



April 4, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Transportation Network Companies

With the growing attention to the emergence of Transportation Network Companies (TNCs), the North Carolina Reinsurance Facility (Facility) has adopted and filed an amendment to the Personal Auto Policy Program to allow cession of the drivers of the TNCs. The Commissioner of Insurance has recently approved the attached new Personal Auto Manual rule and Endorsement PP 55 45 – Limited Transportation Network Driver Coverage (No Passenger) – North Carolina for use with the Personal Auto Policy in the Facility. Please note that coverage for drivers providing services for TNCs is optional; companies are not required to provide such coverage.

Please note that the Facility has adopted this endorsement and manual rule as the only endorsement and manual rule to be used with a Personal Auto Policy that is ceded to the Facility. Regardless of what policy form a member company chooses to use in the voluntary market, the company is required to use endorsement PP 55 45 01 16 and the associated manual rule for any policy ceded to the Facility.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

Attachments

RF-16-2

*The material shown below is new*

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#### **14. – MISCELLANEOUS COVERAGES**

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##### **N. TRANSPORTATION NETWORK DRIVER COVERAGE – NORTH CAROLINA REINSURANCE FACILITY BUSINESS ONLY**

**(This Rule applies only to those policies ceded to the North Carolina Reinsurance Facility)**

##### **1. Coverage**

Limited Transportation Network Driver Coverage (No Passenger) provides an option to purchase coverage for participation as a transportation network driver for the period of time from when the driver logs into a "transportation network platform" up until the driver accepts a request through the "transportation network platform" to transport a passenger.

##### **2. Rating**

##### **a. Liability and Medical Payments Coverages**

Use the TNC primary rating factor from the Primary Classification Rating Factors table instead of the otherwise applicable primary classification usage factor. All other provisions of this manual apply where applicable.

##### **b. Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages**

Charge the otherwise applicable premium for Uninsured Motorists Coverage or Combined Uninsured/Underinsured Motorists Coverage. Refer to Rule 14.

##### **3. Endorsement**

Attach Endorsement PP 55 45 - Limited Transportation Network Driver Coverage (No Passenger) Endorsement to the policy.

**Material underlined is new.**

**NORTH CAROLINA (32)**

**PERSONAL AUTO MANUAL  
PRIMARY CLASSIFICATION RATING FACTORS\***

Coverage	Pleasure Use	Drive to or from Work		Business Use	TNC ACTIVITY**	Farm Use
	<b>(1A)</b>	<b>Less than 10 Miles (1B)</b>	<b>10 or More Miles (1C)</b>	<b>(3)</b>	<b>TNC</b>	<b>(1AF)</b>
B.I., P.D., Med. Pay	1.00	1.05	1.05	1.05	<u>1.20</u>	.80
Collision	1.00	1.10	1.10	1.10	<u>(a)</u>	.80
Comprehensive Fire, Theft, C.A.C.	1.00	1.20	1.20	1.20	<u>(a)</u>	.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	<b>Factor</b> 0.00	<b>Factor</b> 0.00	<b>Factor</b> 0.00
Multi-Car	<b>Factor</b> -0.35	<b>Factor</b> -0.30	<b>Factor</b> -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	<b>Principal Operator Licensed For:</b>			
	Less than One Year	<b>Factor</b> +3.25	<b>Factor</b> +3.10	<b>Factor</b> +0.50
	Less than Two Years	<b>Factor</b> +1.75	<b>Factor</b> +1.90	<b>Factor</b> +0.50
	Less than Three Years	<b>Factor</b> +1.35	<b>Factor</b> +1.65	<b>Factor</b> +0.50
	<b>Occasional Operator Licensed For:</b>			
	Less than One Year	<b>Factor</b> +1.90	<b>Factor</b> +1.95	<b>Factor</b> +0.25
	Less than Two Years	<b>Factor</b> +0.80	<b>Factor</b> +1.00	<b>Factor</b> 0.00
Multi-Car	<b>Principal Operator Licensed For:</b>			
	Less than One Year	<b>Factor</b> +2.90	<b>Factor</b> +2.80	<b>Factor</b> +0.40
	Less than Two Years	<b>Factor</b> +1.40	<b>Factor</b> +1.60	<b>Factor</b> +0.40
	Less than Three Years	<b>Factor</b> +1.00	<b>Factor</b> +1.35	<b>Factor</b> +0.40
	<b>Occasional Operator Licensed For:</b>			
	Less than One Year	<b>Factor</b> +1.55	<b>Factor</b> +1.65	<b>Factor</b> +0.15
	Less than Two Years	<b>Factor</b> +0.45	<b>Factor</b> +0.70	<b>Factor</b> -0.10
Less than Three Years	<b>Factor</b> +0.05	<b>Factor</b> +0.35	<b>Factor</b> -0.10	

\* For Statistical Coding Requirements – Refer to page NC-E-Coding.

\*\* Applies only to those vehicles on policies ceded to the North Carolina Reinsurance Facility affording coverage for TNC activity under Endorsement PP 55 45.

(a) For rating a policy that affords this coverage, please refer to the individual company writing the coverage.

**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.

<b>Number of Driving Record Points</b>	<b>Driving Record Sub-Classification</b>	<b>Statistical Code</b>	<b>SDIP Rating Factor</b>
0	0	00	0.00
1	1	01	0.30
2	2	02	0.45
3	3	03	0.60
4	4	04	0.80
5	5	05	1.10
6	6	06	1.35
7	7	07	1.65
8	8	08	1.95
9	9	09	2.25
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
<b>Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.</b>			
<b>Not Eligible</b>	NE	95	+0.10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED TRANSPORTATION NETWORK DRIVER COVERAGE (NO PASSENGER) –  
NORTH CAROLINA**

**SCHEDULE**

Transportation Network Platform(s)			
Description Of Vehicle			
1.			
2.			
3.			
Coverage is provided where a premium is shown for the coverage.			
Coverages	Premium		
	Vehicle 1	Vehicle 2	Vehicle 3
Liability	\$	\$	\$
Medical Payments	\$	\$	\$
Uninsured Motorists	\$	\$	\$
Combined Uninsured/Underinsured Motorists	\$	\$	\$
Collision	\$	\$	\$
Other Than Collision	\$	\$	\$

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The provisions of the Policy apply unless modified by this endorsement.

**I. Part A – Liability Coverage**

Exclusion **A.5.** is replaced by the following:

We do not provide Liability Coverage for any **insured**:

- 5. For that **insured's** liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

This exclusion (**A.5.**) does not apply to:

- a. A share-the-expense car pool; or

- b. The ownership or operation of a vehicle during any period of time such vehicle is being used by an **insured** who is logged into a **transportation network platform** described in the Schedule or in the Declarations as a driver, a passenger is not **occupying** the vehicle and that driver has not accepted a request through the **transportation network platform** to transport a passenger if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and
- (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## II. Part B – Medical Payments Coverage

Exclusion 1. is replaced by the following:

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

1. Sustained while **occupying your covered auto** when it is being used as a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool; or
- b. While **occupying your covered auto** during any period of time such vehicle is being used by an **insured** who is logged into a **transportation network platform** described in the Schedule or in the Declarations as a driver, a passenger is not **occupying** the vehicle and that driver has not accepted a request through the **transportation network platform** to transport a passenger if:
  - (1) Such vehicle is described in the Schedule or in the Declarations; and
  - (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## III. Part C1 – Uninsured Motorists Coverage

Exclusion A.2. is replaced by the following:

We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained by any **insured**:

2. While **occupying your covered auto** when it is being used as a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

This exclusion (A.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. While **occupying your covered auto** during any period of time such vehicle is being used by an **insured** who is logged into a **transportation network platform** described in the Schedule or in the Declarations as a driver, a passenger is not **occupying** the vehicle and that driver has not accepted a request through the **transportation network platform** to transport a passenger if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and
- (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## IV. Part C2 – Combined Uninsured/Underinsured Motorists Coverage

A. Exclusion A.2. is replaced by the following:

We do not provide coverage for **property damage** or **bodily injury** caused by an **uninsured motor vehicle** and sustained by any **insured**:

2. While **occupying your covered auto** when it is being used as a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

This exclusion (A.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. While **occupying your covered auto** during any period of time such vehicle is being used by an **insured** who is logged into a **transportation network platform** described in the Schedule or in the Declarations as a driver, a passenger is not **occupying** the vehicle and that driver has not accepted a request through the **transportation network platform** to transport a passenger if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and
- (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

B. Exclusion C.2. is replaced by the following:

We do not provide **bodily injury** caused by an **underinsured motor vehicle** and sustained by any **insured**:

2. While **occupying your covered auto** when it is being used as a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

This exclusion (C.2.) does not apply:

- a. To a share-the-expense car pool; or

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b. While **occupying your covered auto** during any period of time such vehicle is being used by an **insured** who is logged into a **transportation network platform** described in the Schedule or in the Declarations as a driver, a passenger is not **occupying** the vehicle and that driver has not accepted a request through the **transportation network platform** to transport a passenger if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and
- (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

#### V. Part D – Coverage For Damage To Your Auto

Exclusion 1. is replaced by the following:

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used as a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** or any **non-owned auto** is being used by any person who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool; or
- b. While such vehicle is being used during any period of time a person is logged into a **transportation network platform** described in the Schedule or in the Declarations as a driver, a passenger is not **occupying** the vehicle and that driver has not accepted a request through the **transportation network platform** to transport a passenger if:
  - (1) Such vehicle is described in the Schedule or in the Declarations; and
  - (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

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