



April 2, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Private Passenger Automobile  
Insurance Rates - North Carolina

On behalf of its member companies, the North Carolina Reinsurance Facility has filed a number of changes to rates and territory definitions with the Commissioner of Insurance. All of these changes become effective October 1, 2015 in accordance with the Rule of Application below.

Rates for Other Than "Clean Risks"

By a filing date March 31, 2015, the Reinsurance Facility filed with the Commissioner of Insurance revised rate level changes for bodily injury and property damage liability and medical payments insurance for non-fleet private passenger automobiles and bodily injury and property damage liability insurance for motorcycles ceded to the Reinsurance Facility. The filed rates apply only to other than "clean risks" ceded to the Facility as defined in G.S. 58-37-35(1). The Facility's filing includes average rate level changes of -7.7% for bodily injury, +14.3% for property damage, and +0.2% for medical payments coverages, averaging +1.2% over rates presently in effect. The filing also includes a rate level change of +0.5% for the motorcycle liability coverages.

Rates for "Clean Risks"

On March 31, 2015, the Reinsurance Facility filed with the Commissioner of Insurance revisions to the private passenger auto rates applicable to "clean risks" ceded to the Facility to become effective in accordance with the Rule of Application below. The revisions are to the territory base rates for "clean risks" and are a result of the revised territory definitions announced in North Carolina Rate Bureau Circular Letter To All Member Companies A-15-2 dated January 26, 2015.

## Revised Private Passenger Auto Territory Definitions

On March 24, 2015, the Reinsurance Facility filed with the Commissioner of Insurance revised private passenger auto territory definitions. These revised territory definitions track the revisions announced by the North Carolina Rate Bureau in Circular Letter To All Member Companies A-15-2 dated January 26, 2015. The revised definitions become effective in accordance with the Rule of Application below.

The revised rates and territory definitions are to be implemented effective October 1, 2015, in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2015. No policy effective prior to October 1, 2015 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, 2015.

The enclosed exhibits set forth the revised rates for ceded "clean risks" and other than "clean risks" effective October 1, 2015 and the revised relativities to be used in determining motorcycle rates for such risks. Reprinted Personal Auto Manual rate pages and revised territory pages will be distributed in the usual fashion, as soon as possible. In the meantime, notice of these changes should be sent to your Company's North Carolina agents to make them aware of the changes.

With respect to the rate differential for ceded business, your attention is directed to G.S. 58-37-25(b) which provides in part as follows:

Each insurer will provide the same type of service to ceded business that it provides for its voluntary market. Records provided to agents and brokers will include an indication that the business is ceded. When an insurer cedes a policy or renewal thereof to the Facility and the Facility premium for such policy is higher than the premium that the insurer would normally charge for such policy if retained by the insurer, the policyholder will be informed that (i) his policy is ceded, (ii) the coverages are written at the Facility rate, which rate differential must be specified, (iii) the reason or reasons for the cession to the Facility, (iv) the specific

reason or reasons for the cession to the Facility will be provided upon the written request of the policyholder to the insurer, and (v) the policyholder may seek insurance through other insurers who may elect not to cede his policy.

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

Very truly yours,

F. Timothy Lucas

Automobile Manager

FTL:dms

RF-15-3

Attachments

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES -OTHER THAN-CLEAN RISKS CEDED LIABILITY

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LM II				LM II			LM II				
	30/60	50/100	100/300	250/500	\$25,000	\$50,000	\$100,000	\$500	\$750	\$1000	\$2000	\$5000
110	\$191	\$225	\$267	\$317	\$199	\$201	\$205	\$25	\$33	\$40	\$59	\$85
120	215	254	301	357	174	176	179	27	36	43	63	91
130	241	284	337	400	188	190	194	30	40	48	70	101
140	301	355	421	500	214	216	220	44	59	70	103	149
150	260	307	364	432	240	242	247	32	43	51	75	108
170	187	221	262	310	201	203	207	24	32	38	56	81
180	244	288	342	405	276	279	284	30	40	48	70	101
190	225	266	315	374	244	246	251	27	36	43	63	91
200	262	309	367	435	225	227	232	36	48	58	84	122
210	243	287	340	403	192	194	198	30	40	48	70	101
220	292	345	409	485	184	186	190	35	47	56	82	118
230	351	414	491	583	200	202	206	41	55	66	96	139
240	282	333	395	468	185	187	191	31	41	50	73	105
250	294	347	412	488	300	303	309	38	51	61	89	128
260	240	283	336	398	216	218	222	31	41	50	73	105
270	181	214	253	300	239	241	246	24	32	38	56	81
280	278	328	389	461	269	272	277	41	55	66	96	139
290	281	332	393	466	255	258	263	37	49	59	87	125
300	189	223	265	314	236	238	243	23	31	37	54	78
310	162	191	227	269	204	206	210	21	28	34	49	71
320	190	224	266	315	184	186	190	22	29	35	51	74
340	262	309	367	435	236	238	243	38	51	61	89	128
350	194	229	272	322	206	208	212	23	31	37	54	78
360	217	256	304	360	197	199	203	29	39	46	68	98
370	247	291	346	410	235	237	242	30	40	48	70	101
380	265	313	371	440	234	236	241	30	40	48	70	101
390	208	245	291	345	259	262	267	24	32	38	56	81
420	388	458	543	644	302	305	311	64	85	102	150	216
440	253	299	354	420	249	251	256	34	45	54	80	115
450	290	342	406	481	245	247	252	30	40	48	70	101
460	212	250	297	352	214	216	220	25	33	40	59	85
470	248	293	347	412	205	207	211	27	36	43	63	91
480	172	203	241	286	175	177	180	20	27	32	47	68
490	164	194	230	272	188	190	194	21	28	34	49	71

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - VOLUNTARY LIABILITY\*

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	\$1000	\$2000	\$5000
110	\$168	\$198	\$235	\$272	\$155	\$157	\$160	\$21	\$28	\$34	\$49	\$71
120	182	215	255	295	141	142	145	25	33	40	59	85
130	208	245	291	337	148	149	152	26	35	42	61	88
140	217	256	304	352	174	176	179	26	35	42	61	88
150	211	249	295	342	174	176	179	25	33	40	59	85
170	174	205	244	282	163	165	168	21	28	34	49	71
180	201	237	281	326	210	212	216	22	29	35	51	74
190	196	231	274	318	187	189	193	23	31	37	54	78
200	222	262	311	360	182	184	187	30	40	48	70	101
210	217	256	304	352	153	155	158	28	37	45	66	95
220	238	281	333	386	158	160	163	30	40	48	70	101
230	276	326	386	447	165	167	170	33	44	53	77	112
240	220	260	308	356	153	155	158	27	36	43	63	91
250	238	281	333	386	220	222	227	29	39	46	68	98
260	204	241	286	330	168	170	173	25	33	40	59	85
270	166	196	232	269	184	186	190	20	27	32	47	68
280	208	245	291	337	208	210	214	27	36	43	63	91
290	208	245	291	337	195	197	201	26	35	42	61	88
300	165	195	231	267	184	186	190	20	27	32	47	68
310	141	166	197	228	157	159	162	18	24	29	42	61
320	155	183	217	251	146	147	150	19	25	30	44	64
340	202	238	283	327	186	188	192	25	33	40	59	85
350	155	183	217	251	163	165	168	19	25	30	44	64
360	170	201	238	275	156	158	161	21	28	34	49	71
370	190	224	266	308	177	179	182	22	29	35	51	74
380	188	222	263	305	170	172	175	22	29	35	51	74
390	186	219	260	301	189	191	195	22	29	35	51	74
420	254	300	356	411	218	220	225	34	45	54	80	115
440	208	245	291	337	187	189	193	27	36	43	63	91
450	244	288	342	395	192	194	198	27	36	43	63	91
460	169	199	237	274	169	171	174	20	27	32	47	68
470	184	217	258	298	161	163	166	21	28	34	49	71
480	144	170	202	233	145	146	149	18	24	29	42	61
490	138	163	193	224	149	150	153	17	23	27	40	57

\* Applies to "clean risks" ceded to the Facility

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	[17%] 16%
500-1249	25%
1250-1499	35%
1500-up	45%