

April 20, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Commercial Auto Policy Program
Manual Revisions

The Commissioner of Insurance has recently approved revisions to the North Carolina Reinsurance Facility Commercial Automobile Manual. Rule 32. – Premium Development - Other Than Zone Rated Autos under the Trucks, Tractors and Trailers Section and Rule 42. - Premium Development - Other Than Zone Rated Autos under the Public Transportation Section are revised to clarify the rating for vehicles that are principally garaged in a state other than North Carolina.

In that regard, please find attached a copy of revised Rule 32. and Rule 42. for your convenience.

This change becomes effective in accordance with the following Rule of Application:

These revisions are applicable to all new and renewal policies written to become effective on or after October 1, 2016.

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

Attachment

RF-16-4

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL
TRUCKS, TRACTORS AND TRAILERS SECTION

Material Underlined is new

Rule 32. PREMIUM DEVELOPMENT— OTHER THAN ZONE RATED AUTOS

C. Premium Computation

1. Determine the rating territory from the territory definitions based on the street address of principal garaging. If the vehicle is principally garaged in a state other than North Carolina, use the residual market rates in that state. For states that have residual markets, refer to AIPSO for those rates. For states that do not have residual markets, use the rules, rates, minimum premiums, classifications, and rating plans applicable to the insurer for voluntary business in the state and territory where the vehicle is principally garaged; otherwise all other provisions of this manual apply.

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL
PUBLIC TRANSPORTATION SECTION

Material Underlined is new

Rule 42. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS

C. Premium Computation

1. Determine the rating territory for each public auto from the territory definitions based on the territory where the public auto is operated the greatest percentage of the time. If the vehicle is principally garaged in a state other than North Carolina, use the residual market rates in that state. For states that have residual markets, refer to AIPSO for those rates. For states that do not have residual markets, use the rules, rates, minimum premiums, classifications, and rating plans applicable to the insurer for voluntary business in the state and territory where the vehicle is principally garaged; otherwise all other provisions of this manual apply.