

March 29, 2019

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Private Passenger Automobile
Extended Coverage Expense Coverage -
Additional Increased Limits

On February 1, 2019 the Rate Bureau filed with the Commissioner of Insurance rate level changes and other changes for non-fleet private passenger automobiles and motorcycles. The Rate Bureau sent out circular A-19-1 on March 28, 2019 announcing the changes resulting from that filing.

As part of the 2019 Private Passenger Auto Filing, Rule 14.E. Extended Transportation Expense coverage was updated to include two new additional increased limits. As part of this change (which included updating the rates for this coverage), the manual rule has been updated and a new endorsement, NC 03 14 Extended Transportation Expense Coverage – Additional Increased Limits has been introduced.

To allow member companies flexibility in implementing this change, those companies that do not elect to offer the new additional increased limits may continue to use the current endorsement, NC 03 02 (which may be used for only the first three available limits). Companies that elect to offer additional increased limits must use the new endorsement, NC 03 14, for all of the available limits.

Attached please find the revised manual rule (14.E) and new endorsement (NC 03 14).

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

Sincerely,

Andy Montano

Director, Personal Lines

AM:ko
A-19-2
Attachments

14. MISCELLANEOUS COVERAGES (Cont'd)

E. Extended 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] <u>\$13</u>
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	[\$20] <u>\$26</u>
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	[\$32] <u>\$42</u>
\$75/\$2,250 Additional Increased Limits Transportation Expenses Coverage	<u>\$61</u>
\$100/\$3,000 Additional Increased Limits Transportation Expenses Coverage	<u>\$79</u>

3. Endorsement

Attach the extended transportation coverage endorsement either Endorsement NC 03 02 (which provides for only the first three available limits) or Endorsement NC 03 14 (which provides for all available limits) to the policy.

EXTENDED TRANSPORTATION EXPENSES COVERAGE – ADDITIONAL INCREASED LIMITS OPTIONS

Description of Your Covered Auto(s)	Extended Transportation Expenses Coverage Premium	Increased Limits Transportation Expenses Coverage Premium	Additional Increased Limits Transportation Expenses Coverage Premium	<u>Additional Increased Limits Transportation Expenses Coverage Limit</u>
	\$	\$	\$	<u>\$x per day up to a maximum of \$x</u>
	\$	\$	\$	<u>\$x per day up to a maximum of \$x</u>
	\$	\$	\$	<u>\$x per day up to a maximum of \$x</u>
	\$	\$	\$	<u>\$x per day up to a maximum of \$x</u>

The provisions and exclusions that apply to Part D – Coverage for Damage to Your Auto also apply to this endorsement except as changed by this endorsement.

A. EXTENDED TRANSPORTATION EXPENSES COVERAGE

When there is a loss to **your covered auto** described in the Schedule or in the Declarations for which a specific premium charge indicates that Extended Transportation Expenses Coverage is afforded, or to a **non-owned auto**, we will pay, without application of a deductible, up to \$15 per day to a maximum of \$450 for:

1. Transportation expenses incurred by you.
2. Loss of use expenses for which you become legally responsible in the event of loss to a **non-owned auto**.

This coverage applies only if:

1. **Your covered auto** or the **non-owned auto** is withdrawn from use for more than 24 hours; and
2. The loss is caused by **collision** or is otherwise covered under Part D of this policy.

However, this coverage does not apply when there is a total theft of **your covered auto** or a **non-owned auto**. Such coverage is provided under Part D of this policy.

Our payment will be limited to that period of time reasonably required to repair or replace the **your covered auto** or the **non-owned auto**.

B. INCREASED LIMITS TRANSPORTATION EXPENSES COVERAGE

When there is a loss to **your covered auto** described in the Schedule or in the Declarations for which a specific premium charge indicates that Increased Limits Transportation Expenses Coverage is afforded, or to a **non-owned auto**:

1. Coverage for Extended Transportation Expenses Coverage provided under this endorsement is increased to \$30 per day up to a maximum of \$900. All other provisions of Extended Transportation Expenses Coverage apply.
2. Coverage for Transportation Expenses Coverage provided under Part D of this policy is increased to \$30 per day up to a maximum of \$900.

C. ADDITIONAL INCREASED LIMITS TRANSPORTATION EXPENSES COVERAGE

When there is a loss to a **your covered auto** described in the Schedule or in the Declarations for which a specific premium charge indicates that Additional Increased Limits Transportation Expenses Coverage is afforded, or to a **non-owned auto**:

1. Coverage for Extended Transportation Expenses Coverage provided under this endorsement is increased to ~~\$50 per day up to a maximum of \$1,500~~the limits listed in the Schedule or in the Declarations. All other provisions of Extended Transportation Expenses Coverage apply.
2. Coverage for Transportation Expenses Coverage provided under Part D of this policy is increased to the limits listed in the Schedule or in the Declarations.~~\$50 per day up to a maximum of \$1,500.~~