



December 21, 2020

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy Program Revisions

The Commissioner of Insurance has recently approved several revisions to the Personal Auto Policy Program, which are filed on behalf of the member companies of the North Carolina Rate Bureau. The following changes include revisions to the Personal Automobile Manual and the program's Amendatory Endorsements. In addition, the Rate Bureau has introduced new forms to the Personal Automobile Program.

The following mandatory endorsements have been revised for use in North Carolina:

- NC 00 12 06 21 Amendatory Endorsement
- NC 00 13 06 21 Amendatory Endorsement

The above endorsements have been amended to include 1) a definition of "delivery network platform"; 2) language reflecting that coverage for delivery services is excluded in the base policy; and 3) exclusionary language for vehicle sharing for a fee.

These amendatory endorsements are mandatory and must be attached to the corresponding base policy form.

The following new endorsements have been introduced for use in North Carolina:

- NC 03 33 06 21 Trust Endorsement - This endorsement provides coverage for vehicles held in trust.
- NC 03 38 06 21 Delivery Coverage - This endorsement provides a buy-back option for delivery coverage.

The following Personal Automobile Manual rules have been revised:

- Rule **1**. Definitions - Rule 1. was amended to replace "husband and wife" with "spouses".
- Rule **2**. Eligibility - Rule 2. was amended to 1) include language for cohabitational partners and financially interdependent relationships; and 2) include language for vehicles held in trust.
- Rule **4F**. Classifications - This rule was amended to 1) clarify the application of the Inexperienced Operator Surcharge to unlicensed insureds; and 2) add a note regarding the accumulation of driving experience for application of the Inexperienced Operator Surcharge.
- Rule **5**. Safe Driver Insurance Plan - This rule was amended to include eligibility for cohabitational partners and vehicles held in trust.
- Rule **13**. Suspension - This rule was amended to replace "husband and wife" with "spouses"
- Rule **16**. Named Non-Owner Policy (Unlicensed Insured, Inexperienced Surcharge) - The named non-owner policy is only available to individuals who do not own an auto. The rule was amended to provide that the named non-owner policy may be used for such individuals

only where there is no insured auto in the household available for such individual's regular use, and such individual is not eligible to be covered on the same policy as the owner of any insured auto in the household. Additionally, the rule was amended to provide different rates for such individuals who have a driver's license and such individuals who do not have a driver's license.

- Rule 19. Miscellaneous Types - This rule includes an editorial change to correct an error in the rule reference.

These changes become effective in accordance with the following Rule of Application:

These revisions become effective with respect to all new and renewal policies becoming effective on or after June 1, 2021.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible.

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

Sincerely,

Andy Montano

Personal Lines Manager

AM:ko
Attachments
A-20-2

North Carolina Explanatory Memorandum (Forms)

About This Filing

This filing is being made in order to revise several forms and introduce new forms into the Personal Automobile Program. The Rate Bureau will also submit a filing for corresponding rate and rule changes where applicable.

Revised Forms

We are revising the following forms:

- ◆ **Amendatory Endorsements**
 - **NC 00 12 10 18, Amendatory Endorsement**
 - **NC 00 13 10 18, Amendatory Endorsement**

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the proposed **06 21** editions. Concurrent with implementation, the proposed changes will supersede the prior editions.

New Forms

We are introducing the following forms:

- ◆ **NC 03 33 06 21, Trust Endorsement**
- ◆ **NC 03 38 06 21, Delivery Coverage**

Explanation of Changes

Revised Forms

- ◆ **Amendatory Endorsements (NC 00 12 and NC 00 13)**

Several emerging issues were presented to the Rate Bureau, including the need to address on-demand delivery services and peer to peer vehicle sharing platforms. After review, the Rate Bureau determined it was appropriate to clarify that these exposures are excluded under the base Personal Auto Policy. The Amendatory Endorsements include the following changes:

- Added a definition of Delivery Network Platform and added exclusionary language to clarify that delivery services are excluded under the base policy.
 - Added an option to purchase coverage for delivery services.
- Added an exclusion for an auto being used in exchange for compensation (peer to peer vehicle sharing).
- These changes to the Amendatory Endorsements are mandatory and are to be attached to the base policy.

New Forms

◆ Trust Endorsement (NC 03 33)

The Rate Bureau has received a number of requests from its member companies to add an endorsement for vehicles held in trust to the Personal Auto Policy. As a result, the Rate Bureau is introducing an endorsement, allowing for a personal automobile policy to be issued to vehicles held in trust.

- Please see corresponding changes to eligibility language in our companion rate/rules filing.

◆ Delivery Coverage (NC 03 38)

On-demand services involving the use of vehicles providing delivery and courier services are gaining popularity. These services potentially create new exposures that are not yet appropriately classified and rated.

Exclusionary language was added to the Amendatory Endorsements in order to clarify that delivery services are not covered by the base policy. The Rate Bureau has developed an option to purchase coverage for delivery services.

- Please see the corresponding rate and rule in our companion rate/rules filing.

AMENDATORY ENDORSEMENT

This endorsement is a part of your policy. Except for the changes it makes, all other terms of the policy remain the same and apply to this endorsement.

1. DEFINITIONS

A. The definition of "newly acquired auto" is amended as follows:

"Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:

- 1. a private passenger auto or station wagon type; or
- 2. a pickup truck or van that:
 - a. has a Gross Vehicle Weight as specified by the manufacturer of less than 14,000 pounds; and
 - b. is not used for the delivery or transportation of goods and materials unless such use is:
 - (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
 - (2) for farming or ranching.

Any coverage for a **newly acquired auto** is subject to the following:

- 1. If a **newly acquired auto** replaces a vehicle shown in the Declarations, it will have the same coverage as the vehicle it replaced except that coverage, if any, under Part D – Coverage For Damage To Your Auto applies only if you ask us to insure it within 30 days after you become the owner.
- 2. If a **newly acquired auto** is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations if you ask us to insure it within 30 days after you become the owner.
- 3. Coverage under this policy terminates for any **newly acquired auto** on the effective date and time of a policy (other than this policy) issued by us or any other company that describes such vehicle on its declarations page.

4. If you ask us to insure a **newly acquired auto** within the applicable specified time period described in 1. or 2. above, any coverage we provide for the **newly acquired auto** begins on the date you become the owner. If you ask us to insure a **newly acquired auto** after the applicable specified time period described above has elapsed, any coverage we provide for the **newly acquired auto** will begin at the time you request the coverage. You must pay us any added amount due for any coverage we provide for a **newly acquired auto**.

B. The definition of "transportation network platform" is added:

"Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

C. The definition of "delivery network platform" is added:

"Delivery network platform" means an online-enabled application or digital network, used to connect customers:

- 1. With drivers; or
 - 2. With local vendors using drivers;
- for the purpose of providing prearranged delivery services, including courier services, for compensation. A **delivery network platform** does not include a **transportation network platform**.

2. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

A. Exclusion 1. Is deleted and 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;

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~~a. 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 while it is being used by any person who is logged into a:

~~(1) Transportation network platform~~ as a driver, whether or not a passenger is occupying the vehicle.

~~(2) Transportation network platform or delivery network platform as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.~~

~~This exclusion 1. Does not apply to a share-the-expense car pool.~~

~~b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).~~

~~This exclusion (1.) does not apply:~~

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

~~b. While your covered auto or any non-owned auto is being used for volunteer or charitable purposes.~~

B. Exclusion 9 is changed by deleting the following:

This exclusion does not apply to the interests of Loss Payees in **your covered auto**.

C. The following exclusions 14 and 15 ~~are~~ added:

We will not pay for:

14. Loss to your **covered auto** or any **non-owned auto** while participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 14.a. above.

15. Loss to your covered auto which occurs while being used by anyone other than you or any family member in exchange for compensation.

3. PART E – DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM

Part E is amended as follows:

A. Paragraph 3. of the **Additional Duties For Coverage For Damage To Your Auto** provision is replaced by the following:

3. Permit us to inspect and appraise the damaged property, including but not limited to any damaged glass or windshield, before its repair, replacement or disposal.

4. PART F – GENERAL PROVISIONS

Other Termination Provisions is deleted and replaced by the following:

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:

a. requires a longer notice period;

b. requires a special form of or procedure for giving notice;

c. modifies any of the stated termination reasons; or;

d. adds any additional termination reasons; we will comply with those requirements and this policy shall be deemed amended to include any such change in the law.

2. Proof of mailing of any notice shall be sufficient proof of notice.

3. If the named insured or a premium finance company cancels this policy, the premium owed or premium refund due will be calculated according to the short rate provisions contained in our manuals. If we cancel this policy, any premium owed or premium refund will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.

4. The effective date of cancellation stated in the notice shall become the end of the policy period.

The following is added to the **Transfer Of Your Interest In This Policy** provision:

The benefits of this Policy that may be available to you following a covered loss may not be assigned unless:

1. All duties listed under the **Additional Duties For Damage To Your Auto** provision in Part E – **Duties After An Accident Or Loss – Filing A Claim** are performed by a person seeking coverage;

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2. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our consent; and
3. Any Assignee receiving a benefit under this Policy assigned under this provision for damage to your covered auto is subject to all duties and conditions under the policy. This includes the Appraisal Clause under Part D - **Coverage For Damage To Your Auto** to resolve disagreements on the amount of loss.

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AMENDATORY ENDORSEMENT

This endorsement is a part of your policy. Except for the changes it makes, all other terms of the policy remain the same and apply to this endorsement.

1. DEFINITIONS

A. The definition of "newly acquired auto" is amended as follows:

"Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:

1. a private passenger auto or station wagon type; or
2. a pickup truck or van that:
 - a. has a Gross Vehicle Weight as specified by the manufacturer of less than 14,000 pounds; and
 - b. is not used for the delivery or transportation of goods and materials unless such use is:
 - (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
 - (2) for farming or ranching.

Any coverage for a **newly acquired auto** is subject to the following:

1. If a **newly acquired auto** replaces a vehicle shown in the Declarations, it will have the same coverage as the vehicle it replaced except that coverage, if any, under Part D – Coverage For Damage To Your Auto applies only if you ask us to insure it within 30 days after you become the owner.
2. If a **newly acquired auto** is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations if you ask us to insure it within 30 days after you become the owner.
3. Coverage under this policy terminates for any **newly acquired auto** on the effective date and time of a policy (other than this policy) issued by us or any other company that describes such vehicle on its declarations page.

4. If you ask us to insure a **newly acquired auto** within the applicable specified time period described in 1. or 2. above, any coverage we provide for the **newly acquired auto** begins on the date you become the owner. If you ask us to insure a **newly acquired auto** after the applicable specified time period described above has elapsed, any coverage we provide for the **newly acquired auto** will begin at the time you request the coverage. You must pay us any added amount due for any coverage we provide for a **newly acquired auto**.

B. The definition of "transportation network platform" is added:

"Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

C. The definition of "delivery network platform" is added:

"Delivery network platform" means an online-enabled application or digital network, used to connect customers:

1. With drivers; or
 2. With local vendors using drivers;
- for the purpose of providing prearranged delivery services, including courier services, for compensation. A delivery network platform does not include a transportation network platform.

2. Part A – LIABILITY COVERAGE

~~A.~~ Part A is amended as follows:

~~4A.~~ Exclusion A.2. is deleted and replaced by the following:

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

2. For **property damage** to property:
 - a. owned in whole or in part by that **insured**; or
 - b. being transported by that **insured**;

~~2B.~~ Exclusion A.5. is deleted and replaced by the following:

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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:

a. ~~a~~As a public or livery-~~er~~ conveyance. This includes but is not limited to any period of time a vehicle is being used by that any insured who is logged into a:

(1) ~~Transportation network platform~~ as a driver, whether or not a passenger is occupying the vehicle.

(2) ~~Transportation network platform or delivery network platform as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.~~

~~This exclusion (5.a.) does not apply to a share-the-expense car pool.~~

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

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

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

b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

3C. The following Exclusion A.10. is added:

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

10. For the ownership, maintenance or use of **your covered auto** while being used by anyone other than you or any family member in exchange for compensation.

D. The following Exclusion B.3. is added:

We do not provide Liability Coverage for the ownership, maintenance or use of:

3. Any vehicle while participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 3.a. above.

This exclusion applies only to the extent that the limit of liability of this policy exceeds the minimum limit required by the financial responsibility law of North Carolina.

BE. The following provision is added following the **Other Insurance** provision:

Appraisal – Diminution in Value

If there is no dispute between the claimant and us regarding the **insured's** liability for the property damage to the claimant's vehicle, but:

a. the claimant and we fail to agree as to the difference in fair market value of the vehicle immediately before the accident and immediately after the accident; and

b. the difference in the claimant's and our estimate of the diminution in fair market value is greater than two thousand dollars (\$2,000) or twenty-five percent (25%) of the fair market retail value of the vehicle prior to the accident as determined by the latest edition of the National Automobile Dealers Association Pricing Guide Book or other publications approved by the Commissioner of Insurance, whichever is less; then

on the written demand of either the claimant or us, the dispute regarding the amount of the diminution in value shall be determined by appraisal in accordance with G.S. 20-279.21(d1).

3. Part B – MEDICAL PAYMENTS COVERAGE

A. Exclusion 1. is deleted and 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:

a. ~~a~~As a public or livery conveyance. This includes but is not limited to any period of time ~~that your covered auto is being used by any~~ insured who is logged into a:

(1) ~~Transportation network platform~~ as a driver, whether or not a passenger is occupying the vehicle.

(2) ~~Transportation network platform or delivery network platform as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.~~

~~This exclusion (1.a.) does not apply to a share-the-expense car pool.~~

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b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

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

b. While **your covered auto** is being used for volunteer or charitable purposes.

B. The following Exclusions 12. and 13. are added:

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

12. Sustained while **occupying** any vehicle participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 12.a. above.

13. Sustained while **occupying**, or when struck by, **your covered auto** while being used by anyone other than you or any family member in exchange for compensation.

4. Part C1 – UNINSURED MOTORISTS COVERAGE

A. Part C1 is amended as follows:

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

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

2. ~~While **occupying**~~ When **your covered auto** when it is being used:

a. ~~a~~As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto is being used by that any insured who** is logged into a:

(1) ~~†~~Transportation network platform as a driver, whether or not a passenger is occupying the vehicle.

(2) ~~Transportation network platform or delivery network platform as a driver to provide **delivery services**, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.~~

~~This exclusion (2.a.) does not apply to a share-the-expense car pool.~~

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except ~~provided~~ in Paragraph a.(2).

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

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

b. When **your covered auto** is being used for volunteer or charitable purposes.

B. The following Exclusion A.8. is added:

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

8. When **your covered auto** is being used by anyone other than you or any family member in exchange for compensation.

C. The third paragraph of **Limit of Liability** is deleted and replaced by the following:

The limits of bodily injury liability shown in the [Schedule or] Declarations for each person and each accident for this coverage shall be reduced by all sums:

- 1. Paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A; and
- 2. Paid or payable because of the **bodily injury** under any disability benefits law or any similar law.

The most we will pay for **bodily injury** damages to an **insured** under this coverage is the lesser of:

- 1. the limit of bodily injury liability shown in the [Schedule or] Declarations for each person for this coverage reduced by all sums described in items 1. and 2. of the preceding paragraph; or
- 2. the damages sustained by the **insured** for **bodily injury** reduced by:
 - a. all sums described in items 1. and 2. in the preceding paragraph; and

- b. all sums paid or payable because of the **bodily injury** under any workers' compensation law. However, this reduction does not apply to the extent that an employer's lien is required to be paid under North Carolina's workers' compensation law.

The limit of property damage liability under this coverage shall be reduced by all sums paid because of the **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums payable under Part A.

GD. The first paragraph of **Arbitration** is deleted and replaced by the following:

If we and an **insured** do not agree:

- 1. Whether that **insured** is legally entitled to recover compensatory damages from the owner or operator of an **uninsured motor vehicle**; or
- 2. As to the amount of such compensatory damages;

then the **insured** may demand to settle these disputed issues by arbitration. If an **insured** files a lawsuit against us or an owner or operator of an **uninsured motor vehicle** seeking damages that are the subject of the claim for Uninsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if such lawsuit is filed within the time limit required by the law of the state where the accident occurred for filing a lawsuit against the owner or operator of the **uninsured motor vehicle** for the damages arising out of the accident and only if the **insured** gives us a written demand for arbitration within (30) days after the filing of such lawsuit.

DE. Item 5. of **Arbitration** is deleted and the remaining paragraphs are renumbered appropriately.

5. Part C2 – COMBINED UNINSURED/UNDER-INSURED MOTORISTS COVERAGE

Part C2 is amended as follows:

- A. Exclusion A.2. Is deleted and 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~~ When your covered auto ~~when it~~ is being used:

~~a. a~~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** ~~that~~ insured **who** is logged into a:

~~(1) **Transportation network platform**~~ as a driver, whether or not a passenger is occupying the vehicle.

~~(2) **Transportation network platform or delivery network platform as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.**~~

~~This exclusion (2.a.) does not apply to a share-the-expense car pool.~~

~~b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).~~

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

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

~~b. When **your covered auto** is being used for volunteer or charitable purposes.~~

B. ~~The following Exclusion A.8. is added:~~

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

~~8. When **your covered auto** is being used by anyone other than you or any **family member** in exchange for compensation.~~

C. Exclusion C.2. is deleted and replaced by the following:

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

~~2. While occupying~~ When your covered auto ~~when it~~ is being used:

~~a. a~~As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto is being used by** ~~that any~~ insured **who** is logged into a:

~~(1) **Transportation network platform**~~ as a driver, whether or not a passenger is occupying the vehicle.

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(2) Transportation network platform or delivery network platform as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

This exclusion (2.a.) does not apply to a share-the-expense car pool.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

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

- a. To a share-the-expense car pool; or
- b. When your covered auto is being used for volunteer or charitable purposes.

D. The following Exclusion C.6. is added:

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

6. While **occupying**, or when struck by, **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

GE. The fourth and fifth paragraphs of **Limit of Liability** are deleted and replaced by the following:

The limits of bodily injury liability shown in the [Schedule or] Declarations for each person and each accident for this coverage shall be reduced by all sums:

1. Paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A; and
2. Paid or payable because of the **bodily injury** under any disability benefits law or any similar law.

The most we will pay for **bodily injury** damages to an **insured** under this coverage is the lesser of:

1. the limit of bodily injury liability shown in the [Schedule or] Declarations for each person for this coverage reduced by all sums described in items 1. and 2. of the preceding paragraph; or
2. the damages sustained by the **insured** for **bodily injury** reduced by:
 - a. all sums described in items 1. and 2. in the preceding paragraph; and

- b. all sums paid or payable because of the **bodily injury** under any workers' compensation law. However, this reduction does not apply to the extent that an employer's lien is required to be paid under North Carolina's workers' compensation law.

DE. The first paragraph of **Arbitration** is deleted and replaced by the following:

If we and an **insured** do not agree:

1. Whether that **insured** is legally entitled to recover compensatory damages from the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**; or
2. As to the amount of such compensatory damages;

then the **insured** may demand to settle these disputed issues by arbitration.

For purposes of an:

1. Uninsured Motorists Coverage claim, if an **insured** files a lawsuit against us or an owner or operator of an **uninsured motor vehicle** seeking damages that are the subject of the claim for Uninsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if such lawsuit is filed within the time limit required by the laws of the state where the accident occurred for filing a lawsuit against the owner or operator of the **uninsured motor vehicle** for the damages arising out of the accident and only if the **insured** gives us a written demand for arbitration within thirty (30) days after the filing of such lawsuit.
2. Underinsured Motorists Coverage claim, if an **insured** files a lawsuit against an owner or operator of an **underinsured motor vehicle** seeking damages that are the subject of the claim for Underinsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if the **insured** gives us a written demand for arbitration within thirty (30) days after the later of:
 - a. The date we advance payment to the **insured** in an amount equal to a tentative settlement between the **insured** and the owner or operator of the **underinsured motor vehicle**;

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- b. The date any applicable liability bonds or policies have been exhausted by payments of judgments or settlements; or
- c. The date the **insured** files a lawsuit against an owner or operator of an **underinsured motor vehicle** seeking damages that are the subject of the claim for Underinsured Motorists Coverage under this policy, provided that such lawsuit is filed within the time limit required by the laws of the state where the accident occurred for filing a lawsuit against the owner or operator of the **underinsured motor vehicle** for the damages arising out of the accident.

EG. Item 5. of **Arbitration** is deleted and the remaining paragraphs are renumbered appropriately.

6. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

- A. 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:

a. ~~a~~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** while it is being used by any person who is logged into a:

(1) ~~Transportation network platform~~ as a driver, whether or not a passenger is occupying the vehicle.

(2) ~~Transportation network platform or delivery network platform as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.~~

~~This exclusion (1.a.) does not apply to a share-the-expense car pool.~~

b. ~~For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).~~

This exclusion (1.) does not apply:

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

b. While **your covered auto** or any **non-owned auto** is being used for volunteer or charitable purposes.

- B. Exclusion 9. is changed by deleting the following:

This exclusion does not apply to the interests of Loss Payees in **your covered auto**.

- C. The following Exclusions 14 and 15 ~~is~~are added:

We will not pay for:

- 14. Loss to your **covered auto** or any **non-owned auto** while participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 14.a. above.

15. ~~Loss to your covered auto which occurs while being used by anyone other than you or any family member in exchange for compensation.~~

7. Part E – DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM

Part E is amended as follows:

- A. Paragraph 3. of the **Additional Duties For Coverage For Damage To Your Auto** provision is replaced by the following:

3. Permit us to inspect and appraise the damaged property, including but not limited to any damaged glass or windshield, before its repair, replacement or disposal.

8. Part F – GENERAL PROVISIONS

Part F is amended as follows:

- A. The following is added to paragraph 4 of the **Cancellation** provision:

g. The named **insured** is no longer an eligible risk under G.S. 58-37-1.

h. Any other reason permitted by the North Carolina General Statutes.

- B. **Other Termination Provisions** is deleted and replaced by the following:

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:

a. requires a longer notice period;

b. requires a special form of or procedure for giving notice;

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- c. modifies any of the stated termination reasons; or;
 - d. adds any additional termination reasons;
- we will comply with those requirements and this policy shall be deemed amended to include any such change in the law.
2. Proof of mailing of any notice shall be sufficient proof of notice.
 3. If the named **insured** or a premium finance company cancels this policy, the premium owed or premium refund due will be calculated according to the short rate provisions contained in our manuals. If we cancel this policy, any premium owed or premium refund will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
 4. The effective date of cancellation stated in the notice shall become the end of the policy period.
- C. The following is added to the **Transfer Of Your Interest In This Policy** provision:
- The benefits of this Policy that may be available to you following a covered loss may not be assigned unless:
1. All duties listed under the **Additional Duties For Damage To Your Auto** provision in Part E – **Duties After An Accident Or Loss – Filing A Claim** are performed by a person seeking coverage;
 2. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our consent; and
 3. Any Assignee receiving a benefit under this Policy assigned under this provision for damage to **your covered auto** is subject to all duties and conditions under the policy. This includes the Appraisal Clause under Part D - **Coverage For Damage To Your Auto** to resolve disagreements on the amount of loss.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRUST ENDORSEMENT

SCHEDULE

1. Trust Name (Unless Shown As A Named Insured In The Declarations)	Trust Address
2. Named Insured Grantor (Or Settlor) (Unless Shown As A Named Insured In The Declarations)	Grantor (Or Settlor) Address
3. Trustee Name(s) (If Other Than A Named Insured, Including A Named Insured Grantor, Shown In The Schedule Or In The Declarations)	Trustee Address(es)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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With respect to the coverage provided by this endorsement, the provisions of the Policy apply unless modified by the endorsement.

I. Definitions

A. If the only named insured shown in the Declarations is the name of a Trust, then the definition of "you" and "your" is replaced by the following:

Throughout this Policy, "you" and "your" refer to:

1. The named insured shown in the Declarations and the Named Insured Grantor (or Settlor) shown in the Schedule; and
2. The spouse of the Named Insured Grantor (or Settlor) shown in the Schedule, if a resident of the same household.

B. The following is added to the **Definitions**:

For purposes of this Policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if title is transferred to the Trust shown in the Schedule or in the Declarations.

II. Part A – Liability Coverage

With respect to the Trustee(s) shown in the Schedule or in the Declarations, the following is added to the definition of **"insured"**:

"Insured" as used in this Part means:

The Trustee(s) shown in the Schedule or in the Declarations for the maintenance or use of **your covered auto**, but only with respect to his or her duties as a Trustee of the Trust shown in the Schedule or in the Declarations.

III. Part F – General Provisions

A. The following is added to the **Changes** Provision:

Notification Requirements

We must be notified promptly of any of the following changes related to the Trust shown in the Schedule or in the Declarations that occur during the policy period:

1. Changes in:
 - a. The name and address of the Trust;
 - b. The Trustee(s) of the Trust, including the addition or removal of a trustee; or
 - c. The mailing address of any trustee of the Trust.
2. Termination of the Trust.
3. Death or disability of a Trustee.
4. Death or disability of the Grantor (or Settlor) of the Trust.

B. The following is added to the **Cancellation** Provision:

If this Policy is cancelled, notice will also be mailed to the Trustee(s) shown in the Schedule or in the Declarations.

C. The following is added to the **Nonrenewal** Provision:

If we decide not to renew or continue this Policy, notice will also be mailed to the Trustee(s) shown in the Schedule or in the Declarations.

D. The following provision is added:

Trust Documents

We must be provided, as often as we reasonably request, with copies of the trust documents for the Trust shown in the Schedule or in the Declarations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELIVERY COVERAGE

SCHEDULE

Description Of Vehicle			
1.			
2.			
3.			
Coverages	Premium		
	Vehicle 1	Vehicle 2	Vehicle 3
Liability	\$	\$	\$
Medical Payments	\$	\$	\$
Uninsured Motorists	\$	\$	\$
Combined Uninsured/Underinsured Motorists	\$	\$	\$
Collision	\$	\$	\$
Other Than Collision	\$	\$	\$

The provisions of the Policy apply unless modified by this endorsement. Delivery Coverage is only provided where a Delivery Coverage premium is shown for the vehicle and the applicable coverage.

I. Part A – Liability Coverage

The following is added to Exclusion **A.5.:**

Paragraphs a.2. and b. of this exclusion (A.5.) do not apply 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

The following is added to Exclusion **1.:**

Paragraphs a.2. and b. of this exclusion (1.) do not apply 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

The following is added to Exclusion **A.2.:**

Paragraphs a.2. and b. of this exclusion (A.2.) do not apply 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. The following is added to Exclusion **A.2.:**

Paragraphs a.2. and b. of this exclusion (A.2.) do not apply 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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B. The following is added to Exclusion C.2.:

Paragraphs a.2. and b. of this exclusion (C.2.) do not apply 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

The following is added to Exclusion 1.:

Paragraphs a.2. and b. of this exclusion (1.) do not apply 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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North Carolina Explanatory Memorandum (Rate/Rule)

About This Filing

This filing is being made in order to revise several rules and introduce new rates and rules into the Personal Automobile Policy Program. The Rate Bureau will also submit a filing for any corresponding forms where applicable.

Revised Rules

We are revising the following rules to the Personal Automobile Manual

Rule 1. Definitions (Cohabitation)

Rule 2. Eligibility (Cohabitation and Trust)

Rule 4F. Classifications (Unlicensed Insured)

Rule 5. Safe Driver Insurance Plan (Cohabitation and Trust)

Rule 13. Suspension (Cohabitation)

Rule 16. Named Non-Owner Policy (Unlicensed Insured, IE surcharge)

Rule 19. Miscellaneous Types (Editorial Change)

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

New Rules

We are introducing the following rules and rates to the Personal Automobile Program Manual:

Rule 14.O. Delivery Coverage (Includes Rating)

Explanation of Changes

Revised Rules

Several emerging issues were presented to the Rate Bureau, including the need to address cohabitational/financially interdependent relationships, as well as requests from member companies to include an option to add coverage for vehicles held in trust. This

resulted in several changes to **Rules 1, 2, 5 and 13** as described below. In addition, the Department of Insurance requested that the Rate Bureau address several items with respect to unlicensed insureds. These changes can be found in **Rules 4F and 16** below. Finally, the Rate Bureau has made an editorial change to **Rule 19** due to an incorrect reference in this rule.

Rule 1. Definitions

- Revised the definition Rule 1 A. 2 to substitute the word “spouses” for husband and wife.

Rule 2. Eligibility

- Revised definition of Eligibility to include cohabitational partners.
- Revised definition of Eligibility to include vehicles held in trust.
 - Please see our companion forms filing for the Trust Endorsement, which allows coverage for vehicles held in trust.

Rule 4F. Classifications

- Revised verbiage in this rule to explicitly address the inexperienced operator surcharge as it applies to unlicensed insureds.
- Added a note regarding the accumulation of driving experience as an unlicensed or permitted driver.

Rule 5. Safe Driver Insurance Plan (SDIP)

- Revised the eligibility for the SDIP plan to include vehicles owned by cohabitational partners.

Rule 13. Suspension

- Revised the eligibility for the SDIP plan to include vehicles held in trust.
- Revised Rule 13. E. to substitute the word “spouses” for husband and wife.

Rule 16. Named Non-Owner Policy

- Revised the eligibility for named non-owner policies to explicitly limit eligibility to individuals who do not own an auto and do not have an insured auto available for regular use.
- Revised the Liability and Medical Payments Coverage to clarify premium charges for licensed versus unlicensed insureds.

Rule 19. Miscellaneous Types

- Revised the incorrect reference for truck rating in Note 2.

New Rule (Includes Rating)

The Rate Bureau has added an option to purchase coverage for delivery services.

This includes delivery of food, goods, items or products. Examples include services such as Uber Eats and Grubhub, or delivery for a local restaurant.

Please see Rule 14.O. and corresponding rating factor.

Determination of the Rating Factor for the Delivery Coverage Endorsement

To determine the rating factor applicable to Delivery coverage, the Rate Bureau first considered the primary classification rating factors applicable to business usage and TNC activity in North Carolina.

PRIMARY CLASSIFICATION RATING FACTORS

Coverage	Business Use	TNC Activity**
B.I., P.D., Med. Pay	0.05	0.20
Collision	0.15	-
Comprehensive Fire, Theft, C.A.C.	0.25	-

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

Based on these, and in consideration of the greater associated risk inherent to delivery activity (characterized by rushed orders and multiple destinations) relative to business use and noting the relationship between the factors for business use and covered TNC activity, the Rate Bureau judgmentally selected the following factors, by coverage, to reflect the anticipated level of risk:

Coverage	Delivery Activity
B.I., P.D., Med. Pay	0.20
Collision	0.30
Comprehensive	0.40

In order to determine the overall rating factors corresponding to the selected delivery activity factors, the Rate Bureau utilized the experience relating to the classification plan revision from the February 1, 2019 Private Passenger Rate Filing. To do so, the Rate Bureau determined the average overall rating impact of replacing the traditional usage classification factor with the selected delivery activity rating factor above, by coverage, and comparing that result to the average rating factor resulting from the traditional class rating. The result was a by-coverage rating factor corresponding to a risk for purchasing the delivery coverage endorsement, to be applied to the otherwise applicable rate for the risk.

The by-coverage factors were then combined based on their relative premium weights to arrive at a single, overall factor applicable to all coverages. The indicated factor was then rounded to the nearest 0.05.

The calculations outlined above are as follows:

	(1)	(2)	(3)	(4)
	<u>Avg. Primary Class Factor</u>	<u>Avg. Primary Class Factor w/o Usage</u>	<u>Avg SDIP Factor</u>	<u>Selected Delivery Factor</u>
Liability	0.817	0.798	0.067	0.20
Comprehensive	1.044	0.928	0.063	0.40
Collision	0.846	0.775	0.066	0.30
	(5)	(6)	(7)	(8)
	<u>Indicated Avg. Rating Factor</u> <u>(((2)+(3)+(4))/ ((1)+(3)))</u>	<u>Coverage Weights*</u>	<u>Weighted Indicated Rating Factor Sum ((5)x(6))</u>	<u>Selected Rating Factor</u>
Liability	1.21	0.531		
Comprehensive	1.26	0.132		
Collision	1.25	0.337		
			1.23	1.25 (25%)

* Liability weight is for Voluntary and Ceded Business Combined, for Bodily Injury, Property Damage, and Medical Payments combined. Comprehensive weight is for Standard and Non-Standard Business for all deductibles combined. Collision weight is for Standard and Non-Standard Business for all deductibles combined. Weights based on earned premium at manual level for year ending 12/31/2018.

1. DEFINITIONS

- A. 1.** A private passenger auto is a four wheel motor vehicle, other than a truck type or van, owned or leased under contract for a continuous period of at least six months, and:
- a. Not used as a public or livery conveyance for passengers;
 - b. Not rented to others.
- 2.** A motor vehicle that is a pickup truck or van shall be considered a private passenger auto, if it:
- a. Is owned by an individual or by ~~a husband and wifespouses~~ or individuals who are residents of the same household,
 - b. Has a Gross Vehicle Weight as specified by the manufacturer of less than 14,000 lbs.; and
 - c. Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) For farming or ranching.

2. PERSONAL AUTO POLICY – ELIGIBILITY

- A.** A Personal Auto Policy shall be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule 1., if:
1. They are written on a specified auto basis, and
 2. They are owned by an individual or by:
 - a. ~~Spouses a husband and wife~~ who are residents in the same household; or
 - b. ~~Cohabitational partners who are residents in the same household, and share the necessities of life and are financially interdependent, such as domestic partnerships or civil unions.~~
- B.** A Personal Auto Policy shall be used to afford coverage to private passenger autos that are owned jointly by two or more individuals other than ~~husband and wifespouses~~, if:
1. They are written on a specified auto basis, and
 2. Coverage is limited in accordance with the Joint Ownership Endorsement.

G. Vehicles Held In Trust

A Personal Auto Policy shall be used to afford coverage to:

- Private passenger autos and motor vehicles considered as private passenger autos in Rule 1.;
- Trailers designed for use with private passenger autos as described in Rule 19.A.;
- Motorcycles, golf carts or other similar type vehicles and snowmobiles not used for commercial purposes;
- Private passenger autos not owned by a natural person and not rated as part of a fleet as described in Rule 2.E.;
and
- Five or more four-wheeled private passenger autos as described in Rule 2.F.

If title to the vehicle(s) has been transferred to a trust or if any of the above items are otherwise held in a trust, subject to the following:

1. Requirements

- a. The grantor/settlor of the trust must be an individual(s) or spouses; and
- b. The grantor/settlor of the trust and/or the trust must be listed as a named insured(s) on the Declarations.

A vehicle held in a trust, in which the grantor/settlor is a corporate entity, is not eligible under the Personal Auto Program but may be written under a commercial auto policy.

2. Ineligible Trustees

A trustee of the trust cannot be:

- a. A partnership or joint venture;
- b. A corporation;
- c. A limited liability company;
- d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
- e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this paragraph does not apply to any named insured or any individual who is a relative of the grantor/settlor of the trust.

3. Endorsement

- a. Attach Trust Endorsement **NC 03 33**.
- b. The following must be shown in Endorsement **NC 03 33**:
 - (1) The name and address of the trust (unless shown as a named insured in the Declarations);
 - (2) The name and address of the grantor/settlor (unless shown as a named insured in the Declarations); and
 - (3) The name and address of the trustee(s) (if other than the named insured grantor shown in Endorsement **NC 03 33** or a named insured shown in the Declarations).

4. CLASSIFICATIONS

F. Inexperienced Operator**LIABILITY, MEDICAL PAYMENTS AND COLLISION**

1. The appropriate Inexperienced Operator Surcharge shall be applied for each owner or resident operator of the auto who has less than three years driving experience as a licensed driver. Such surcharge applies regardless of whether the owner or resident operator is a licensed driver; however, such surcharge does not apply to one who holds a learner's permit.

Note: The relevant experience is "driving experience as a licensed driver". An owner or resident operator does not accumulate any driving experience as a licensed driver while that person does not have a driver's license or while that person holds a learner's permit.

- a. The insurer shall obtain a verifiable motor vehicle record on each owner or resident operator from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records and shall determine the number of years of driving experience as a licensed driver for each owner or resident operator of the auto from such motor vehicle records to the extent possible.
- b. If a verifiable motor vehicle record obtained by the insurer does not show conclusively the number of years of driving experience for each owner or resident operator of the auto, the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.
- c. If a verifiable motor vehicle record cannot be obtained from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records, then the owner or resident operator shall be rated as inexperienced.

Exception: If the insurer is unable to obtain a verifiable motor vehicle record because such records are no longer available and the owner or resident operator has a drivers' license that continues to be valid by virtue of a military extension, then the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.

Insurers shall maintain in their files for at least three years from the inception of the policy the information upon which the number of years driving experience was determined.

Only driving experience in the United States of America, Canada or Puerto Rico may be used to determine the number of years of driving experience as a licensed driver.

The surcharge shall not be applied for more than three years regardless of policy term or effective date.

Note

~~A driver who holds a learner's permit only shall not be deemed a licensed driver for the purpose of determining the inexperienced operator premium surcharge.~~

5. SAFE DRIVER INSURANCE PLAN (SDIP)

The provisions of this Rule apply separately to premiums for Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

A. Eligibility

The Plan shall be applied in rating all eligible autos.

An auto is eligible for rating under this Plan if it is owned ~~by:~~

- ~~1. By an individual, or~~
- ~~2. owned jointly by two or more individuals resident in the same household,~~
- ~~3. By cohabitational partners in accordance with Rule 2.A., or~~
- ~~4. By a grantor/settlor of a trust and/or a trust in accordance with Rule 3.G.:~~

provided such auto is:

1. A four wheel auto of the private passenger or station wagon type, or
2. A motor vehicle that is a pickup truck or van, if it:
 - a. Has a Gross Vehicle Weight as specified by the manufacturer of less than 14,000 lbs.; and
 - b. Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) For farming or ranching, or
3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

13. SUSPENSION

- E. If liability or collision coverage is suspended on all private passenger autos owned by an individual(s) or ~~husband and wives/wives~~, use of other autos coverage for liability only, afforded without separate premium charge, may be continued in force. 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.

14. MISCELLANEOUS COVERAGE

O. Delivery Coverage

1. Coverage

Delivery Coverage provides an option to purchase coverage for an auto used for the delivery of food, goods, items or products, including, but not limited to, coverage for an auto used by an insured who is logged into a delivery network platform as a driver to provide delivery services.

2. Rating

a. Liability, Medical Payments, Collision and Comprehensive Coverages

Charge 25% of the otherwise applicable premium for Liability, Medical Payments, Collision and Comprehensive Coverages. 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 **NC 03 38 - Delivery Coverage** to the policy.

16. NAMED NON-OWNER POLICY

A. The Named Non-Owner Policy may be used for ~~(For~~ individuals who do not own an auto,) provided that:

1. There is no insured auto in the household available for such individual's regular use; and
2. Such individual is not eligible to be covered on the same policy as the owner of any insured auto in the household.

B. Rates**1.A.** Liability and Medical Payments Coverage

a. For individuals who have a driver's license, charge ~~Charge 90%-100%~~ of the premium that would apply if such individual owned an auto.

b. For individuals who do not have a driver's license, charge 360% of the premium that would apply if such individual owned an auto, but do not apply any inexperienced operator surcharge.

2.B. Uninsured Motorists Insurance and Underinsured Motorists Insurance

Refer to Rule 14.

C. Attach the named non-owner coverage endorsement.

19. MISCELLANEOUS TYPES**A. Trailers Designed for Use with Private Passenger Autos**

Coverage may be provided for:

1. Recreational Trailers

Non-self-propelled units equipped as living quarters (including cooking, dining, plumbing or refrigeration facilities).

To be eligible for coverage, insured must maintain a separate and permanent residence other than the recreational trailer.

Note

1. Camper trailers shall be rated as Recreational Trailers.
2. A portable camper body used with a pickup truck shall be rated as a Recreational Trailer. The pickup truck shall be rated in accordance with Rule ~~4.F.~~

2. Other Trailers

All non-self-propelled units not included above.
