



November 16, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy Revisions

By Circular Letter To All Member Companies dated October 26, 2005, this Bureau announced revisions to the North Carolina Personal Automobile Policy Program. These revisions are to become effective May 1, 2006.

With regard to the revisions introduced in the Personal Auto Manual related to customized equipment, the Circular Letter announcing these revisions failed to note that Rule 4.F, Pickup Trucks and Vans, should be deleted from the manual. This is a result of the implementation of a new customized equipment rule 14.K.

In addition, several typographical errors have been brought to our attention within the policy forms. In that regard, below is a summary of the revisions to the NC 00 01, NC 03 20, NC 03 22 and NC 03 23.

With regard to the NC 00 01 06 05, in the Definitions section under "newly acquired auto", any language after paragraph 4 down through the remaining definitions section should be deleted. This language was previously removed from the policy in earlier revisions of the policy and was inadvertently included with these revisions.

The language that should be deleted is as follows:

If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced.

If the vehicle you acquire 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:

- a. acquire the vehicle during the policy period; and
- b. ask us to insure it:

- (1) during the policy period; or
- (2) within 30 days after you become the owner.

3. Any **trailer** you own.

4. Any auto or **trailer** not owned by you while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:

- a. breakdown;
- b. repair;
- c. servicing;
- d. loss; or
- e. destruction.

This provision (4.) does not apply to Coverage for Damage to Your Auto.

With regard to the NC 03 20 06 05:

Section II, Part A Liability Coverages, item B.2, second paragraph that starts with "Any snowmobile while...", the word "tan" should be "than".

Section II, Part A Liability Coverages, item B.5, was mislabeled and should be B.3.

With regard to the NC 03 22 06 05, Section III, Medical Payments Coverage, paragraph A.1, the word "trailer" should not be bolded.

With regard to the NC 03 23 06 05, Section IV, Coverage For Damage To Your Auto, the first sentence that begins with "We will pay for direct and accidental loss to **your covered auto**", the word "your" was not bolded and should be bolded.

As indicated in our previous Circular Letter, all of the Rate Bureau Personal Auto Policy forms will be posted on our website by the end of this week. A circular letter will be sent out to announce the availability of these forms.

Please see to it that these revisions are brought to the attention to all interested personnel within your company.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp

A-05-4