

January 20, 2012

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Automobile Manual Revisions
Rule 12 - Rules For Determining Physical Damage
Base Rates For Symbols Not Displayed On State
Rate Pages

By Circular Letter to All Member Companies A-12-1 dated January 5, 2012 and A-12-2 dated January 6, 2012, the Rate Bureau announced revisions to the above captioned rule in the Personal Auto Manual. Following further review, this manual rule (copy attached) has been revised again to more accurately reflect the intent of the rule. As a result of this revision and the change in methodology it has become necessary to delay the implementation accordingly.

The reason for this change is that the Rate Bureau has historically published a combined model year and symbol relativity table, rather than separate tables of model year and symbol relativity factors. However, the appropriate application of Rule 12 requires reference to the symbol relativity table applicable to the 1990-2010 model year vehicles. This has necessitated the publishing of the appropriate symbol relativity in the manual rule.

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

This revision becomes effective with respect to all new and renewal policies written to become effective on or after October 1, 2012.

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
A-12-3

Material underlined in new; material ~~struck through~~ is deleted

12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES

A. Other Than Collision

1. 2011 and Subsequent Model Year Vehicles - Symbol 98 Vehicles

Develop the Comprehensive Base Rates for Symbol 98 vehicles by:

- a. ~~Increasing the factor for Symbol 70 by +1.05 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and Increasing the Symbol 70 relativity factor of 13.72 by +1.05 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 11 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 11 Rate on the state rate pages for the applicable model year.~~

2. 1990-2010 Model Years - Symbol 27 Vehicles

Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- a. ~~Increasing the factor for Symbol 26 by +1.06 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and Increasing the Symbol 26 relativity factor of 6.42 by +1.06 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 8 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 8 Rate on the state rate pages for the applicable model year.~~

3. 1982 and Prior Model Year Vehicles

- a. 1976-1982 Symbol 14 Vehicles
Apply the factor 3.19 to the Symbol 7 Base Rate.
- b. 1975 and Prior Vehicles above \$10,000
Increase the Symbol 7 Base Rate by 20% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

B. Collision

1. 2011 and Subsequent Model Year Vehicles - Symbol 98 Vehicles

Develop the Collision Base Rates for Symbol 98 vehicles by:

- a. ~~Increasing the factor for Symbol 70 by +.10 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and Increasing the Symbol 70 relativity factor of 2.96 by +.10 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 11 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 11 Rate on the state rate pages for the applicable model year.~~

2. 1990-2010 Model Years - Symbol 27 Vehicles

Develop the Collision Base Rates for Symbol 27 vehicles by:

- a. ~~Increasing the factor for Symbol 26 by +.10 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and Increasing the Symbol 26 relativity factor of 2.29 by +.10 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 8 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 8 Rate on the state rate pages for the applicable model year.~~

3. 1982 and Prior Model Year Vehicles

- a. 1976-1982 Symbol 14 Vehicles
Apply the factor 2.29 to the Symbol 7 Base Rate.
- b. 1975 and Prior Vehicles above \$10,000
Increase the Symbol 7 Base Rate by 5% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

C. Original Cost means:

1. Original F.O.B. List Price for autos built in U.S.
2. Original Cost New in U.S. for specially built autos.
3. Original Cost New in U.S. for imported autos.