960	2.2%	10/2007	2.107	2.5%
11/2004	1.960	2.3%	11/2007	2.109	2.7%
12/2004	1.958	2.2%	12/2007	2.109	2.8%
1/2005	1.964	2.3%	1/2008	2.118	2.8%
2/2005	1.973	2.4%	2/2008	2.125	2.6%
3/2005	1.983	2.4%	3/2008	2.134	2.7%
4/2005	1.986	2.3%	4/2008	2.139	2.7%
5/2005	1.986	2.2%	5/2008	2.141	2.7%
6/2005	1.985	2.1%	6/2008	2.146	2.9%
7/2005	1.987	2.2%	7/2008	2.153	3.0%
8/2005	1.989	2.2%	8/2008	2.159	3.1%
9/2005	1.992	2.0%	9/2008	2.164	3.0%
10/2005	2.001	2.1%	10/2008	2.167	2.8%
11/2005	2.002	2.1%	11/2008	2.164	2.6%
12/2005	2.001	2.2%	12/2008	2.159	2.4%
			1/2009	2.166	2.2%
			2/2009	2.173	2.2%
			3/2009	2.180	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>
12/2001	85%	15%
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) No premium trend is applicable to the liability coverages.

See also pre-filed testimony of P. Woods.

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
page F-154-155. See also pre-filed testimony of P. Woods.
- (c) Pages F-98-109 contain information on expenses for the top 10
writers.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

	2003	2004	2005	2006	2007
Premiums Written at Manual Level	\$2,319,914,842	\$2,344,630,005	\$2,430,314,065	\$2,564,464,994	\$2,752,187,885
Premiums Earned at 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
Premium 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 (c)	.085		.088		.092		.089		.091	
General Expenses to Earned Premium (c)	.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>	<u>PD</u>	<u>BI</u>	<u>PD</u>	<u>BI</u>	<u>PD</u>
Unallocated Loss Adjustment Expenses to Losses + Allocated	.119	.128	.113	.126	.128	.122	.127	.111	.134	.117

Notes:

- (a) Ceded business has a commission and brokerage provision set at 10%.
- (b) Ratios are to premiums at collected level.
- (c) Ratios are to premiums at manual 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 at Manual Level	\$22,069,450	\$25,055,579	\$29,756,404	\$27,224,030	\$31,541,381
Premiums Earned at Manual Level	21,056,001	24,088,408	27,043,109	26,135,507	29,354,122
Premiums Written (Collected Lvl)	21,404,466	24,368,906	28,908,379	26,419,484	30,523,384
Premiums Earned (Collected Lvl)	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

COMBINED RATIOS

Commission & Brokerage to Written Premium (a) (b)	.114	.103	.091	.101	.093
Other Acquisition to Earned Premium (b)	.069	.073	.082	.077	.086
General Expenses to Earned Premium (b)	.037	.039	.052	.087	.089
Taxes, Licenses, etc. to Written Premium (b)	.022	.021	.020	.022	.022
All Loss Adjustment Expenses to Losses	.213	.178	.153	.181	.127

Notes:

- (a) Ceded business has a commission and brokerage provision set at 10%.
- (b) Ratios are to premiums at collected level.

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 used in the calculation of the rate level indication.

If the effective date were to be changed, advance notice of seventy-five (75) days 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 the attached Exhibits (10)(a) and (10)(b) and the pre-filed testimony of P. Woods. The experience provides the best estimate of the future.

The response to item (10)(c) is contained in the Rate Bureau's January 30, 2009 filing.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED 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		\$292,519,558
2. Mean Unearned Premium Reserve	0.278 x (1)	81,320,437
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		2.00%
50% of Other Acquisition Expense		3.85%
50% of Company Operating Expense		2.75%
Total		18.60%
4. (2) x (3)		15,125,601
5. Net Subject to Investment (2) - (4)		66,194,836

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$292,519,558
2. Average Agents' Balances	0.146
3. Delayed Remission (1) x (2)	42,707,855

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$292,519,558
2. Expected Incurred Losses and Loss Adjustment	227,580,216
0.778 x (1)	
3. Expected Mean Loss Reserves	0.885 x (2)
	201,408,491

D. Net Subject to Investment (A-5) - (B-3) + (C-3)	224,895,472

E. Average Rate of Return	4.39%

F. Investment Earnings on Net Subject to Investment (D) x (E)	9,872,911

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	3.38%

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 manual level for ceded 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
CEDED 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		\$274,190,047
2. Mean Unearned Premium Reserve	0.293 x (1)	80,337,684
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		2.95%
Total		19.02%
4. (2) x (3)		15,280,227
5. Net Subject to Investment (2) - (4)		65,057,457

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$274,190,047
2. Average Agents' Balances	0.153
3. Delayed Remission (1) x (2)	41,951,077

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$274,190,047
2. Expected Incurred Losses and Loss Adjustment	211,948,906
0.773 x (1)	
3. Expected Mean Loss Reserves	0.857 x (2)
	181,640,212

D. Net Subject to Investment (A-5) - (B-3) + (C-3)	204,746,592

E. Average Rate of Return	5.05%

F. Investment Earnings on Net Subject to Investment (D) x (E)	10,339,703

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	3.77%

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 manual level for ceded 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
CEDED 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		\$299,911,135
2. Mean Unearned Premium Reserve	0.279 x (1)	83,675,207
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		2.55%
Total		18.62%
4. (2) x (3)		15,580,324
5. Net Subject to Investment (2) - (4)		68,094,883

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$299,911,135
2. Average Agents' Balances	0.154
3. Delayed Remission (1) x (2)	46,186,315

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$299,911,135
2. Expected Incurred Losses and Loss Adjustment	234,530,508
0.782 x (1)	
3. Expected Mean Loss Reserves	0.877 x (2)
	205,683,256

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 227,591,824

E. Average Rate of Return 5.15%

F. Investment Earnings on Net Subject to Investment (D) x (E) 11,720,979

G. Average Rate of Return as a Percent of Direct Earned Premium 3.91%
(F) / (A-1)

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 manual level for ceded 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).

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 1.029 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 ($.150 \times 1.029 = .154$).

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) $\div$ (1)	0.864
9. Ratio (7) $\div$ (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 $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	0.877

(a) Based on 2005 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED 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		\$286,315,410
2. Mean Unearned Premium Reserve	0.285 x (1)	81,599,892
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		3.65%
Total		19.55%
4. (2) x (3)		15,952,779
5. Net Subject to Investment (2) - (4)		65,647,113

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$286,315,410
2. Average Agents' Balances	0.168
3. Delayed Remission (1) x (2)	48,100,989

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$286,315,410
2. Expected Incurred Losses and Loss Adjustment	217,027,081
0.758 x (1)	
3. Expected Mean Loss Reserves	0.886 x (2)
	192,285,994

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 209,832,118

E. Average Rate of Return 4.78%

F. Investment Earnings on Net Subject to Investment (D) x (E) 10,029,975

G. Average Rate of Return as a Percent of Direct Earned Premium 3.50%
(F) / (A-1)

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 manual level for ceded 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 ($.163 \times 1.032 = .168$).

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) $\div$ (1)	0.922
9. Ratio (7) $\div$ (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 $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	0.886

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED 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		\$300,158,373
2. Mean Unearned Premium Reserve	0.280 x (1)	84,044,344
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.83%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		3.25%
Total		19.23%
4. (2) x (3)		16,161,727
5. Net Subject to Investment (2) - (4)		67,882,617

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$300,158,373
2. Average Agents' Balances	0.183
3. Delayed Remission (1) x (2)	54,928,982

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$300,158,373
2. Expected Incurred Losses and Loss Adjustment	228,420,522
0.761 x (1)	
3. Expected Mean Loss Reserves	0.870 x (2)
	198,725,854

D. Net Subject to Investment (A-5) - (B-3) + (C-3)	211,679,489

E. Average Rate of Return	4.36%

F. Investment Earnings on Net Subject to Investment (D) x (E)	9,229,226

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	3.07%

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 manual level for ceded 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 ($.177 \times 1.036 = .183$).

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) $\div$ (1)	0.872
9. Ratio (7) $\div$ (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 $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	0.870

(a) Based on 2007 All-Industry Insurance Expense Exhibit (source: A.M. Best)

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 F-38-40 and F-43-45. The combined BI, PD and Med Pay data on a paid and incurred basis is shown on pages F-176 and F-177. Page F-175 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	Massachusetts Percentage Paid in Period		Average Payment Date (months)
	(a)	(b)	
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.

NORTH CAROLINA
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

Three Year Average	1.063	1.028	1.007	1.000

	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.

NORTH CAROLINA
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

NORTH CAROLINA
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

NORTH CAROLINA
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

NORTH CAROLINA
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

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

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

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

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

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
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

NORTH CAROLINA
PERSONAL AUTO LIABILITY 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	51,265,927,000
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

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

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 Minimum Statistical Plan Liability
and No-Fault Statistics

ISS Automobile Statistical Plans - All Coverages

ISS 2007 quarterly Automobile Liability 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 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 and North Carolina Reinsurance
Facility certify that there is no evidence known to them or, insofar
as they are 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 and Reinsurance Facility are aware that the
collected data sometimes require corrections or adjustments, their
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 pre-filed testimony
of P. Woods.

- (c) Pages F-187-191 contain general descriptions of the editing
procedures used to ensure data were collected in accordance with the
applicable statistical plans.

North Carolina Private Passenger Automobile Insurance Statistical Data

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 initials 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

Not applicable.

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

Not applicable.

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.

- (a) See pre-filed testimony of P. Woods.
- (b) See the attached Exhibit (14)(b).
- (c) Not applicable.
- (d) The following changes in methodology from those used in the June 30, 2008 filing have been incorporated into this filing:
 - Used 5-year average factors for Medical Payments loss development factors in the development of ultimate losses. Previously, 3-year factors for Medical Payments were used. See section D.
 - 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.
 - Used experience for Other Than Clean Risk ceded business only in the calculation of the average increased limits factors for Bodily Injury, Property Damage, and Medical Payments. Previously, the experience for all ceded business was used for these calculations. See section E.

See also pre-filed testimony of P. Woods.

Pages F-195 and following are reserved for meeting minutes.

SECTION G
MOTORCYCLE REVIEW

NORTH CAROLINA
RATE LEVEL SUMMARY
MOTORCYCLE INSURANCE

	EARNED PREMIUMS AT PRESENT RATES	INDICATED AND FILED RATE LEVEL CHANGE
Liability (A)	26,059	6.1%

(A) Includes voluntary and ceded business.

(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)	\$21,509,378	\$21,795,989	\$26,058,756
(2) Incurred Losses (See page F-155)	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 F-155)	3,488,995	4,145,361	4,987,319
(6) Average Annual Change in Losses (c) (See page G-5)	1.6%	1.7%	1.5%
(7) Average Annual Change in Expense Costs (See page D-6)	3.0%	3.0%	3.0%
(8) Projected Losses (d)	12,770,700	14,430,276	19,067,698
(9) Projected Loss Adjustment Expenses (e)	2,067,006	2,296,864	3,013,843
(10) Projected General & Other Acquisition Expenses (f)	4,022,811	4,642,804	5,421,216
(11) Projected Losses, LAE and G & OA Expenses [(8)+(9)+(10)]	18,860,517	21,369,944	27,502,757
(12) Projected Loss, LAE and G & OA Expense Ratio [(11)/(1)]	0.877	0.980	1.055
(13) Permissible Loss, LAE and G & OA Expense Ratio (See page G-4)	0.923	0.921	0.921
(14) Adjustment for Increase in MVR Fee (g)	0.435%	0.000%	0.000%
(15) Indicated Rate Level Change [[(12)/(13))+(14)] - 1.0	-4.5%	6.4%	14.5%
(16) Final selected rate level change (weighted by premium from Line (1))		6.1%	

NORTH CAROLINA
MOTORCYCLE REVIEW

STATEWIDE RATE REVIEW

Notes

- (a) Based on the earned premiums contained in NCRB expense call and shown on pages F-155, adjusted to current ceded level.
- (b) Based on the average ratio of loss adjustment expenses to losses over the latest three years. See pages F-155.
- (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 = $\left[(2) \times (1 + (6)) \right]^n$, where
n = The number of years of projection from the average date of accident to 8/13/2010 (2005=5.12, 2006=4.12, 2007=3.12).
- (e) Projected Loss Adjustment Expenses = $\left[((4) \times (1 + (7))) \right]^n$, where
n = The number of years of projection from the average date of accident to 8/13/2010 (2005=5.12, 2006=4.12, 2007=3.12).
- (f) Projected General and Other Acquisition Expenses = $\left[(5) \times (1 + (7)) \right]^n$, where
n = The number of years of projection to the average date of writing, 5/1/2010 (2005=4.83, 2006=3.83, 2007=2.83).
- (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	0.100	0.100	0.100
Taxes, etc. to Written Premium	0.020	0.022	0.022
Profit	0.000	0.000	0.000
Contingencies	0.000	0.000	0.000
Investment Income	-0.031	-0.031	-0.031
Installment Income	-0.012	-0.012	-0.012
Total	0.077	0.079	0.079
Losses, LAE, General Administration Expenses and Other Acquisition Expenses	0.923	0.921	0.921

NORTH CAROLINA

Motorcycle Insurance

Calculation of Loss Trend Factors

		PP Auto Liability		Weighted <u>Trend</u>
	<u>Cov</u>	<u>Auto Trend(a)</u>	<u>Total Limits Dev. Losses</u>	
2007	BI	1.022	786,345,074	
	PD	1.010	607,762,237	
	MP	0.995	96,368,069	
			1,490,475,380	1.015
2006	BI	1.027	766,293,696	
	PD	1.008	600,163,960	
	MP	0.987	93,912,767	
			1,460,370,423	1.017
2005	BI	1.024	722,741,246	
	PD	1.012	572,396,283	
	MP	0.982	90,375,816	
			1,385,513,345	1.016

(a) See page D-7.

NORTH CAROLINA
MOTORCYCLE INSURANCE

CALCULATION OF RATE RELATIVITIES
CEDED OTHER THAN CLEAN RISK LIABILITY

Private Passenger
Liability

COVERAGE	TOTAL LIMITS PREMIUM WEIGHT	FILED CHANGE
Bodily Injury	\$163,729	-4.5%
Property Damage	124,312	-5.7%
(1) Liability Total	288,041	-5.0%

Motorcycles	FILED CHANGE
(2) Liability	6.1%

(3) Motorcycle Liability factor = 1.117
 $[(1.0 + (2)) / (1.0 + (1))]$

Liability
Relativities

	(4) Present	(5) (3) x (4) Revised
Engine Size (cc)		
0-499	15%	17%
500-1249	24%	27%
1250-1499	33%	37%
1500-up	43%	48%

**INSURANCE SERVICES OFFICE, INC.
NORTH CAROLINA RATE BUREAU**

NOTICE TO MANUALHOLDERS

**PERSONAL AUTO MANUAL – NORTH CAROLINA
NOTICE 2009-001**

CAUTION

Manualholders should determine from company instructions whether a company has adopted this revision.

INSTRUCTIONS TO MANUALHOLDERS

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

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.

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.

REVISED PAGE(S)

NC-GR-23 thru NC-GR-25, NC-GR-30, NC-GR-33

PA-R-1 thru PA-R-21

PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

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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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	Eff.	NC-GR-22	10th	7-03
	Reprint	7-1-82	NC-GR-23	23rd	1-09
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PERSONAL AUTO MANUAL
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- 3. PREMIUM DETERMINATION**
- 4. CLASSIFICATIONS**
- 5. SAFE DRIVER INSURANCE PLAN (SDIP)**
- 6. MODEL YEAR FOR FIRE, THEFT, COMBINED ADDITIONAL COVERAGE, COMPREHENSIVE AND COLLISION COVERAGES**
- 7. MINIMUM PREMIUM RULE**
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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:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) 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, golfcars 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:

- Not used in any occupation other than farming or ranching, or
- Not customarily used in going to or from work other than farming or ranching.

C. Definitions

- 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.
- FARM AUTO** means the auto is principally garaged on a farm or ranch, and
 - It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
 - It is not customarily used in any occupation other than farming or ranching.
- 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:
 - The use of the auto in a car pool or other share the ride arrangement.
 - 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:

- 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.
- 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.

- 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.

4. CLASSIFICATIONS (Cont'd)**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.

4. CLASSIFICATIONS (Cont'd)**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.

5. SAFE DRIVER INSURANCE PLAN (SDIP)

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);

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

- (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.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)**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.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)**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	Principal Operator Licensed For:			
	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
	Occasional Operator Licensed For:			
	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
	Less than Three Years	Factor +0.60	Factor +0.85	Factor +0.00
Multi-Car	Principal Operator Licensed For:			
	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
	Occasional Operator Licensed For:			
	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)

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
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
Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.			
Not Eligible	NE	95	+0.10

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**6. MODEL YEAR FOR FIRE, THEFT, COMBINED
ADDITIONAL COVERAGE, COMPREHENSIVE
AND COLLISION COVERAGES**

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.

7. MINIMUM PREMIUM RULE

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.

8. POLICY PERIOD

- 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)

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.

9. CHANGES

- 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)

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.

10. CANCELLATION

- 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)

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	Day of		Day of	Day of		Day of	Day of		Day of	Day of		Day of	Day of		Day of	Day of	
Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	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	Day		Day	Day		Day	Day		Day	Day		Day	Day		Day	Day	
of	of		of	of		of	of		of	of		of	of		of	of	
Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	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

Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium
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
NORTH CAROLINA**

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		

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

SIX MONTH SHORT RATE TABLE

Days Policy in Force	Per Cent of 6 Mos. Premium	Days Policy in Force	Per Cent of 6 Mos. Premium	Days Policy in Force	Per Cent of 6 Mos. Premium
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	5.40
22	22	6.40
23	23	6.93
24	24	8.03
25	25	9.88
26	26	12.43
27	27	+

+ Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- 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
- 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	0.31
3	03	0.44
4	04	0.53
5	05	0.63
6	06	0.81
15	15	3.56
16	16	4.31
17	17	5.19
18	18	6.19
19	19	7.38
20	20	8.75
21	21	12.13

v 1982 and Prior Model Years**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	2.61
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:

- Increasing the factor for Symbol 26 by +.15 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

Deleted: *

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 Model Years
1	01	0.42
2	02	0.50
3	03	0.63
4	04	0.74
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
24	24	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

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 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

	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. 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
0 – 600	\$ 24	\$ 19	\$ 10	\$ 8	\$ 9	\$ 7	\$ 7	\$ 6	\$ 6	\$ 5	\$ 5	\$ 4
601 – 800	26	21	12	9	11	9	8	6	7	6	6	5
801 – 1,050	29	23	13	10	12	10	9	7	8	6	7	6
1,051 – 1,300	31	25	15	12	14	11	10	8	9	7	8	6
1,301 – 1,600	34	27	18	14	16	13	13	10	11	9	9	7
1,601 – 1,900	37	30	20	16	18	14	15	12	12	10	10	8
1,901 – 2,400	42	34	23	18	21	17	18	14	14	11	12	10
2,401 – 3,000	47	38	28	22	25	20	21	17	17	14	14	11
3,001 – 4,000	56	45	34	27	31	25	25	20	20	16	17	14
4,001 – 5,000	66	53	42	34	38	30	30	24	25	20	21	17
5,001 – 6,000	77	62	50	40	45	36	35	28	30	24	25	20
6,001 – 7,000	87	70	58	46	52	42	41	33	35	28	29	23
7,001 – 8,000	98	78	66	53	59	47	46	37	40	32	33	26
8,001 – 9,000	108	86	74	59	67	54	52	42	44	35	37	30
9,001 – 10,000	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.
\$ 0 – \$ 400	\$ 7	\$ 4	\$ 3
401 – 600	9	6	5
601 – 800	12	8	6
801 – 1,000	15	10	8
1,001 – 1,500	23	15	12
1,501 – 2,000	29	19	15
2,001 – 2,500	35	23	18
2,501 – 3,000	41	27	22
Each Additional \$500 Over \$3,000	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)
RATES PER \$100 OF INSURANCE			
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.

21. STATE RATE, TERRITORY SHEETS

- 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.

22. INSTALLMENT PAYMENTS

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.

23. EXCESS INDEMNITY POLICY

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
RATE PAGES**

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.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 11**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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.

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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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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NORTH CAROLINA (32)

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	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	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	& 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	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	& 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)

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	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.

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FULL COVERAGE COMPREHENSIVE (001)												Symbol	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	& 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	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	& 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)

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	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 (b)	1989 & prior
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)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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.													

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	(b)	& 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)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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.

COLLISION DED. AMT. \$100 (074)												Symbol	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	(b)	& prior
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.

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FULL COVERAGE COMPREHENSIVE (001)												Symbol (b)	1989 & prior
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000		
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 (b)	1989 & prior
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000		
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)

FULL COVERAGE COMPREHENSIVE (001)													Symbol	1989
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	& 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	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.

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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	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)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990- 2000	Symbol (b)	1989 & prior
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 (b)	1989 & prior
Symbol (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000		
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)

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	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.

**PERSONAL AUTO MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

	Territory
ALAMANCE COUNTY – See Burlington-Graham and Remainder of State.	
ASHEVILLE 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
Acton Buena Vista Luthers	
Arden Busbee New Bridge	
Asheville Craggy Oakley	
School Emma Oteen	
Biltmore Enka Shiloh	
Forest Haw Creek Skyland	
Boswell Hominy Woodfin	
BEAUFORT COUNTY territory comprises all territory in Beaufort County	33
BERTIE COUNTY territory comprises all territory in Bertie County	33
BLADEN COUNTY territory comprises all territory in Bladen County	33
BRUNSWICK COUNTY territory comprises all territory in Brunswick County not included in Wilmington territory	26
BUNCOMBE COUNTY territory comprises all territory in Buncombe County not included in Asheville territory	32
BURLINGTON-GRAHAM 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
Elon College Kirkpatrick Richmond	
Gibsonville Heights Hill	
Glen Raven Lake Latham	
Haw River Ossipee	
CABARRUS COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.	
CAMDEN COUNTY territory comprises all territory in Camden County	33
CARTERET COUNTY territory comprises all territory in Carteret County	33
CHARLOTTE 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

	Territory
CHOWAN COUNTY territory comprises all territory in Chowan County	33
COLUMBUS COUNTY territory comprises all territory in Columbus County	26
CONCORD-KANNAPOLIS-SALISBURY 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
Brown- Franklin Roberta Mills	
Norcott Mills Glass Rocky Ridge	
China Grove Harrisburg Rocky River	
Cooks Jackson Park South River	
Crossing Landis Spencer	
East Spencer Majolica Yadkin	
Faggarts Mount Gilead Junction	
Crossroads Pharrs Mills Yost	
Faith Pioneer Mills	
CRAVEN COUNTY territory comprises all territory in Craven County	43
CUMBERLAND COUNTY territory comprises all territory in Cumberland County not included in Fayetteville territory	26
CURRITUCK COUNTY territory comprises all territory in Currituck County	33
DARE COUNTY territory comprises all territory in Dare County	33
DAVIDSON COUNTY – see Lexington-Thomasville and Remainder of State.	
DUPLIN COUNTY territory comprises all territory in Duplin County	33
DURHAM 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
Bethesda Gorman North Durham	
Bilboa Hope Valley Oak Grove	
Few Joyland Redwood	
DURHAM COUNTY territory comprises all territory in Durham County not included in Durham territory	32
EDGECOMBE COUNTY 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		
FAYETTEVILLE 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.....			HERTFORD COUNTY territory comprises all territory in Hertford County.....		
Beard	Hope Mills	Roslin			
Bonnie Doone	Lakedale	Shaws	HIGH POINT territory comprises the entire city of High Point, the town of Westend, and all territory in Guilford County included in High Point township.....		
Cliffdale	Linden	Slocomb			
Cumberland	Manchester	South	HOKE COUNTY territory comprises all territory in Hoke County.....		
Fenix	Milan	Fayetteville			
Gardners	Myrtle Hill	Spring Lake	HYDE COUNTY territory comprises all territory in Hyde County.....		
Chapel	Owens	Tokay			
		Victory	JOHNSTON COUNTY territory comprises all territory in Johnston County.....		
		Wade			
FORSYTH COUNTY territory comprises all territory in Forsyth County not included in Winston-Salem territory.....			JONES COUNTY territory comprises all territory in Jones County.....		
			KINSTON territory comprises the entire city of Kinston and all territory in Lenoir County included in Kinston townships, including the following towns, cities or places.....		
			Georgetown	Hines Junction	
FRANKLIN COUNTY territory comprises all territory in Franklin County.....			LEE COUNTY territory comprises all territory in Lee County.....		
GASTON COUNTY territory comprises all territory in Gaston County.....			LENOIR COUNTY territory comprises all territory in Lenoir County not included in Kinston territory.....		
GATES COUNTY territory comprises all territory in Gates County.....			LEXINGTON-THOMASVILLE 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.....		
			Archdale	Fraziers	Trinity
GREENE COUNTY territory comprises all territory in Greene County.....			Arnold	Glen Anna	Welcome
			Cedar Lodge	Lake	
GREENSBORO-HAMILTON LAKES 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.....			MARTIN COUNTY territory comprises all territory in Martin County.....		
Battle Ground	Four Mile	Hill Top			
Bessemer	Hamtown	Pomona	MECKLENBURG COUNTY territory comprises all territory in Mecklenburg County not included in Charlotte territory.....		
GREENVILLE territory comprises the entire town of Greenville and all territory in Pitt County included in Greenville townships, including the following towns, cities or places.....					
House	James Mill	Staton	NASH COUNTY territory comprises all territory in Nash County not included in Rocky Mount territory		
GUILFORD COUNTY territory comprises all territory in Guilford County not included in either Greensboro-Hamilton Lakes territory or High Point territory.....			NEW HANOVER COUNTY – see Wilmington.		
			NORTHAMPTON COUNTY territory comprises all territory in Northampton County.....		
HALIFAX COUNTY territory comprises all territory in Halifax County.....					
HARNETT COUNTY territory comprises all territory in Harnett County.....					

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

	Territory
ONSWLOW COUNTY territory comprises all territory in Onslow County.....	41
ORANGE COUNTY – see Burlington-Graham and Remainder of State.	
PAMLICO COUNTY territory comprises all territory in Pamlico County.....	33
PASQUOTANK COUNTY territory comprises all territory in Pasquotank County.....	33
PENDER COUNTY territory comprises all territory in Pender County.....	33
PERQUIMANS COUNTY territory comprises all territory in Perquimans County.....	33
PITT COUNTY territory comprises all territory in Pitt County not included in Greenville territory	33
RALEIGH 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
Asbury	College View
Auburn	Edgeton
Boushell	Fetner
Camp Polk	Garner
Caraleigh	Macedonia
Carolina	McCullers
Pines	Method
Cary	Milburnie
	Milbrook
	Neuse
	Oakdale
	South
	Raleigh
	Westover
	Wilders
	Grove
RANDOLPH COUNTY – see Lexington-Thomasville and Remainder of State.	
ROBESON COUNTY territory comprises all territory in Robeson County	26
ROCKY MOUNT 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
Armstrong	Dortches
Brake	Winsteads
	Chapel

	Territory	
ROWAN COUNTY — see Concord-Kannapolis-Salisbury and Remainder of State.		
SAMPSON COUNTY territory comprises all territory in Sampson County.....	33	
SCOTLAND COUNTY territory comprises all territory in Scotland County.....	26	
TYRRELL COUNTY territory comprises all territory in Tyrrell County.....	33	
VANCE COUNTY territory comprises all territory in Vance County.....	33	
WAKE COUNTY territory comprises all territory in Wake County not included in Raleigh territory	31	
WARREN COUNTY territory comprises all territory in Warren County.....	33	
WASHINGTON COUNTY territory comprises all territory in Washington County.....	33	
WAYNE COUNTY territory comprises all territory in Wayne County.....	47	
WILMINGTON territory comprises all of New Hanover County and in addition the following towns, cities or places	17	
Belville	Lanvale	Navassa
Clairmont	Leland	Woodburn
El Paso		
WILSON territory comprises the entire town of Wilson and all territory in Wilson County included in the township of Wilson	31	
WILSON COUNTY territory comprises all territory in Wilson County not included in the Rocky Mount or Wilson territories	33	
WINSTON-SALEM 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	
Alspaugh	Frontis	Reynolda
Atwood	Hanes	Tiretown
Daisy	Ogburntown	Walkertown
Fisherville	Oldtown	
REMAINDER OF STATE.....	24	

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
A		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	C	
Alexis, Gaston.....	25	Beattie, Gaston	25	Camden, Camden	33
Alspaugh, Forsyth	18	Beaufort, Carteret.....	33	Camp LeJeune, Onslow	41
Altamahaw, Alamance	24	Belhaven, Beaufort.....	33	Camp Polk, Wake	16
Andrews, Cherokee	24	Belmont, Gaston	25	Candler, Buncombe.....	32
Angier, Harnett.....	26	Belmont, Halifax	33	Canton, Haywood	24
Apex, Wake	31	Belville, Brunswick	17	Caraleigh, Wake	16
Archdale, Randolph	32	Benson, Johnston	26	Caroleen, Rutherford	24
Arden, Buncombe	11	Bessemer, Guilford	14	Carolina Beach, New Hanover	17
Arlington, Gaston	25	Bessemer City, Gaston	25	Carolina Pines, Wake	16
Armstrong, Edgecombe	31	Bethel, Pitt.....	33	Carrboro, Orange	24
Arnold, Davidson.....	32	Bethesda, Durham	13	Carson, Mecklenburg	52
Asbury, Wake	16	Bilboa, Durham	13	Carthage, Moore.....	24
Asheboro, Randolph	24	Biltmore Forest, Buncombe	11	Cary, Wake	16
Asheville, Buncombe	11	Biscoe, Montgomery.....	24	Castalia, Nash	33
Asheville School, Buncombe	11	Black Mountain, Buncombe.....	32	Cedar Falls, Randolph.....	24
Atwood, Forsyth.....	18	Boger City, Lincoln	24	Cedar Lodge, Davidson.....	32
Auburn, Wake	16	Boiling Springs, Cleveland	24	Chadbourn, Columbus.....	26
Aulander, Bertie	33	Bonnie Doone, Cumberland.....	40	Chadwick-Hoskins Mills, Mecklenburg.....	52
Ayden, Pitt	33	Boogertown, Gaston	25	Chapel Hill, Orange	24
B		Boone, Watauga	24	Charlotte, Mecklenburg	52
Badin, Stanly.....	24	Boswell, Buncombe.....	11	Cherry Point, Craven	43
Bailey, Nash.....	33	Boushell, Wake	16		
		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
C		D		F	
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	E		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	G	
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	F		Georgetown, Lenoir	31
D		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
G		H		K	
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	L	
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	J		Lexington, Davidson	32
H		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	K		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
M		M		P	
McAdenville, Gaston	25	Mount Olive, Wayne	47	Paw Creek, Mecklenburg	52
McCullers, Wake	16	Mount Pleasant, Cabarrus	24	Pembroke, Robeson	26
Macclesfield, 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	N		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	R	
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	O		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
Mooreville, 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
R		S		T	
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
Rougemont, 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	V	
		Spindale, Rutherford	24	Valdese, Burke	24
S		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	W	
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)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
W		W		Y	
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	Z	
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

OTHER-THAN-CLEAN RISK CEDED LIABILITY

Year Ended	Bodily Injury	Property Damage	Medical Payments
12/31/2006	13,744	34,289	6,948
12/31/2007	12,324	31,553	6,249
Average	13,034	32,921	6,599

Claims are developed.

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES
LIABILITY COVERAGES

EXHIBIT RF-4

OTHER-THAN-CLEAN RISK CEDED BUSINESS ONLY

	(1)	(2)	(3)	(4)
	Earned Premiums at	Current Level	Expense	General and
	Other-Than-Clean Risk Rates	To Actual	Factor	Other Acquisition
		Level Factor		Expenses
Year ending 12/31/2007				
BI	145,925,652	1.0209	14.8%	22,048,374
PD	123,939,826	0.8801	14.8%	16,143,757
MP	12,118,146	1.0107	14.8%	1,812,676
Year ending 12/31/2006				
BI	149,582,556	0.9293	15.3%	21,268,082
PD	126,905,487	0.9686	15.3%	18,806,860
MP	12,464,104	0.9044	15.3%	1,724,698
Year ending 12/31/2005				
BI	147,472,708	0.9958	13.0%	19,090,932
PD	125,576,955	0.9483	13.0%	15,481,001
MP	12,260,768	1.0814	13.0%	1,723,643

Notes:

- (1) Other-Than-Clean Risk ceded business at present Facility rates.
- (2) Factor to adjust the earned premium at manual rates to the rate level in effect at the time the premium was written.
- (3) Sum of the general expense and other acquisition expense percentages shown on page F-154. Ratio is to manual premiums.
- (4) = (1) x (2) x (3)

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)

PRE-FILED TESTIMONY
OF
RAYMOND F. EVANS, JR., CPCU

NONFLEET PRIVATE PASSENGER MOTOR VEHICLE RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY

June 2009

- Q. Would you state your full name and address?
- A. Raymond F. Evans, Jr., CPCU. My business address is 5401 Six Forks Road, Raleigh, North Carolina 27609.
- Q. Are you employed by the North Carolina Reinsurance Facility ("Facility")?
- A. Yes.
- Q. In what capacity?
- A. I am the General Manager.
- Q. How long have you been employed by the Facility?
- A. Since September, 2000.
- Q. What is the Facility's function with respect to rates for automobile insurance?
- A. The Facility promulgates rules and rates for private passenger nonfleet automobile liability insurance written in North Carolina that is ceded to the Facility.
- Q. Would you summarize your educational background?
- A. I graduated from Ohio State University with a Bachelor of Science Degree in Accounting. I am also a Chartered Property and Casualty Underwriter.
- Q. What was your work experience after graduation and prior to beginning work for the Facility?
- A. From March 1966 to August 2000, I worked in various capacities with the State Automobile Insurance Companies.
- Q. Can you identify Exhibits RF-1 through RF-8?

- A. Yes. This is the 2009 filing (the "Filing") submitted by the Facility to the Honorable Wayne Goodwin, Commissioner of Insurance, with respect to revised nonfleet private passenger motor vehicle insurance rates in North Carolina for other-than-clean ceded business. By that I mean that the rates promulgated in this filing are for use with risks ceded to the Facility who are not clean risks, as clean risks are defined in N.C.G.S. 58-37-35(1).
- Q. Do you know how the expense data underlying the Filing was compiled?
- A. Yes. The underwriting 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 North Carolina Rate Bureau ("Bureau") to all member companies of the Bureau and the Facility. The responses received from that special call were compiled, checked by the Bureau and the Facility and furnished to Insurance Services Office ("ISO") for incorporation into the Filing. The expense data were checked, reconciled and edited by the Bureau and the Facility before they were sent to ISO for use in the Filing.
- Q. Can you identify the document (Exhibit RF-2) 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 to write nonfleet private passenger automobile insurance in North Carolina. It covers both ceded and voluntary business. This manual and any approved amendments are on file with the North Carolina Department of Insurance and a copy is maintained at the offices of the Facility.
- Q. Has the Facility furnished to ISO, for use in this 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 Facility?
- A. Information from the Annual Statements and the Insurance Expense Exhibits was obtained by Bureau Staff from Annual Statements and Insurance Expense Exhibits provided by the companies to the Bureau. The Annual Statements and the Insurance Expense Exhibits are part of the official records maintained at the Department of Insurance.

- Q. Was the special call, annual statement and insurance expense exhibit information which was 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 Facility have actuaries on its staff?
- A. No.
- Q. To the extent that actuarial expertise was necessary in the preparation of this Filing, where did the Facility obtain that expertise?
- A. Actuarial expertise was obtained from ISO and from the members of the Bureau's Automobile Committee. The Automobile Committee reviews the data underlying the Filing and makes recommendations to the Board of Governors of the Facility as to the items contained in the Filing, and many of the company representatives on the Automobile Committee are actuaries. ISO is retained by the Facility to provide actuarial services to the Facility for, among numerous other things, preparation of this Filing.
- Q. What is the proposed effective date of the rates in the Filing?
- A. The proposed rule of application provides that the new rates will apply to all policies becoming effective on or after October 1, 2009.
- Q. Does the Filing include, to the extent available, the information to be furnished in connection with filings under Article 37 of Chapter 58 of the General Statutes?
- A. Yes. Those data that were available have been submitted to the Commissioner as part of 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.
- Q. Does that conclude your prefiled testimony?
- A. Yes.

**PREFILED TESTIMONY
OF
PATRICK B. WOODS**

**2009 PRIVATE PASSENGER NONFLEET
AUTOMOBILE INSURANCE RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY**

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 three 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 NAII 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, on 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 a 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 Reinsurance Facility's 2009 automobile rate filing in North Carolina for other than clean ceded private passenger risks. (the "Filing")

A. Through ISO I have been involved in the preparation of the 2009 private passenger automobile rate filing for the other-than-clean risks ceded to the Reinsurance Facility 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 ("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 Reinsurance Facility. I have been directly involved in this aspect of the Reinsurance Facility'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.

Under my direction, my staff put together the vast majority of the data and information contained in Exhibit RF-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 58-37-35.

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 subjected 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.

Q. Would you describe the data utilized in Exhibit RF-1?

A. The ratemaking experience reflected in Exhibit RF-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, and medical payments coverages are the data from the other-than-clean risks reinsured by the Facility. These data 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. As in the past, the Automobile Committee has acted as an advisory committee to the Reinsurance Facility on this filing. 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 average rate level changes and filed base rate changes are based on the exposure distribution, loss experience and expense experience for the year ended December 31, 2007. This is the same weighting procedure that has been utilized by the Reinsurance Facility in previous private passenger automobile insurance rate filings.

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.

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-23 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 annual 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. In that example, ninety (90%) percent weight should be given to the latest year and 10% to the earlier year.

Q. Is this criteria for determining the accident year weights applied to all coverages?

A. No, it is not applied in the determination of the excess limits indication for bodily injury and property damage liability and it is not applied in the determination of the motorcycle indications. A three year experience period is used for the excess limits liability coverages because of the potential variability in the year to year results for higher layers of coverage. For the motorcycle indications, the experience used is financial data collected by the Rate Bureau, and no claim count by year is available.

Q. Page D-23 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-23.

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. The number of claims in North Carolina far exceeds that standard. Therefore it is appropriate for the bodily injury, property damage and medical payments 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 RF-3 shows the average number of claims for the accident years ended December 31, 2006 and December 31, 2007. It shows that for each of the coverages the number of claims was well 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 the 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 Reinsurance Facility made any adjustment in the filing to reflect seat belt usage in North Carolina over the last few years?

A. No, the Reinsurance Facility has not made an explicit adjustment to the otherwise indicated rate levels because the program in North Carolina directed at increasing the awareness of the law regarding the use of seat belts was put in place in late 1993, and its effects are fully reflected in the 2005, 2006 and 2007 data. In addition, 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 September, 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 Reinsurance Facility given any consideration to the impact of the graduated license program?

- A. Yes, the Reinsurance Facility 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 RF-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. The data shown are for other than clean ceded risks.
- 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 \$30,000 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 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-13 of RF-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-13, we have looked at the average development from 15 months to 27 months over the period from 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 also 1.073 or 7.3%. The Automobile Committee decided to use the factors based on the three year averages for Bodily Injury and Property Liability, and five year averages for Medical Payments. I believe that these factors provide the best balance of stability and responsiveness.

Q. Does page D-13 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-13?

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-13, are:

<u>Development Period</u>	<u>Factor</u>
51 to 63	1.002
39 to 51	1.012
27 to 39	1.032
15 to 27	1.073

If you multiply all of these factors, rounding at each step, 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 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, with one exception. For Medical Payments, five year average factors are utilized in this filing. Previously, three year averages were used for this coverage.

- Q. Please refer to line 5 of page C-1. With reference to the column headed "Bodily Injury," please tell us what the figure \$11,720,812 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 that 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 compilation of the expense data?

- A. Yes, I have. When ISO gets the expense information, 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 \$22,048,374 shown under the column headed "Bodily Injury," what does that figure represent?

- A. These are the general and other acquisition expenses associated with the calendar 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 6.5% for general expenses and 8.3% for other acquisition expenses, for a total of 14.8% of combined voluntary and ceded total limits manual earned premium for the period covered by the special call. By multiplying that percentage times the basic limits premium on a collected level for "non-clean risk" ceded business for policies associated with the year ended December 31, 2007, you get the total fixed expenses that are attributable to the basic limits coverage. This is shown on Exhibit RF-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 November 1, 2009 for new and renewal business.

Q. Would you please explain line 7?

A. The figure 418,195 in line 7 displays the earned exposures of other than clean risks ceded to the Facility for the Bodily Injury coverage for the year 2007. An earned exposure represents one car insured for one year. Thus, the 418,195 represents the number of cars that were provided with coverage 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 Reinsurance Facility is doing in the filing is making rates to cover policies issued for new business and for renewals of existing business for other than clean ceded risks during the period November 1, 2009 through October 31, 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 3.12 years, as shown in line 13 on page C-1. Mathematically this is done by raising the factor of 1.022 to the 3.12 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. 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 F-122 through F-130.

Fast Track data were also provided. This is data from the so-called Fast Track 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. Fast Track 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 Fast Track 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 Fast Track 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 Fast Track data used in this filing are the same Fast Track data supplied directly to the Commissioners by ISO, NISS and ISS. The Fast Track data and trend calculations are included in the filing at pages F-114 through F-121.

Q. Are the Fast Track data included in the Filing more current data than the internal trend data of the aggregate industry considered by the Automobile Committee?

A. Yes. The Fast Track data were through 4th quarter 2008 while the internal trend data were through 3rd quarter 2008.

Q. Was there any other trend information provided to the Automobile Committee?

A. In addition to the internal trend and the Fast Track 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 Reinsurance Facility 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%	-1.0%	-0.5%

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 Automobile Committee and the Reinsurance Facility have been reasonable in their trend selections. By that I mean that they selected trends that were within my range of reasonableness.

For the Bodily Injury coverage, the Rate Bureau has selected a basic limits 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 fitted annual rates of change are within the range of 5.8% to 6.8%. The selection of 6.5% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends. The total limits cost trend factor selected was also 6.5%. The 12 point, 9 point and 6 point fitted annual rate of change are within the range of 5.9% to 6.6%, similar to the basic limits fitted changes.

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 relatively narrow range for the 15 point, 12 point and 9 point fits. The shortest term and longest term fits are on either side of this narrow range. The -4.0% selection is consistent with this period of stability observed over the mid-term fits.

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 since the latest two points in the trend data reflect a large decline in frequency due to the onset of an economic slowdown. The shorter term fits are highly reflective of this recent downturn.

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. However, it was noted that government forecasts for the rate of change for medical care continue to increase at levels greater than that indicated by the Medical Payments severity changes. Most recent Consumer Price Index data shows these changes to have been about 3 to 4.5% annually for medical services both on the long term and the short term.

For Medical Payments frequency, the Rate Bureau selected a frequency trend of -1.0%. The annual rates of change for the mid-term fits form a narrow range around this selected value.

- Q. In making your evaluation of the Reinsurance Facility'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 RF-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-9 through D-12 of the filing. The Auto Committee examined the fits of the data in two 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 Items 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 reasonable as the mid-term and long term fits showed an annual rate of change around this value.

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 are 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 \$93,591,558 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 3.12 years. Will you explain how the 3.12 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 November 1, 2009. This means that policies will be written, assuming annual revisions, anywhere on average from November 1, 2009 through October 31, 2010. A policy written on the last day of that interval, October 31, 2010, assuming it is an annual policy, will expire on October 31, 2011. The period for which accidents will occur under these policies will be anywhere from November 1, 2009 through October 31, 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 November 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 November 1, 2010 - a period of 3.33 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 October 31, 2010 would expire on April 30, 2011. The period for which accidents will occur on these policies will be from November 1, 2009 through April 30, 2011. Thus the average date of accident underlying the proposed rates for 6 month policies would be the midpoint of that 18 month period, August 1, 2010.

In North Carolina, not all policies are annual policies. Most automobile policies in North Carolina are six-month policies (86% - see page D-4). Based on the "mix" of policy terms being written in North Carolina, the average date of loss will be August 13, 2010. Therefore, in order to adjust the base losses from July 1, 2007 level to August 13, 2010 level, it is necessary to apply the annual trend factors for a total period of 3.12 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 3.12 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 2.83 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 May 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 Reinsurance Facility's selected provision of 0% for anticipated dividends to policyholders. This amount is selected in recognition of the fact that no policyholder dividends have been paid on Reinsurance Facility business in the past and that none are anticipated to be paid in the upcoming period.
- 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 any contingency provision. It would also typically include underwriting profit, but no underwriting profit provision is included in this filing because, by statute, the Reinsurance Facility is to operate on a no profit, no loss basis. If you look at page D-19 of the filing, you can see that, for the liability coverages, the commissions and brokerage are 10.0% of the premium dollar, and taxes, licenses and fees are 2.2% of the premium dollar, and there is a 0% margin for contingencies. These items add up to 12.2%. 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, 12.2 cents will have to go to pay for these expenses and you are left with only 87.8 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-19 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. The provision for commission and brokerage reflects the minimum commission required on private passenger non-fleet business ceded to the Facility.

Q. Would you explain line 26 entitled “Adjustment Factor for Increase in MVR Fee”?

A. The Adjustment Factor for Increase in MVR Fee 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. Since the increase in MVR expenses was fully reflected in the 2006 and 2007 experience, the adjustment factor for these years is 1.0000. For 2005, the increase in MVR expenses was only partially reflected in the experience. As a result, an adjustment factor of 1.00435 is applied for 2005. Because the Reinsurance Facility has developed the indicated rates in this filing by means of a pure premium analysis, the adjustment is applied as a multiplicative value to each coverage.

Q. Would you explain line 27 entitled “Premium Required per Exposure”?

A. This is the required amount of premium that the Reinsurance Facility needs to collect, on average, from each insured in order that in the aggregate sufficient premium will be collected to pay the expected losses and expenses. This amount is calculated by taking the Projected Losses, LAE and Expenses per Exposure and loading them for the variable expenses such as commissions and taxes. However, if that premium amount were collected, the Facility could theoretically make a profit because of the investment income which it will earn on the unearned premium and loss and loss expense reserves. The Filing also takes into account installment payments income paid by insureds. The purpose of line 27 is to determine the rates such that premium, including installment income, plus the investment income will equal the expected losses and expenses. The way this is done mathematically is to add both the expected investment income (line 24) and the expected installment income (line 25) as a percentage of premium to the permissible loss, LAE and G & OA expense ratio shown on line 23. The investment income figure used in the filing is 3.1% of premium, as shown on page F-171 of the filing. That 3.1% is added to the permissible loss, LAE and G & OA expense ratio shown on line 23. In addition, the installment income figure of 1.2% of premium is added to the permissible loss, LAE and G & OA expense ratio shown on line 23. The installment income provision of 1.2% is developed on Exhibit RF-5. By dividing the projected loss and expense ratio on line 21 (adjusted by the change in MVR fee on line 26) by the total of the permissible loss, LAE and G & OA expense ratio on line 23 plus 3.1% and 1.2%, we get the premiums which, when added to investment income and installment income, will equal the expected losses and expenses. This is the amount that the Facility in the aggregate needs to actually collect in order pay the expected losses and expenses on ceded business.

Q. What is the Distributional Adjustment Factor as shown on line 28?

A. The distributional adjustment factor as shown on line 28 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 1.342 distributional adjustment factor for bodily injury liability indicates that, because of the application of

these various rating factors, the average non-clean, ceded risk will pay 134.2% of the otherwise applicable base rate.

Q. Could you please explain line 29 entitled “Required 30/60/25 Base Class Premium”?

A. The figure shown on line 29 is the needed average base class premium statewide. It is determined by dividing the average premium in line 27 by the distributional adjustment factor in line 28. This is the average statewide premium required for a single car, pleasure use, no SDIP and no inexperienced operators risk. This premium 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 changes 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 final 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. These 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 statewide rate review (page C-1), using the relative changes by territory found in Column (7) on pages C-7 and C-8 and the appropriate expense flattening adjustment. The statewide average base class premiums are 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, when combined with the total limits effects of the adopted changes in the Bodily Injury and Property Damage increased limits factors as shown on page E-2, the final indicated average total limits rate level changes are -4.5% for bodily injury, -5.7% for property damage and +0.6% for medical payments.

Q. How are motorcycle insurance rates determined in this Filing for the liability coverages (bodily injury and property damage)?

- A. The indicated rate changes are calculated separately using motorcycle experience in North Carolina from the Rate Bureau's call for motorcycle experience. The data are voluntary and ceded experience combined. The resulting rates are then presented as a percentage of the rates applicable to ceded private passenger non-fleet automobile insurance. The percentage is what is commonly referred to as a "relativity."
- 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 5.0% decrease in ceded automobile liability insurance rates for the bodily injury and property damage coverages?
- A. If the motorcycle rate relativities are not adjusted, a 5.0% decrease in the automobile liability insurance rates would automatically result in the same approximate percentage decrease in the motorcycle liability rates.
- Q. Does Exhibit RF-1 contain calculations which seek to determine what the indicated change in rates should be for the motorcycle liability coverages?
- A. Yes. Page G-2 of the filing shows that for other than clean ceded risks ceded to the Reinsurance Facility a 6.1% increase is needed for the bodily injury and property damage motorcycle coverages.
- Q. Please refer to page G-2 of the filing and explain how the indicated rate change of +6.1% was determined.
- A. The figures shown on lines 1, 2 and 5 of page G-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. This change was made 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 smoothes out the impact of these 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 used for automobile coverages. The 3.0% figure was determined and applied in the same manner as in the automobile coverages.

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 for the automobile coverages. 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 for the automobile coverages. 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, \$27,502,757 shown in line 11 is divided by the \$26,058,756 in line 1. The result is 1.055. What this means is that, if rates are not changed, 105.5 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 its 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 premium. 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 G-4 of the filing and are as follows for the liability coverages:

	2005	2006	2007
Commission and Brokerage	10.0%	10.0%	10.0%
Taxes, licenses, etc.	2.0%	2.2%	2.2%
Profit	0.0%	0.0%	0.0%
Contingencies	0.0%	0.0%	0.0%
Investment Income	-3.1%	-3.1%	-3.1%
Installment Income	-1.2%	-1.2%	-1.2%
	7.7%	7.9%	7.9%

The motorcycle rate calculations include in the Permissible Loss, LAE and G & OA Expense Ratio provisions for anticipated investment income on the unearned premium and loss and loss expense reserves and installment income. When these are added to the combined amounts for commission and brokerage and taxes, licenses, etc., the results for three years are 7.7%, 7.9% and 7.9% respectively. The figures shown on line 13 of page G-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, etc. for 2007 were 7.9%. 1.000 minus 0.079 is equal to 0.921. What this means is that if 7.9 cents out of every premium dollar are allocated to the variable expenses, profit and contingencies, you have

92.1 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 105.5 cents of every premium dollar to pay for the losses and the so-called "fixed expenses," and line 13 tells us that we will have 92.1 cents available for those purposes, we can divide line 12 by line 13 (and adjust this value for the increase in MVR fees as shown on line 14) in order to get the percentage rate change which is necessary. The indicated percentages are -4.5%, +6.4% and +14.5% for the years 2005, 2006 and 2007 respectively.

Q. How was the figure in line 15 entitled "Final Selected Rate Level Change" determined?

A. Line 15 is simply the weighted average of the three figures shown in line 14. In other words, we have weighed the -4.5%, +6.4% and +14.5% by premiums in line 1. The resulting average is +6.1%.

Q. You indicated that the Reinsurance Facility's automobile rate filing was for an average decrease of 5.0% 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 revised liability relativities for motorcycles are shown on page G-6 of the filing. What this shows is that if the automobile liability insurance rates for other than clean ceded risks decrease 5.0% and the motorcycle liability insurance rates go up 6.1%, the current motorcycle liability relativities should be multiplied by 1.061/0.950 or 1.117. The calculations are shown on page G-6. Thus, the present liability relativity for motorcycles having engine sizes of 500 cubic centimeters up to 1249 cubic centimeters should be increased to approximately .270. The same adjustment factor is applied to each engine size group and the calculation is shown on page G-6. The filed relativities are the indicated relativities rounded to two decimal places. The proposed relativities are actuarially sound and proper assuming that the filed liability rate changes for private passenger non-fleet automobile coverages for other than clean ceded risks are fully implemented. If those changes are not fully implemented, the proper relativities can be calculated by the following formula:

$$\text{New Relativity} = \frac{\text{Current Relativity} \times 1.061}{\text{Manual Rate Change in Ceded Auto BI/PD Rates}}$$

Q. Mr. Woods, please turn to pages F-171 through F-173 of Exhibit RF-1. What do those pages represent?

A. Pages F-171 through F-173 are what are commonly known as "State X" calculations. They are calculations of the estimated investment earnings on unearned premium reserves and loss

and loss expense reserves. The sources for the data on these pages are shown on pages F-172 through F-173. Each line is explained, and the appropriate data source is cited.

Q. Would you explain the calculation.

A. Section A on page F-171 is the determination of the average unearned premium reserve for the ceded liability coverages for the State of North Carolina. Line 1 gives the direct earned premium for the accident year ended December 31, 2007. From that earned premium, the mean unearned premium reserve is calculated. The portion of the direct earned premium that is held as unearned premium reserve is determined from the average unearned premium reserve for the years ending 12/31/2006 and 12/31/2007. In this case, the mean unearned premium reserve is 28.0% of the direct earned premium. You must then deduct prepaid expenses since these prepaid dollars would not be available to earn investment income.

For commission and brokerage expense, 100% of the expense provision as set forth on page F-171 is considered pre-paid. For other acquisition expense and company operating expense, one-half is considered pre-paid.

G.S. 105-228.5 as amended in 1986 specifies the procedure by which premium tax is to be paid by insurers. On average, these funds are held by insurers for approximately two months prior to remission to the State. Therefore 1.83% of premium is a pre-paid expense and is not available for investment.

Line A-5 shows the amount of unearned premium reserves that were available for investment.

Part B calculates the impact on funds available for investment of delayed remission associated with deferred payment of premium and the lag in transfer of funds to the companies. The average agents balances for all companies writing private passenger liability insurance in North Carolina is 18.3% of premiums. The explanation of this 18.3% is shown in the explanatory notes.

Part C shows the calculations of the expected mean loss reserves held by the companies. Line C-2 entitled Expected Incurred Losses and Loss Adjustment is based upon the expense provisions utilized in the filing. The derivation of the expected mean loss reserve in line C-3 is shown on page F-171 of the filing.

Part D adds up the unearned premium reserves subject to investment and the loss reserves subject to investment and backs out the amount that is not invested due to delayed remissions. This gives you the total amount of unearned premium reserves and loss and loss expense reserves available for investment.

Once you have determined how much is available for investment, you then apply the average investment return to determine total investment earnings. Line E shows an average yield of 4.36%. The source of that yield is Evergreen Investments.

Applying the yield in line E to the net subject to investment in line D gives you the total investment earnings in North Carolina. Line G merely applies the total earnings to the direct earned premium in line A-1 to show a yield of 3.07% pre-tax as a percent of direct earned premium.

Q. Were these State X pages prepared by you or under your direct supervision and are they correct to the best of your knowledge and belief?

A. Yes.

Q. Does this filing propose any changes to the factors for higher limits of liability insurance?

A. No. However, the effect of the higher limits experience is fully reflected in the basic limits rates for Bodily Injury and Property Damage.

Q. Are there any changes in this filing to the classification factors?

A. No.

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 page B-1. 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, based on each territory's own indications, the relativities are revised, with some territories receiving increases while others receive decreases. The overall statewide change as a result of these territorial relativity changes is 0%.

Q. How has the Reinsurance Facility treated general and other acquisition expense by territory?

A. The Reinsurance Facility has treated 100% of general expense and other acquisition as not varying by territory.

Q. Please turn to page A-1 of Exhibit RF-1 and explain what is shown on that page?

A. Page A-1 of Exhibit RF-1 shows the filed rate level changes resulting from the rate calculations contained in the filing. 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 these calculations 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 Reinsurance Facility 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 RF-1 are fully justified and, if so, what is that opinion?
- A. In my opinion, they are fully justified and are not excessive.

PRE-FILED TESTIMONY
OF
Douglas A. Williams

2009 PRIVATE PASSENGER NONFLEET AUTOMOBILE INSURANCE
RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY

Q. Please state your name and business address for the record.

A. Douglas A. Williams, 401 South Tryon Street Suite 300,
Charlotte, North Carolina.

Q. By whom are you employed?

A. Wachovia Bank, N.A., a Wells Fargo company.

Q. In what capacity?

A. I am a Managing Director and Senior Portfolio Manager at
Evergreen Investment Management Company, LLC, a wholly-
owned subsidiary of Wachovia Bank, N.A., a Wells Fargo
company.

Q. What are your duties as a Director and Senior Portfolio
Manager at Evergreen Investment Management Company, LLC?

A. I am responsible for managing fixed income assets for
institutional clients and for servicing those clients.

Q. Is it correct that Wachovia is the investment manager
handling the investable assets of the North Carolina
Reinsurance Facility?

A. Yes.

Q. As investment manager for the Facility, does Wachovia have discretionary investment authority over the Facility's funds?

A. Yes, subject to guidelines established by the Facility as to quality, term, diversification, and so forth of investments.

Q. What is your role personally with respect to the Facility's investment account?

A. I am the portfolio manager for that account. I make the investment decisions within the limitations or parameters specified by the Facility.

Q. How long have you been employed by Evergreen/Wachovia?

A. I have been employed by Evergreen for seventeen years. Evergreen became a wholly-owned subsidiary of Wachovia as a result of a corporate merger that was effective in 2001.

Q. How long have you been employed by Evergreen/Wachovia in the division or department which specializes in fixed-income investments?

A. Fifteen years.

Q. How long has Wachovia managed the Facility's investment portfolio?

A. Since June of 1978.

Q. How long have you personally been the portfolio manager for that account?

A. I took over as portfolio manager in March, 2008.

Q. In connection with the Facility's 2009 Private Passenger Automobile Insurance rate filing, has the Facility requested that you make any calculations concerning the investment yield that the Facility could reasonably expect during the two-year period ending September 30, 2011?

A. Yes.

Q. Did you make those calculations?

A. Yes I have. I was requested in May, 2009 to make the calculations. Based on the size of the portfolio in May, 2009 and the yields at that time, I arrived at an estimate of the yield during the two-year period beginning October 1, 2009 and ending September 30, 2011 of approximately 4.36%.

Q. Would you please describe how your calculations were performed.

A. Yes. To determine the investment yield that the Facility could reasonably expect during the two-year period ending September 30, 2011, I divided the Facility's portfolio as it stood at the beginning of May, 2009 into three segments. The first segment included investments which will mature before October 1, 2009. The second segment consisted of

investments which will mature during the period October 1, 2009 through September 30, 2011. The third segment consisted of all investments which will mature after September 30, 2011.

In looking at the third segment, the investments which will not mature until after September 30, 2011, we obviously know what the yields on those are. I assumed that those assets would continue to earn the same yields throughout the period October 1, 2009 through September 30, 2011.

As to the first segment, i.e., the investments which will mature before October 1, 2009, I assumed that during the two year period in question those assets would earn a yield equal to the yield of the portfolio's performance benchmark index. Let me note here that, due to the unusual experience and activity in the financial markets in recent months, we have at the Facility's request maintained a cash position that is modestly higher than we typically maintain, and our calculations we assume that we will not materially reduce the cash position in the portfolio during the period in question.

Q. Why did you use that yield?

A. I used that yield because the portfolio's performance benchmark index represents a good approximation of the mix of the typical assets which would be purchased in the portfolio with respect to various security types, credit ratings and maturities. I believe that this rate (the "Assumed Reinvestment Rate") is a reasonable estimate of what assets in the account will earn. It should be noted though that, because of the unusual experience and activity

in the financial markets in recent months, actual reinvestment during recent months has been at lower yields, as we've generally purchased more conservative securities than those held in the benchmark. Consequently, if similar financial market experience continues through the two-year period in question, then the actual yield during that period will likely be lower than the Assumed Reinvestment Rate.

Q. How did you handle the investments which are in the second segment you described?

A. These are the investments which will mature during the period October 1, 2009 through September 30, 2011. For those assets, I simply applied the current rate up until the maturity date. From the maturity date until September 30, 2011, I applied the Assumed Reinvestment Rate. In other words, I assumed that these investments will continue to earn at their present rate until maturity and that after maturity they will be re-invested at the Assumed Reinvestment Rate.

Q. Do you have an opinion as to whether the 4.36% investment yield estimate that is based on your calculations and the assumptions used in your methodology is a reasonable estimate of what the Facility's investment yield will be?

A. Yes, I do have an opinion.

Q. What is that opinion?

A. I believe that the estimated yield is reasonable, though, as I've noted above, the actual yield could be lower if the

recent unusual market experience and activity continues throughout the two-year period in question.

Q. Does that conclude your pre-filed testimony?

A. Yes.

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