

General

NOTE: The following information is provided for your general information and represents the NCRF's interpretation of the statutes and rules governing the NCRF. This information is not offered or intended as legal advice and does not modify in any manner the statutes and rules governing the NCRF, including the provisions of the NCRF Commercial Auto Manual. If there is any conflict between this information and any applicable statutes and rules, the statutes and rules will govern. Please consult your own legal counsel on any legal questions you may have.

1. *Who is responsible for completing the NCRF-30?*

An insurance company ceding to the Facility a policy with limits higher than 100/300/50 is responsible for obtaining from the insured a completed and signed Form [NCRF-30](#) with each new session. If there is a Facility audit of the risk in question, a copy of the applicable NCRF-30 will be required to be submitted to the Facility.

2. *What information should be available to expedite a Commercial Policy File audit by the Reinsurance Facility?*

Have the agent obtain complete information from the applicant so that the application is clear and concise. Information that may be needed for a commercial policy file audit by the Facility includes the following:

- A. Previous carrier(s) over past four years including liability carrier name(s) and policy numbers; if you cannot get the previous carrier from the insured, you may contact the NCDMV.
- B. Proper usage and detailed descriptions of all operations.
- C. Correct GVW/GCW information for each unit.
- D. Correct (farthest traveled) distance (Town/City, State) **to** which each unit will travel.
- E. On public rated units, need every Town/City/State **through** which each unit will travel.
- F. If insured requires limits higher than 100/300/50, have the insured complete and sign an NCRF-30. The agent must witness the signature.

3. *Can commercial vehicles that are registered in North Carolina but garaged in another state be insured on a policy ceded to the Reinsurance Facility?*

Yes, if the vehicles are **registered** in the state of North Carolina. However, the appropriate rates for such vehicles are those of the state(s) where the vehicles are garaged. You will indicate the North Carolina classification with the other states' rates on the schedule as you would a North Carolina classification and rate.

4. Does the Facility allow cession of Auto Service Garage exposures?

Effective April 1, 2003 any new or renewal Service Garage businesses are no longer eligible to be ceded to the Facility.

Note: Two classes previously covered under Service Garage exposures have been re-classed and are now eligible for cession under the Dealer Garage policy as follows:

1. Franchised and non-franchised residence type mobile home trailer dealers.
2. Franchised and non-franchised commercial trailer dealers.

5. Can Private Passenger type units titled to a corporation be insured on a commercial auto policy ceded to the Facility?

Please see the chart below to help determine what type of policy would be needed for Private Passenger type units:

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WHERE DOES IT GO?

Private Passenger Autos

See "exceptions" for [Rule 12 from the Commercial Auto Manual](#) and pages [NC-GR-1](#) and [NC-GR-2](#) from the N.C. Personal Auto Manual.

PPT (s)	Type of Policy	SDIP Points?	Clean Risk or Loss Recoupment?	Class
1 to 4 private passenger autos in a corporation name and used in business w/o a commercial rated unit	Personal Auto Policy	N/E factor .10 No SDIP points apply	Recoupment applies	Business use Class applies from the N.C. Personal Auto manual
Private passenger autos in a corporation name and used in business with a commercial rated unit but less than 5 total units on a policy	Commercial Auto Policy	N/E factor .10 on PPT (s) No SDIP points apply	Recoupment does not apply	Business use Class applies from the N.C. Personal Auto Manual on PPT (s)
*5 or more private passenger autos in a corporation name, used in business (fleet)	Commercial Auto Policy	No SDIP points apply Experience Modification Applies	Recoupment does not apply	Use class code 7398 and use PP rates from the N.C. Commercial Auto Manual
1 to 4 private passenger autos in a corporation name but not used in business	Personal Auto Policy	N/E factor .10 on PPT (s) No SDIP points apply	Recoupment applies	To be determined by the underwriting department of the issuing carrier

*Class Code 7398 is for units rated from the NCRF Commercial Manual when an insured owns 5 or more units.

Farm Units should go on a Personal Auto Policy unless units are not eligible for coverage on a Personal Auto Policy.