



NORTH CAROLINA
Reinsurance Facility

Exhibit RF-1

October 14, 2025

Honorable Mike Causey
Commissioner of Insurance
North Carolina Department of Insurance
Raleigh, North Carolina 27611

Re: Revision of Commercial Automobile
Insurance Rates

Dear Sir:

Pursuant to North Carolina General Statute 58-37-35(l), the North Carolina Reinsurance Facility hereby files on behalf of its member companies revised basic limits premium rates for liability insurance for trucks, tractors and trailers, auto dealers, zone rated vehicles, and private passenger types not eligible for rating under the North Carolina Personal Auto Manual for such coverages rated under the Facility's Commercial Automobile Manual.

Enclosed are memoranda and exhibits which set forth and explain the calculations of the revised rates and rating factors. The rates established herein are based upon automobile liability insurance experience for the five years ending December 31, 2024 and automobile liability insurance expense data for calendar year ending December 31, 2024, the latest years for which such data are available.

The information and statistical data required pursuant to G.S. 58-36-15(h) are included. Additionally, the pre-filed testimony of (a) Joanna Biliouris, General Manager - North Carolina Reinsurance Facility; (b) James Davidson, Senior Actuarial Director, Commercial Casualty Lines (including Automobile) - Insurance Services Office; and (c) Alyssa Irving, Senior Managing Director – Fixed Income Portfolio Manager, Wellington Management Company, LLP is submitted herewith.

These revised rates will become effective April 1, 2026, in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after April 1, 2026. No policy effective prior to April 1, 2026 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of these changes except at the request of the insured and at the customary short rate charges as of the date of such requests, but in no event prior to April 1, 2026.

If you have any questions regarding this filing, please feel free to contact me.

Very truly yours,

Terry Collins
Chief Operating Officer
North Carolina Reinsurance Facility

NORTH CAROLINA REINSURANCE FACILITY
REVISION OF RATES FOR COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

This section contains the revision of rates for classes of business ceded to the Reinsurance Facility that appear in the North Carolina Reinsurance Facility Commercial Automobile Insurance Manual of Rules and Rates.

Set forth below are the percentage changes in manual rates resulting from this revision for the major classes of Commercial business.

<u>Classes and Coverages</u>	<u>Filed Percentage Changes</u>	
	<u>Basic</u> <u>Limits</u>	<u>Total</u> <u>Limits</u>
<u>Trucks, Tractors, and Trailers Liability</u>		
Bodily Injury (30/60)	4.5%	5.2%
Property Damage (25)	-7.2%	-2.1%
<u>Private Passenger Types Liability</u>		
Bodily Injury (30/60)	33.7%	34.4%
Property Damage (25)	4.0%	7.2%
<u>Auto Dealers</u>		
Bodily Injury (30/60)	6.8%	7.3%
Property Damage (25)	11.2%	13.9%
<u>Zone Rated Risks</u>		
Bodily Injury (30/60)	21.2%	22.3%
Property Damage (25)	13.4%	26.9%
<u>Publics</u>		
Bodily Injury (30/60)	-7.5%	-6.8%
Property Damage (25)	-3.0%	2.3%
Grand Total	3.1%	5.4%

The material included in this review is arranged as follows:

- Section A - Summary of Rate Level Indications
- Section B - Determination of the Statewide Rate Level Indications
- Section C - Exhibits of Revised Rates
- Section D - Supporting Exhibits
- Section E - Revision of Increased Limits Factors
- Section F - Increased Limits Experience Review
- Section G - Revision of Increased Limits Tables
- Section H - Publics Relativities

North Carolina Reinsurance Facility

Summary of Indications

	<u>Basic Limits Indications</u>	<u>Increased Limits Indications</u>	<u>Total Limits Indications</u>
<u>TRUCKS, TRACTORS, & TRAILERS</u>			
Bodily Injury	4.5%	0.7%	5.2%
Property Damage	-7.2%	5.5%	-2.1%
Total	1.1%	2.1%	3.2%
<u>PRIVATE PASSENGER TYPES</u>			
Bodily Injury	33.7%	0.5%	34.4%
Property Damage	4.0%	3.1%	7.2%
Total	22.2%	1.5%	24.0%
<u>AUTO DEALERS</u>			
Bodily Injury	6.8%	0.5%	7.3%
Property Damage	11.2%	2.4%	13.9%
Total	8.5%	1.2%	9.8%
<u>ZONE-RATED RISKS</u>			
Bodily Injury	21.2%	0.9%	22.3%
Property Damage	13.4%	11.9%	26.9%
Total	19.8%	2.9%	23.3%
<u>PUBLICS</u>			
Bodily Injury	-7.5%	0.7%	-6.8%
Property Damage	-3.0%	5.5%	2.3%
Total	-6.6%	1.7%	-5.0%
<u>OVERALL</u>			
Bodily Injury	6.1%	0.7%	6.8%
Property Damage	-4.7%	6.6%	1.6%
Total	3.1%	2.3%	5.4%

SECTION A

Summary of Rate Level Indications

North Carolina Reinsurance Facility
Automobile Liability Insurance
Rate Level Indications

	Trucks			P.P. Types			Auto Dealers			Zone Rated Risks		
	Basic Limits			Basic Limits			Basic Limits			Basic Limits		
	B.I.	P.D.	Comb.	B.I.	P.D.	Comb.	B.I.	P.D.	Comb.	B.I.	P.D.	Comb.
1. Credibility Weighted Rate Level Loss Ratio	0.818	0.714		1.078	0.814		0.804	0.843		1.033	0.960	
2. Trended Fixed Expense Ratio (a)	0.113	0.113		0.113	0.113		0.145	0.145		0.113	0.113	
3. Sum of (1) and (2)	0.931	0.827		1.191	0.927		0.949	0.988		1.146	1.073	
4. Expected Loss Ratio + Exp. Fixed Expense Ratio(b)	0.828	0.828		0.828	0.828		0.828	0.828		0.878	0.878	
5. Indicated Rate Level Change $[(3)/(4)]-1 \times 100$	12.4%	-0.1%	8.7%	43.8%	12.0%	31.5%	14.6%	19.3%	16.4%	30.5%	22.2%	29.0%
6. Indications Reflecting Investment Income (c)	4.5%	-7.2%	1.1%	33.7%	4.0%	22.2%	6.8%	11.2%	8.5%	21.2%	13.4%	19.8%

(a) Trended Fixed Expense Ratio is the sum of other acquisition expenses and general expenses multiplied by the average annual change in expenses projected for n years.

	Trucks	P.P. Types	Auto Dealers	Zone Rated
Sum of Other Acquisition Expense and General Expenses	10.3%	10.3%	13.3%	10.3%
Avg. Annual Change in Expense:	4.0%	4.0%	4.0%	4.0%
Years Projected (n)	2.25	2.25	2.25	2.25

(b) This ratio represents the percentage of the premium dollar available to cover losses, loss adjustment expenses, other acquisition costs and general expenses. It is calculated as 1.00 minus the provision for commissions, taxes, licenses and fees, and underwriting profit and contingencies (see Section D, Exhibits 4 and 8).

(c) Reflects Investment Income on Earned Premium $[(3)/(0.828 + 0.0631)]-1 \times 100$ for Trucks, Tractors, and Trailers and Private Passenger Types, and $[(3)/(0.828 + 0.0605)]-1 \times 100$ for Auto Dealers, and $[(3)/(0.878 + 0.0679)]-1 \times 100$ for Zone Rated Risks.

Investment Income (Trucks and Private Passenger Types):	6.31%
Investment Income (Auto Dealers):	6.05%
Investment Income (Zone Rated):	6.79%

SECTION B

Determination of Statewide Rate Level Indications

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE LIABILITY

DETERMINATION OF STATEWIDE RATE LEVEL CHANGES
SPLIT LIMIT LIABILITY COVERAGE

Experience - The statewide rate level indications on these exhibits were determined separately for bodily injury and property damage. For Trucks, Tractors, & Trailers, Private Passenger Types, Auto Dealers and Zone Rated Risks, the limits on which the indications are based are \$30,000 per person, subject to \$60,000 per occurrence, for bodily injury and \$25,000 per occurrence for property damage.

Premiums - The earned premiums are the premiums that would have resulted if present rates had been charged during the experience period. Therefore, they reflect fully any rate and rule changes that have occurred during and since the experience period. No trend in premium (or rate exposure) is assumed.

Losses - As described on the exhibit, unallocated loss adjustment expenses have been included with losses and allocated loss expense by use of appropriate factors. Also, the losses have been developed to an ultimate settlement basis.

Expenses - Unallocated loss adjustment expenses are trended separately from losses and then combined. Underwriting expenses are separated into fixed and variable expense and are appropriately trended.

Exhibit 1 - Trucks, Tractors, & Trailers Liability

Exhibit 2 - Private Passenger Types Liability

Exhibit 3 - Auto Dealers Liability

Exhibit 4 - Zone Rated Risks Liability

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - TRUCKS, TRACTORS, AND TRAILERS
DETERMINATION OF STATEWIDE ADVISORY RATE LEVEL CHANGES
SPLIT LIMIT LIABILITY COVERAGE
BODILY INJURY AND PROPERTY DAMAGE

Section B
Exhibit 1
Sheet 1

	(1) (30/60/25)	(2) (30/60/25)	(3) LOSS & LOSS ADJUSTMENT RATIO (2) / (1)	(4) ACCIDENT YEAR WEIGHTS	(5) NUMBER OF INCURRED CLAIMS
ACCIDENT YEARS ENDING	LIMITS EARNED PREMIUM AT PRESENT RATES (A)	LIMITS INCURRED LOSSES (B)			
BI 12/31/2020	\$28,586,067	\$22,191,450	0.776	5%	1,182
12/31/2021	31,591,185	25,376,012	0.803	10%	1,309
12/31/2022	30,284,988	21,515,643	0.710	15%	1,017
12/31/2023	28,281,675	23,285,146	0.823	25%	1,183
12/31/2024	29,803,491	25,641,105	0.860	45%	1,283
PD 12/31/2020	\$37,623,146	\$26,405,105	0.702	5%	2,851
12/31/2021	41,685,032	31,847,029	0.764	10%	3,215
12/31/2022	40,073,848	31,228,211	0.779	15%	3,086
12/31/2023	37,336,027	28,035,776	0.751	25%	3,022
12/31/2024	39,318,414	26,060,137	0.663	45%	3,046
				<u>B.I.</u>	<u>P.D.</u>
(6) WEIGHTED LOSS & LOSS ADJUSTMENT RATIO SUM OF ((3) X (4)).				0.818	0.714
(7) EXPECTED LOSS RATIO (C).				0.725	0.725
(8) ADJUSTED EXPECTED LOSS RATIO (D).				0.768	0.792
(9) CREDIBILITY (E).				1.00	1.00
(10) RATE LEVEL LOSS RATIO (WEIGHTING OF (6) & (8) BASED UPON CREDIBILITY (9)).				0.818	0.714
(A) TRUCKS EXPERIENCE IS FOR ALL THOSE VEHICLES RATED IN ACCORDANCE WITH RULE 32.					
(B) SEE SHEET 2 OF THIS EXHIBIT.					
(C) EXPECTED LOSS RATIO IS THE COMPLEMENT OF THE TOTAL EXPENSE LOADING. EXPENSE LOADINGS ARE AS FOLLOWS:					
TOTAL PRODUCTION COST:				14.8%	
GENERAL EXPENSE:				5.5%	
TAXES, LICENSES AND FEES:				2.2%	
UNDERWRITING PROFIT AND CONTINGENCIES:				5.0%	
(D) ADJUSTED EXPECTED LOSS RATIO IS LINE (7) MULTIPLIED BY THE COMBINED WEIGHTED LOSS AND EXPENSE TREND FACTOR (5.9% FOR BI, 9.2% FOR PD), PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM 1.00 YEAR BEYOND THE ASSUMED EFFECTIVE DATE OF THE LAST FILING (04/01/2025) TO ONE YEAR BEYOND THE CURRENT PROSPECTIVE EFFECTIVE DATE OF 04/01/2026. IN THIS ANALYSIS, THE PERIOD IS 1.00 YEAR.					
(E) CREDIBILITY IS BASED UPON A 5 YEAR TOTAL OF B.I. AND P.D. CLAIMS, SHOWN IN COL. (5). THE STANDARD FOR FULL CREDIBILITY IS 1084 CLAIMS.					

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - TRUCKS, TRACTORS, AND TRAILERS
DETERMINATION OF SPLIT LIMIT LOSSES

Section B
Exhibit 1
Sheet 2

	ACCIDENT YEAR ENDING	BODILY INJURY (30/60)	PROPERTY DAMAGE (25000)
1-INCURRED LOSSES AND	12/31/2020	\$14,307,290	\$13,711,339
ALLOCATED LOSS ADJUSTMENT EXPENSES	12/31/2021	16,889,376	17,977,443
	12/31/2022	14,540,883	19,028,329
	12/31/2023	15,324,667	18,271,598
	12/31/2024	13,153,066	16,862,887
2-DEVELOPED LOSSES (A) &	12/31/2020	\$14,307,290	\$13,711,339
ALLOCATED LOSS ADJUSTMENT EXPENSES	12/31/2021	17,328,500	18,067,330
	12/31/2022	15,558,745	19,351,811
	12/31/2023	17,837,912	18,984,190
	12/31/2024	20,794,997	19,274,280
3-UNTRENDED UNALLOCATED	12/31/2020	\$758,286	\$850,103
LOSS ADJUSTMENT EXPENSES (B)	12/31/2021	918,411	1,120,174
	12/31/2022	824,613	1,199,812
	12/31/2023	945,409	1,177,020
	12/31/2024	1,102,135	1,195,005
4-AVERAGE ANNUAL CHANGE IN		6.0%	9.5%
LOSS RATIOS (Section D, Exhibit 2)			
5-AVERAGE ANNUAL CHANGE IN UNALLOCATED		4.0%	4.0%
LOSS ADJUSTMENT EXPENSE (Section D, Exhibit 3)			
6-TRENDED LOSSES & LOSS	12/31/2020	\$22,191,450	\$26,405,105
ADJUSTMENT EXPENSES (C)	12/31/2021	25,376,012	31,847,029
	12/31/2022	21,515,643	31,228,211
	12/31/2023	23,285,146	28,035,776
	12/31/2024	25,641,105	26,060,137

(A) MODIFY (1) BY THE FOLLOWING LOSS DEVELOPMENT FACTORS (Section D, Exhibit 1):

YEAR ENDING	B.I.	P.D.
12/31/2020	1.000	1.000
12/31/2021	1.026	1.005
12/31/2022	1.070	1.017
12/31/2023	1.164	1.039
12/31/2024	1.581	1.143

(B) MULTIPLY (2) BY THE FOLLOWING UNALLOCATED LOSS ADJUSTMENT EXPENSE TO LOSSES AND
ALLOCATED FACTORS (Section D, Exhibit 4):

B.I.	P.D.
0.053	0.062

(C) TRENDED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE = (2) X [1.0 + (4)]**N;
TRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSE = (3) X [1.0 + (5)]**N, WHERE N
EQUALS THE NUMBER OF YEARS FROM AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND
THE PROSPECTIVE EFFECTIVE DATE OF 04/01/2026.

ACCIDENT YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD
12/31/2020	7/1/2020	6.750
12/31/2021	7/1/2021	5.750
12/31/2022	7/1/2022	4.750
12/31/2023	7/1/2023	3.750
12/31/2024	7/1/2024	2.750

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER TYPES
DETERMINATION OF STATEWIDE ADVISORY RATE LEVEL CHANGES
SPLIT LIMIT LIABILITY COVERAGE
BODILY INJURY AND PROPERTY DAMAGE

Section B
Exhibit 2
Sheet 1

	(1) (30/60/25)	(2) (30/60/25)	(3) LOSS & LOSS ADJUSTMENT RATIO <u>(2) / (1)</u>	(4) ACCIDENT YEAR WEIGHTS	(5) NUMBER OF INCURRED CLAIMS
ACCIDENT YEARS ENDING	LIMITS EARNED PREMIUM AT PRESENT RATES (A)	LIMITS INCURRED LOSSES (B)			
BI 12/31/2020	\$2,137,274	\$1,073,652	0.502	5%	114
12/31/2021	3,254,669	2,554,768	0.785	10%	206
12/31/2022	2,461,872	1,185,941	0.482	15%	119
12/31/2023	637,386	800,717	1.256	25%	73
12/31/2024	475,753	762,589	1.603	45%	45
PD 12/31/2020	\$2,870,991	\$1,298,611	0.452	5%	242
12/31/2021	4,374,999	2,994,425	0.684	10%	407
12/31/2022	3,309,432	2,258,387	0.682	15%	325
12/31/2023	857,664	839,335	0.979	25%	114
12/31/2024	640,365	535,415	0.836	45%	84
				<u>B.I.</u>	<u>P.D.</u>
(6) WEIGHTED LOSS & LOSS ADJUSTMENT RATIO SUM OF ((3) X (4)).				1.211	0.814
(7) EXPECTED LOSS RATIO (C).				0.725	0.725
(8) ADJUSTED EXPECTED LOSS RATIO (D).				0.768	0.792
(9) CREDIBILITY (E).				0.70	1.00
(10) RATE LEVEL LOSS RATIO (WEIGHTING OF (6) & (8) BASED UPON CREDIBILITY (9)).				1.078	0.814
(A) CLASS 7398.					
(B) SEE SHEET 2 OF THIS EXHIBIT.					
(C) EXPECTED LOSS RATIO IS THE COMPLEMENT OF THE TOTAL EXPENSE LOADING. EXPENSE LOADINGS ARE AS FOLLOWS:					
TOTAL PRODUCTION COST:				14.8%	
GENERAL EXPENSE:				5.5%	
TAXES, LICENSES AND FEES:				2.2%	
UNDERWRITING PROFIT AND CONTINGENCIES:				5.0%	
(D) ADJUSTED EXPECTED LOSS RATIO IS LINE (7) MULTIPLIED BY THE COMBINED WEIGHTED LOSS AND EXPENSE TREND FACTOR (5.9% FOR BI, 9.2% FOR PD), PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM 1.00 YEAR BEYOND THE ASSUMED EFFECTIVE DATE OF THE LAST FILING (04/01/2025) TO ONE YEAR BEYOND THE CURRENT PROSPECTIVE EFFECTIVE DATE OF 04/01/2026. IN THIS ANALYSIS, THE PERIOD IS 1.00 YEAR.					
(E) CREDIBILITY IS BASED UPON A 5 YEAR TOTAL OF B.I. AND P.D. CLAIMS, SHOWN IN COL. (5). THE STANDARD FOR FULL CREDIBILITY IS 1084 CLAIMS.					

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER TYPES
DETERMINATION OF SPLIT LIMIT LOSSES

Section B
Exhibit 2
Sheet 2

	ACCIDENT YEAR <u>ENDING</u>	BODILY INJURY <u>(30/60)</u>	PROPERTY DAMAGE <u>(25000)</u>
1-INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$692,206 1,744,573 849,106 548,169 448,811	\$674,328 1,698,785 1,392,537 552,868 340,204
2-DEVELOPED LOSSES (A) & ALLOCATED LOSS ADJUSTMENT EXPENSES	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$692,206 1,744,573 857,597 613,401 618,462	\$674,328 1,698,785 1,399,500 568,348 395,997
3-UNTRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSES (B)	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$36,687 92,462 45,453 32,510 32,778	\$41,808 105,325 86,769 35,238 24,552
4-AVERAGE ANNUAL CHANGE IN LOSS RATIOS (Section D, Exhibit 2)		6.0%	9.5%
5-AVERAGE ANNUAL CHANGE IN UNALLOCATED LOSS ADJUSTMENT EXPENSE (Section D, Exhibit 3)		4.0%	4.0%
6-TRENDED LOSSES & LOSS ADJUSTMENT EXPENSES (C)	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$1,073,652 2,554,768 1,185,941 800,717 762,589	\$1,298,611 2,994,425 2,258,387 839,335 535,415

(A) MODIFY (1) BY THE FOLLOWING LOSS DEVELOPMENT FACTORS (Section D, Exhibit 1):

<u>YEAR ENDING</u>	<u>B.I.</u>	<u>P.D.</u>
12/31/2020	1.000	1.000
12/31/2021	1.000	1.000
12/31/2022	1.010	1.005
12/31/2023	1.119	1.028
12/31/2024	1.378	1.164

(B) MULTIPLY (2) BY THE FOLLOWING UNALLOCATED LOSS ADJUSTMENT EXPENSE TO LOSSES AND
ALLOCATED FACTORS (Section D, Exhibit 4):

<u>B.I.</u>	<u>P.D.</u>
0.053	0.062

(C) TRENDED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE = (2) X [1.0 + (4)]**N;
TRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSE = (3) X [1.0 + (5)]**N, WHERE N
EQUALS THE NUMBER OF YEARS FROM AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND
THE PROSPECTIVE EFFECTIVE DATE OF 04/01/2026.

ACCIDENT <u>YEAR ENDING</u>	AVERAGE DATE <u>OF ACCIDENT</u>	PROJECTION <u>PERIOD</u>
12/31/2020	7/1/2020	6.750
12/31/2021	7/1/2021	5.750
12/31/2022	7/1/2022	4.750
12/31/2023	7/1/2023	3.750
12/31/2024	7/1/2024	2.750

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - AUTO DEALERS
DETERMINATION OF STATEWIDE ADVISORY RATE LEVEL CHANGES
SPLIT LIMIT LIABILITY COVERAGE
BODILY INJURY AND PROPERTY DAMAGE

Section B
Exhibit 3
Sheet 1

	(1) (30/60/25)	(2) (30/60/25)	(3) LOSS & LOSS ADJUSTMENT RATIO <u>(2) / (1)</u>	(4) POLICY YEAR WEIGHTS	(5) NUMBER OF INCURRED CLAIMS
ACCIDENT YEARS ENDING	LIMITS EARNED PREMIUM AT <u>PRESENT RATES (A)</u>	LIMITS INCURRED <u>LOSSES (B)</u>			
BI 12/31/2020	\$1,602,385	\$1,656,787	1.034	5%	68
12/31/2021	1,535,259	1,013,422	0.660	10%	58
12/31/2022	1,355,463	722,537	0.533	15%	49
12/31/2023	1,174,561	1,216,469	1.036	25%	74
12/31/2024	1,025,528	896,655	0.874	45%	54
PD 12/31/2020	\$1,894,493	\$1,334,671	0.705	5%	120
12/31/2021	1,832,698	1,634,161	0.892	10%	149
12/31/2022	1,613,614	1,346,752	0.835	15%	115
12/31/2023	1,399,280	1,294,006	0.925	25%	109
12/31/2024	1,227,006	1,012,505	0.825	45%	90
				<u>B.I.</u>	<u>P.D.</u>
(6) WEIGHTED LOSS & LOSS ADJUSTMENT RATIO SUM OF ((3) X (4)).				0.850	0.852
(7) EXPECTED LOSS RATIO (C).				0.695	0.695
(8) ADJUSTED EXPECTED LOSS RATIO (D).				0.736	0.759
(9) CREDIBILITY (E).				0.60	0.90
(10) RATE LEVEL LOSS RATIO (WEIGHTING OF (6) & (8) BASED UPON CREDIBILITY (9)).				0.804	0.843
(A) AUTO DEALERS EXPERIENCE IS FOR ALL AUTO DEALERS RISKS WRITTEN IN ACCORDANCE WITH RULE 52 OF THE COMMERCIAL AUTO MANUAL.					
(B) SEE SHEET 2 OF THIS EXHIBIT.					
(C) EXPECTED LOSS RATIO IS THE COMPLEMENT OF THE TOTAL EXPENSE LOADING. EXPENSE LOADINGS ARE AS FOLLOWS:					
TOTAL PRODUCTION COST:				14.8%	
GENERAL EXPENSE:				8.5%	
TAXES, LICENSES AND FEES:				2.2%	
UNDERWRITING PROFIT AND CONTINGENCIES:				5.0%	
(D) ADJUSTED EXPECTED LOSS RATIO IS LINE (7) MULTIPLIED BY THE COMBINED WEIGHTED LOSS AND EXPENSE TREND FACTOR (5.9% FOR BI, 9.2% FOR PD), PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM 1.00 YEAR BEYOND THE ASSUMED EFFECTIVE DATE OF THE LAST FILING (04/01/2025) TO ONE YEAR BEYOND THE CURRENT PROSPECTIVE EFFECTIVE DATE OF 04/01/2026. IN THIS ANALYSIS, THE PERIOD IS 1.00 YEAR.					
(E) CREDIBILITY IS BASED UPON A 5 YEAR TOTAL OF B.I. AND P.D. CLAIMS, SHOWN IN COL. (5). THE STANDARD FOR FULL CREDIBILITY IS 683 CLAIMS.					

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - AUTO DEALERS
DETERMINATION OF SPLIT LIMIT LOSSES

Section B
Exhibit 3
Sheet 2

	ACCIDENT YEAR <u>ENDING</u>	BODILY INJURY <u>(30/60)</u>	PROPERTY DAMAGE <u>(25000)</u>
1-INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$1,068,165 692,035 513,254 885,830 612,628	\$693,053 927,086 824,673 852,359 692,104
2-DEVELOPED LOSSES (A) & ALLOCATED LOSS ADJUSTMENT EXPENSES	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$1,068,165 692,035 522,493 931,893 727,189	\$693,053 927,086 834,569 876,225 748,857
3-UNTRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSES (B)	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$56,613 36,678 27,692 49,390 38,541	\$42,969 57,479 51,743 54,326 46,429
4-AVERAGE ANNUAL CHANGE IN LOSS RATIOS (Section D, Exhibit 2)		6.0%	9.5%
5-AVERAGE ANNUAL CHANGE IN UNALLOCATED LOSS ADJUSTMENT EXPENSE (Section D, Exhibit 3)		4.0%	4.0%
6-TRENDED LOSSES & LOSS ADJUSTMENT EXPENSES (C)	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$1,656,787 1,013,422 722,537 1,216,469 896,655	\$1,334,671 1,634,161 1,346,752 1,294,006 1,012,505

(A) MODIFY (1) BY THE FOLLOWING LOSS DEVELOPMENT FACTORS (Section D, Exhibit 1):

<u>YEAR ENDING</u>	<u>B.I.</u>	<u>P.D.</u>
12/31/2020	1.000	1.000
12/31/2021	1.000	1.000
12/31/2022	1.018	1.012
12/31/2023	1.052	1.028
12/31/2024	1.187	1.082

(B) MULTIPLY (2) BY THE FOLLOWING UNALLOCATED LOSS ADJUSTMENT EXPENSE TO LOSSES AND
ALLOCATED FACTORS (Section D, Exhibit 4):

<u>B.I.</u>	<u>P.D.</u>
0.053	0.062

(C) TRENDED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE = (2) X [1.0 + (4)]**N;
TRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSE = (3) X [1.0 + (5)]**N, WHERE N
EQUALS THE NUMBER OF YEARS FROM AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND
THE PROSPECTIVE EFFECTIVE DATE OF 04/01/2026.

ACCIDENT <u>YEAR ENDING</u>	AVERAGE DATE <u>OF ACCIDENT</u>	PROJECTION <u>PERIOD</u>
12/31/2020	7/1/2020	6.750
12/31/2021	7/1/2021	5.750
12/31/2022	7/1/2022	4.750
12/31/2023	7/1/2023	3.750
12/31/2024	7/1/2024	2.750

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - ZONE RATED
DETERMINATION OF STATEWIDE ADVISORY RATE LEVEL CHANGES
SPLIT LIMIT LIABILITY COVERAGE
BODILY INJURY AND PROPERTY DAMAGE

Section B
Exhibit 4
Sheet 1

	(1) (30/60/25)	(2) (30/60/25)	(3) LOSS & LOSS ADJUSTMENT RATIO <u>(2) / (1)</u>	(4) POLICY YEAR WEIGHTS	(5) NUMBER OF INCURRED CLAIMS
ACCIDENT YEARS ENDING	LIMITS EARNED PREMIUM AT <u>PRESENT RATES (A)</u>	LIMITS INCURRED <u>LOSSES (B)</u>			
BI 12/31/2020	\$5,956,752	\$6,111,871	1.026	5%	200
12/31/2021	7,304,516	5,256,622	0.720	10%	178
12/31/2022	5,476,403	4,952,832	0.904	15%	163
12/31/2023	3,044,589	2,678,434	0.880	25%	85
12/31/2024	2,378,219	2,930,402	1.232	45%	79
PD 12/31/2020	\$7,773,994	\$6,302,809	0.811	5%	526
12/31/2021	9,533,456	7,562,945	0.793	10%	615
12/31/2022	7,150,395	5,642,731	0.789	15%	501
12/31/2023	3,976,241	3,247,878	0.817	25%	272
12/31/2024	3,104,908	3,570,058	1.150	45%	265
				<u>B.I.</u>	<u>P.D.</u>
(6) WEIGHTED LOSS & LOSS ADJUSTMENT RATIO SUM OF ((3) X (4)).				1.033	0.960
(7) EXPECTED LOSS RATIO (C).				0.775	0.775
(8) ADJUSTED EXPECTED LOSS RATIO (D).				0.821	0.846
(9) CREDIBILITY (E).				1.00	1.00
(10) RATE LEVEL LOSS RATIO (WEIGHTING OF (6) & (8) BASED UPON CREDIBILITY (9)).				1.033	0.960
(A) ZONE RATED EXPERIENCE IS FOR ALL ZONE RATED RISKS WRITTEN IN ACCORDANCE WITH THE COMMERCIAL AUTO MANUAL.					
(B) SEE SHEET 2 OF THIS EXHIBIT.					
(C) EXPECTED LOSS RATIO IS THE COMPLEMENT OF THE TOTAL EXPENSE LOADING. EXPENSE LOADINGS ARE AS FOLLOWS:					
TOTAL PRODUCTION COST:				9.8%	
GENERAL EXPENSE:				5.5%	
TAXES, LICENSES AND FEES:				2.2%	
UNDERWRITING PROFIT AND CONTINGENCIES:				5.0%	
(D) ADJUSTED EXPECTED LOSS RATIO IS LINE (7) MULTIPLIED BY THE COMBINED WEIGHTED LOSS AND EXPENSE TREND FACTOR (5.9% FOR BI, 9.2% FOR PD), PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM 1.00 YEAR BEYOND THE ASSUMED EFFECTIVE DATE OF THE LAST FILING (04/01/2025) TO ONE YEAR BEYOND THE CURRENT PROSPECTIVE EFFECTIVE DATE OF 04/01/2026. IN THIS ANALYSIS, THE PERIOD IS 1.00 YEAR.					
(E) CREDIBILITY IS BASED UPON A 5 YEAR TOTAL OF B.I. AND P.D. CLAIMS, SHOWN IN COL. (5). THE STANDARD FOR FULL CREDIBILITY IS 683 CLAIMS.					

NORTH CAROLINA REINSURANCE FACILITY
AUTOMOBILE LIABILITY INSURANCE - ZONE RATED
DETERMINATION OF SPLIT LIMIT LOSSES

Section B
Exhibit 4
Sheet 2

	ACCIDENT YEAR <u>ENDING</u>	BODILY INJURY <u>(30/60)</u>	PROPERTY DAMAGE <u>(25000)</u>
1-INCURRED LOSSES AND ALLOATED LOSS ADJUSTMENT EXPENSES	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$3,940,450 3,454,847 3,319,345 1,718,469 1,264,129	\$3,272,850 4,286,294 3,462,123 2,086,597 2,166,073
2-DEVELOPED LOSSES (A) & ALLOATED LOSS ADJUSTMENT EXPENSES	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$3,940,450 3,589,586 3,581,573 2,051,852 2,376,563	\$3,272,850 4,290,580 3,496,744 2,199,273 2,640,443
3-UNTRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSES (B)	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$208,844 190,248 189,823 108,748 125,958	\$202,917 266,016 216,798 136,355 163,707
4-AVERAGE ANNUAL CHANGE IN LOSS RATIOS (Section D, Exhibit 2)		6.0%	9.5%
5-AVERAGE ANNUAL CHANGE IN UNALLOCATED LOSS ADJUSTMENT EXPENSE (Section D, Exhibit 3)		4.0%	4.0%
6-TRENDED LOSSES & LOSS ADJUSTMENT EXPENSES (C)	12/31/2020 12/31/2021 12/31/2022 12/31/2023 12/31/2024	\$6,111,871 5,256,622 4,952,832 2,678,434 2,930,402	\$6,302,809 7,562,945 5,642,731 3,247,878 3,570,058

(A) MODIFY (1) BY THE FOLLOWING LOSS DEVELOPMENT FACTORS (Section D, Exhibit 1):

<u>YEAR ENDING</u>	<u>B.I.</u>	<u>P.D.</u>
12/31/2020	1.000	1.000
12/31/2021	1.039	1.001
12/31/2022	1.079	1.010
12/31/2023	1.194	1.054
12/31/2024	1.880	1.219

(B) MULTIPLY (2) BY THE FOLLOWING UNALLOCATED LOSS ADJUSTMENT EXPENSE TO LOSSES AND
ALLOCATED FACTORS (Section D, Exhibit 4):

<u>B.I.</u>	<u>P.D.</u>
0.053	0.062

(C) TRENDED LOSSES AND ALLOATED LOSS ADJUSTMENT EXPENSE = (2) X [1.0 + (4)]**N;
TRENDED UNALLOCATED LOSS ADJUSTMENT EXPENSE = (3) X [1.0 + (5)]**N, WHERE N
EQUALS THE NUMBER OF YEARS FROM AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND
THE PROSPECTIVE EFFECTIVE DATE OF 04/01/2026.

ACCIDENT <u>YEAR ENDING</u>	AVERAGE DATE <u>OF ACCIDENT</u>	PROJECTION <u>PERIOD</u>
12/31/2020	7/1/2020	6.750
12/31/2021	7/1/2021	5.750
12/31/2022	7/1/2022	4.750
12/31/2023	7/1/2023	3.750
12/31/2024	7/1/2024	2.750

SECTION C

Exhibits of Revised Rates

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE LIABILITY

EXHIBITS OF REVISED RATES

Exhibit 1 - Relativities Used to Develop the Rates

Exhibit 2 - Trucks, Tractors, & Trailers and Related Classes

The revised non-fleet base rates are based upon the voluntary territory relativities that became effective on May 1, 2025. The revised fleet base rates are derived using the current approved factor of 1.10 to the revised non-fleet rates.

Exhibit 3 - Private Passenger Types

The revised non-fleet base rates are based upon the voluntary territory relativities that became effective on May 1, 2025.

Exhibit 4 - Auto Dealers

The revised non-fleet base rates are based upon the voluntary territory relativities that became effective on May 1, 2025.

Exhibit 5 - Zone Rated Risks

The indicated bodily injury and property damage changes were applied to the current Zone Rated risks base rates. These base rates became effective April 1, 2025.

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE LIABILITY

EXHIBITS OF REVISED RATES

Medical Payments

The medical payments rates are determined by multiplying the 30/60 Bodily Injury non-fleet rates by the following factors:

	<u>Limits</u>		
	<u>500</u>	<u>1000</u>	<u>2000</u>
Trucks, Tractors, & Trailers	0.292	0.350	0.384
Taxis and Limousines	0.184	0.216	0.247
School and Church Buses	0.225	0.266	0.306
Other Buses	0.133	0.155	0.175
Van Pools	0.292	0.350	0.384
Private Passenger Types	0.097	0.125	0.142

The medical payments rates for Zone Rated Risks are calculated by multiplying the bodily injury rates by a factor of .193.

Hired Cars

The rate for hired cars applies to all territories, and is determined by multiplying the current rate by the Trucks, Tractors, & Trailers statewide rate level change.

Public Automobiles

Rates for Public Automobiles are calculated as factor derivatives of the Trucks, Tractors, & Trailers non-fleet base rates. The relativities are listed below:

	<u>Differential to Base Rate</u>	
	<u>BI</u>	<u>PD</u>
Taxis and Limousines	4.84	3.41
School and Church Buses	0.77	0.45
Other Buses	5.51	3.01
Van Pools	0.82	0.82

North Carolina Reinsurance Facility
Trucks, Tractors, & Trailers - Bodily Injury
Determination of Rate Level Changes By Territory

	(1)	(2)	(3)	(4)	(5)	(6)*	(7)**
	Facility Earned Exposures	Voluntary Base Loss Cost #	Facility Base Rate	Voluntary/ Voluntary Weighted Average	Col. 4 x 394.0695	Col. 5 rounded	Base Rate Change (6)/(3)
111	405	406	334	0.892	351.510	352	5.4%
112	3,414	711	588	1.562	615.537	616	4.8%
113	1,442	517	438	1.136	447.663	448	2.3%
114	959	463	409	1.017	400.769	401	-2.0%
115	502	420	344	0.923	363.726	364	5.8%
116	3,355	600	495	1.318	519.384	519	4.8%
117	957	464	385	1.020	401.951	402	4.4%
118	442	447	383	0.982	386.976	387	1.0%
119	21	377	315	0.828	326.290	326	3.5%
120	353	505	438	1.110	437.417	437	-0.2%
121	1,964	463	392	1.017	400.769	401	2.3%
122	5,078	484	399	1.064	419.290	419	5.0%
123	16,672	392	328	0.861	339.294	339	3.4%
124	15,726	420	342	0.923	363.726	364	6.4%
SW	51,290	455.07	377.10		394.008		4.5%

Weighted average factor x percent change = new weighted average
 $377.10 \times 1.045 = 394.0695$

The loss costs presented in Column (2) are on a Combined Single Limit (CSL) basis.
That is, they provide coverage for both Bodily Injury and Property Damage.

* The rates in column (6) are keyed to a statewide revenue change of +4.5 percent.

** Column (7) is the change in the base rate by territory. It is calculated by
dividing column (6) by column (3).

North Carolina Reinsurance Facility
Trucks, Tractors, & Trailers - Property Damage
Determination of Rate Level Changes By Territory

Terr.	(1) Facility Earned Exposures	(2) Voluntary Base Loss Cost #	(3) Facility Base Rate	(4) Voluntary/ Voluntary Weighted Average	(5) Col. 4 x 462.3018	(6)* Col. 5 rounded	(7)** Base Rate Change (6)/(3)
111	405	406	441	0.892	412.373	412	-6.6%
112	3,414	711	777	1.562	722.115	722	-7.1%
113	1,442	517	579	1.136	525.175	525	-9.3%
114	959	463	540	1.017	470.161	470	-13.0%
115	502	420	455	0.923	426.705	427	-6.2%
116	3,355	600	654	1.318	609.314	609	-6.9%
117	957	464	508	1.020	471.548	472	-7.1%
118	442	447	506	0.982	453.980	454	-10.3%
119	21	377	416	0.828	382.786	383	-7.9%
120	353	505	579	1.110	513.155	513	-11.4%
121	1,964	463	518	1.017	470.161	470	-9.3%
122	5,078	484	527	1.064	491.889	492	-6.6%
123	16,672	392	434	0.861	398.042	398	-8.3%
124	15,726	420	451	0.923	426.705	427	-5.3%
SW	51,290	455.07	498.17		462.230		-7.2%

Weighted average factor x percent change = new weighted average
 $498.17 \times 0.928 = 462.3018$

The loss costs presented in Column (2) are on a Combined Single Limit (CSL) basis.
That is, they provide coverage for both Bodily Injury and Property Damage.

* The rates in column (6) are keyed to a statewide revenue change of -7.2 percent.

** Column (7) is the change in the base rate by territory. It is calculated by
dividing column (6) by column (3).

North Carolina Reinsurance Facility
Commercial Automobile Manual

LIGHT AND MEDIUM TRUCKS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	352	465	746	412	449	103	123	135
	Fleet	387	511	820	453	494			
112	Non-Fleet	616	813	1306	722	787	180	216	237
	Fleet	678	895	1437	794	865			
113	Non-Fleet	448	591	950	525	572	131	157	172
	Fleet	493	651	1045	578	630			
114	Non-Fleet	401	529	850	470	512	117	140	154
	Fleet	441	582	935	517	564			
115	Non-Fleet	364	480	772	427	465	106	127	140
	Fleet	400	528	848	470	512			
116	Non-Fleet	519	685	1100	609	664	152	182	199
	Fleet	571	754	1211	670	730			
117	Non-Fleet	402	531	852	472	514	117	141	154
	Fleet	442	583	937	519	566			
118	Non-Fleet	387	511	820	454	495	113	135	149
	Fleet	426	562	903	499	544			
119	Non-Fleet	326	430	691	383	417	95	114	125
	Fleet	359	474	761	421	459			
120	Non-Fleet	437	577	926	513	559	128	153	168
	Fleet	481	635	1020	564	615			
121	Non-Fleet	401	529	850	470	512	117	140	154
	Fleet	441	582	935	517	564			
122	Non-Fleet	419	553	888	492	536	122	147	161
	Fleet	461	609	977	541	590			
123	Non-Fleet	339	447	719	398	434	99	119	130
	Fleet	373	492	791	438	477			
124	Non-Fleet	364	480	772	427	465	106	127	140
	Fleet	400	528	848	470	512			

HIRED CAR	Bodily Injury 30/60	Property Damage 25
All Territories	\$0.59	\$0.75

North Carolina Reinsurance Facility
Commercial Automobile Manual

HEAVY TRUCKS AND TRUCK TRACTORS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	352	486	817	412	457	103	123	135
	Fleet	387	534	898	453	503			
112	Non-Fleet	616	850	1429	722	801	180	216	237
	Fleet	678	936	1573	794	881			
113	Non-Fleet	448	618	1039	525	583	131	157	172
	Fleet	493	680	1144	578	642			
114	Non-Fleet	401	553	930	470	522	117	140	154
	Fleet	441	609	1023	517	574			
115	Non-Fleet	364	502	844	427	474	106	127	140
	Fleet	400	552	928	470	522			
116	Non-Fleet	519	716	1204	609	676	152	182	199
	Fleet	571	788	1325	670	744			
117	Non-Fleet	402	555	933	472	524	117	141	154
	Fleet	442	610	1025	519	576			
118	Non-Fleet	387	534	898	454	504	113	135	149
	Fleet	426	588	988	499	554			
119	Non-Fleet	326	450	756	383	425	95	114	125
	Fleet	359	495	833	421	467			
120	Non-Fleet	437	603	1014	513	569	128	153	168
	Fleet	481	664	1116	564	626			
121	Non-Fleet	401	553	930	470	522	117	140	154
	Fleet	441	609	1023	517	574			
122	Non-Fleet	419	578	972	492	546	122	147	161
	Fleet	461	636	1070	541	601			
123	Non-Fleet	339	468	786	398	442	99	119	130
	Fleet	373	515	865	438	486			
124	Non-Fleet	364	502	844	427	474	106	127	140
	Fleet	400	552	928	470	522			

North Carolina Reinsurance Facility
Commercial Automobile Manual

EXTRA-HEAVY TRUCKS AND TRUCK-TRACTORS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	352	503	905	412	457	103	123	135
	Fleet	387	553	995	453	503			
112	Non-Fleet	616	881	1583	722	801	180	216	237
	Fleet	678	970	1742	794	881			
113	Non-Fleet	448	641	1151	525	583	131	157	172
	Fleet	493	705	1267	578	642			
114	Non-Fleet	401	573	1031	470	522	117	140	154
	Fleet	441	631	1133	517	574			
115	Non-Fleet	364	521	935	427	474	106	127	140
	Fleet	400	572	1028	470	522			
116	Non-Fleet	519	742	1334	609	676	152	182	199
	Fleet	571	817	1467	670	744			
117	Non-Fleet	402	575	1033	472	524	117	141	154
	Fleet	442	632	1136	519	576			
118	Non-Fleet	387	553	995	454	504	113	135	149
	Fleet	426	609	1095	499	554			
119	Non-Fleet	326	466	838	383	425	95	114	125
	Fleet	359	513	923	421	467			
120	Non-Fleet	437	625	1123	513	569	128	153	168
	Fleet	481	688	1236	564	626			
121	Non-Fleet	401	573	1031	470	522	117	140	154
	Fleet	441	631	1133	517	574			
122	Non-Fleet	419	599	1077	492	546	122	147	161
	Fleet	461	659	1185	541	601			
123	Non-Fleet	339	485	871	398	442	99	119	130
	Fleet	373	533	959	438	486			
124	Non-Fleet	364	521	935	427	474	106	127	140
	Fleet	400	572	1028	470	522			

North Carolina Reinsurance Facility
Commercial Automobile Manual

TAXIS AND LIMOUSINES

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	1704	2352	3698	1405	1531	314	368	421
	Fleet	1874	2586	4067	1546	1685			
112	Non-Fleet	2981	4114	6469	2462	2684	549	644	736
	Fleet	3279	4525	7115	2708	2952			
113	Non-Fleet	2168	2992	4705	1790	1951	399	468	535
	Fleet	2385	3291	5175	1969	2146			
114	Non-Fleet	1941	2679	4212	1603	1747	357	419	479
	Fleet	2135	2946	4633	1763	1922			
115	Non-Fleet	1762	2432	3824	1456	1587	324	381	435
	Fleet	1938	2674	4205	1602	1746			
116	Non-Fleet	2512	3467	5451	2077	2264	462	543	620
	Fleet	2763	3813	5996	2285	2491			
117	Non-Fleet	1946	2685	4223	1610	1755	358	420	481
	Fleet	2141	2955	4646	1771	1930			
118	Non-Fleet	1873	2585	4064	1548	1687	345	405	463
	Fleet	2060	2843	4470	1703	1856			
119	Non-Fleet	1578	2178	3424	1306	1424	290	341	390
	Fleet	1736	2396	3767	1437	1566			
120	Non-Fleet	2115	2919	4590	1749	1906	389	457	522
	Fleet	2327	3211	5050	1924	2097			
121	Non-Fleet	1941	2679	4212	1603	1747	357	419	479
	Fleet	2135	2946	4633	1763	1922			
122	Non-Fleet	2028	2799	4401	1678	1829	373	438	501
	Fleet	2231	3079	4841	1846	2012			
123	Non-Fleet	1641	2265	3561	1357	1479	302	354	405
	Fleet	1805	2491	3917	1493	1627			
124	Non-Fleet	1762	2432	3824	1456	1587	324	381	435
	Fleet	1938	2674	4205	1602	1746			

North Carolina Reinsurance Facility
Commercial Automobile Manual

SCHOOL AND CHURCH BUSES

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	271	374	588	185	202	61	72	83
	Fleet	298	411	647	204	222			
112	Non-Fleet	474	654	1029	325	354	107	126	145
	Fleet	521	719	1131	358	390			
113	Non-Fleet	345	476	749	236	257	78	92	106
	Fleet	380	524	825	260	283			
114	Non-Fleet	309	426	671	212	231	70	82	95
	Fleet	340	469	738	233	254			
115	Non-Fleet	280	386	608	192	209	63	74	86
	Fleet	308	425	668	211	230			
116	Non-Fleet	400	552	868	274	299	90	106	122
	Fleet	440	607	955	301	328			
117	Non-Fleet	310	428	673	212	231	70	82	95
	Fleet	341	471	740	233	254			
118	Non-Fleet	298	411	647	204	222	67	79	91
	Fleet	328	453	712	224	244			
119	Non-Fleet	251	346	545	172	187	56	67	77
	Fleet	276	381	599	189	206			
120	Non-Fleet	336	464	729	231	252	76	89	103
	Fleet	370	511	803	254	277			
121	Non-Fleet	309	426	671	212	231	70	82	95
	Fleet	340	469	738	233	254			
122	Non-Fleet	323	446	701	221	241	73	86	99
	Fleet	355	490	770	243	265			
123	Non-Fleet	261	360	566	179	195	59	69	80
	Fleet	287	396	623	197	215			
124	Non-Fleet	280	386	608	192	209	63	74	86
	Fleet	308	425	668	211	230			

North Carolina Reinsurance Facility
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ALL OTHER BUSES

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	1940	2677	4210	1240	1352	258	301	340
	Fleet	2134	2945	4631	1364	1487			
112	Non-Fleet	3394	4684	7365	2173	2369	451	526	594
	Fleet	3733	5152	8101	2390	2605			
113	Non-Fleet	2468	3406	5356	1580	1722	328	383	432
	Fleet	2715	3747	5892	1738	1894			
114	Non-Fleet	2210	3050	4796	1415	1542	294	343	387
	Fleet	2431	3355	5275	1557	1697			
115	Non-Fleet	2006	2768	4353	1285	1401	267	311	351
	Fleet	2207	3046	4789	1414	1541			
116	Non-Fleet	2860	3947	6206	1833	1998	380	443	501
	Fleet	3146	4341	6827	2016	2197			
117	Non-Fleet	2215	3057	4807	1421	1549	295	343	388
	Fleet	2437	3363	5288	1563	1704			
118	Non-Fleet	2132	2942	4626	1367	1490	284	330	373
	Fleet	2345	3236	5089	1504	1639			
119	Non-Fleet	1796	2478	3897	1153	1257	239	278	314
	Fleet	1976	2727	4288	1268	1382			
120	Non-Fleet	2408	3323	5225	1544	1683	320	373	421
	Fleet	2649	3656	5748	1698	1851			
121	Non-Fleet	2210	3050	4796	1415	1542	294	343	387
	Fleet	2431	3355	5275	1557	1697			
122	Non-Fleet	2309	3186	5011	1481	1614	307	358	404
	Fleet	2540	3505	5512	1629	1776			
123	Non-Fleet	1868	2578	4054	1198	1306	248	290	327
	Fleet	2055	2836	4459	1318	1437			
124	Non-Fleet	2006	2768	4353	1285	1401	267	311	351
	Fleet	2207	3046	4789	1414	1541			

North Carolina Reinsurance Facility
Commercial Automobile Manual

VAN POOLS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		30/60	50/100	100/300	25	50	500	1000	2000
111	Non-Fleet	289	399	627	338	368	84	101	111
	Fleet	318	439	690	372	405			
112	Non-Fleet	505	697	1096	592	645	147	177	194
	Fleet	556	767	1207	651	710			
113	Non-Fleet	367	506	796	431	470	107	128	141
	Fleet	404	558	877	474	517			
114	Non-Fleet	329	454	714	385	420	96	115	126
	Fleet	362	500	786	424	462			
115	Non-Fleet	298	411	647	350	382	87	104	114
	Fleet	328	453	712	385	420			
116	Non-Fleet	426	588	924	499	544	124	149	164
	Fleet	469	647	1018	549	598			
117	Non-Fleet	330	455	716	387	422	96	116	127
	Fleet	363	501	788	426	464			
118	Non-Fleet	317	437	688	372	405	93	111	122
	Fleet	349	482	757	409	446			
119	Non-Fleet	267	368	579	314	342	78	93	103
	Fleet	294	406	638	345	376			
120	Non-Fleet	358	494	777	421	459	105	125	137
	Fleet	394	544	855	463	505			
121	Non-Fleet	329	454	714	385	420	96	115	126
	Fleet	362	500	786	424	462			
122	Non-Fleet	344	475	746	403	439	100	120	132
	Fleet	378	522	820	443	483			
123	Non-Fleet	278	384	603	326	355	81	97	107
	Fleet	306	422	664	359	391			
124	Non-Fleet	298	411	647	350	382	87	104	114
	Fleet	328	453	712	385	420			

North Carolina Reinsurance Facility
Private Passenger Types - Bodily Injury
Determination of Rate Level Changes By Territory

Terr.	(1) Facility Earned Exposures	(2) Voluntary Base Loss Cost #	(3) Facility Base Rate	(4) Voluntary/ Voluntary Weighted Average	(5) Col. 4 x 881.1632	(6)* Col. 5 rounded	(7)** Base Rate Change (6)/(3)
111	0	335	606	0.938	826.531	827	36.5%
112	87	476	876	1.333	1174.591	1175	34.1%
113	18	369	690	1.034	911.123	911	32.0%
114	72	304	561	0.852	750.751	751	33.9%
115	8	354	642	0.992	874.114	874	36.1%
116	107	387	699	1.084	955.181	955	36.6%
117	10	430	790	1.204	1060.920	1061	34.3%
118	21	351	654	0.983	866.183	866	32.4%
119	0	322	593	0.902	794.809	795	34.1%
120	24	413	767	1.157	1019.506	1020	33.0%
121	14	370	679	1.036	912.885	913	34.5%
122	51	355	644	0.994	875.876	876	36.0%
123	143	319	606	0.894	787.760	788	30.0%
124	167	318	586	0.891	785.116	785	34.0%
SW	722	357.01	659.06		881.297		33.7%

Weighted average factor x percent change = new weighted average
 $659.06 \times 1.337 = 881.1632$

The loss costs presented in Column (2) are on a Combined Single Limit (CSL) basis. That is, they provide coverage for both Bodily Injury and Property Damage.

* The rates in column (6) are keyed to a statewide revenue change of +33.7 percent.

** Column (7) is the change in the base rate by territory. It is calculated by dividing column (6) by column (3).

North Carolina Reinsurance Facility
Private Passenger Types - Property Damage
Determination of Rate Level Changes By Territory

Terr.	(1) Facility Earned Exposures	(2) Voluntary Base Loss Cost #	(3) Facility Base Rate	(4) Voluntary/ Voluntary Weighted Average	(5) Col. 4 x 922.2824	(6)* Col. 5 rounded	(7)** Base Rate Change (6)/(3)
111	0	335	816	0.938	865.101	865	6.0%
112	87	476	1178	1.333	1229.402	1229	4.3%
113	18	369	928	1.034	953.640	954	2.8%
114	72	304	755	0.852	785.785	786	4.1%
115	8	354	863	0.992	914.904	915	6.0%
116	107	387	940	1.084	999.754	1000	6.4%
117	10	430	1063	1.204	1110.428	1110	4.4%
118	21	351	880	0.983	906.604	907	3.1%
119	0	322	798	0.902	831.899	832	4.3%
120	24	413	1032	1.157	1067.081	1067	3.4%
121	14	370	913	1.036	955.485	955	4.6%
122	51	355	866	0.994	916.749	917	5.9%
123	143	319	816	0.894	824.520	825	1.1%
124	167	318	789	0.891	821.754	822	4.2%
SW	722	357.01	886.81		922.420		4.0%

Weighted average factor x percent change = new weighted average
 $886.81 \times 1.040 = 922.2824$

The loss costs presented in Column (2) are on a Combined Single Limit (CSL) basis. That is, they provide coverage for both Bodily Injury and Property Damage.

* The rates in column (6) are keyed to a statewide revenue change of +4.0 percent.

** Column (7) is the change in the base rate by territory. It is calculated by dividing column (6) by column (3).

North Carolina Reinsurance Facility
Commercial Automobile Manual

PRIVATE PASSENGER TYPES

	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
	30/60	50/100	100/300	25	50	500	1000	2000
Territory								
111	827	1141	1795	865	943	80	103	117
112	1175	1622	2550	1229	1340	114	147	167
113	911	1257	1977	954	1040	88	114	129
114	751	1036	1630	786	857	73	94	107
115	874	1206	1897	915	997	85	109	124
116	955	1318	2072	1000	1090	93	119	136
117	1061	1464	2302	1110	1210	103	133	151
118	866	1195	1879	907	989	84	108	123
119	795	1097	1725	832	907	77	99	113
120	1020	1408	2213	1067	1163	99	128	145
121	913	1260	1981	955	1041	89	114	130
122	876	1209	1901	917	1000	85	110	124
123	788	1087	1710	825	899	76	99	112
124	785	1083	1703	822	896	76	98	111

North Carolina Reinsurance Facility
Auto Dealers - Bodily Injury
Determination of Rate Level Changes By Territory

Terr.	(1) Auto Dealers Earned Premium	(2) Voluntary Base Loss Cost #	(3) Facility 30/60 Base Rate	(4) Voluntary/ Voluntary Weighted Average	(5) Col. 4 x 523.5550	(6)* Col. 5 rounded	(7)** Base Rate Change (6)/(3)
111	7,935	343	437	0.891	466.488	466	6.6%
112	69,545	594	756	1.542	807.322	807	6.7%
113	27,396	450	573	1.168	611.512	612	6.8%
114	37,989	411	523	1.067	558.633	559	6.9%
115	13,219	350	445	0.909	475.911	476	7.0%
116	48,342	497	632	1.290	675.386	675	6.8%
117	28,325	383	487	0.994	520.414	520	6.8%
118	5,804	393	500	1.020	534.026	534	6.8%
119	0	301	383	0.782	409.420	409	6.8%
120	15,237	452	575	1.174	614.654	615	7.0%
121	29,412	401	510	1.041	545.021	545	6.9%
122	100,243	403	513	1.046	547.639	548	6.8%
123	324,516	343	437	0.891	466.488	466	6.6%
124	317,563	349	444	0.906	474.341	474	6.8%
SW	1,025,528	385.14	490.22		523.547		6.8%

Weighted average factor x percent change = new weighted average
 $490.22 \times 1.068 = 523.5550$

The loss costs presented in Column (2) are on a Combined Single Limit (CSL) basis.
That is, they provide coverage for both Bodily Injury and Property Damage.

* The rates in column (6) are keyed to a statewide revenue change of +6.8 percent.

** Column (7) is the change in the base rate by territory. It is calculated by dividing column (6) by column (3).

North Carolina Reinsurance Facility
Auto Dealers - Property Damage
Determination of Rate Level Changes By Territory

Terr.	(1) Auto Dealers Earned Premium	(2) Voluntary Base Loss Cost #	(3) Facility 25,000 Base Rate	(4) Voluntary/ Voluntary Weighted Average	(5) Col. 4 x 648.6074	(6)* Col. 5 rounded	(7)** Base Rate Change (6)/(3)
111	9,442	343	520	0.890	577.261	577	11.0%
112	82,867	594	899	1.542	1000.153	1000	11.2%
113	32,560	450	681	1.168	757.573	758	11.3%
114	45,925	411	622	1.067	692.064	692	11.3%
115	16,023	350	530	0.909	589.584	590	11.3%
116	59,695	497	752	1.290	836.704	837	11.3%
117	33,734	383	580	0.994	644.716	645	11.2%
118	6,249	393	595	1.020	661.580	662	11.3%
119	0	301	456	0.781	506.562	507	11.2%
120	18,152	452	685	1.173	760.816	761	11.1%
121	36,188	401	607	1.041	675.200	675	11.2%
122	118,210	403	610	1.046	678.443	678	11.1%
123	389,454	343	520	0.890	577.261	577	11.0%
124	378,506	349	528	0.906	587.638	588	11.4%
SW	1,227,006	385.23	583.28		648.523		11.2%

Weighted average factor x percent change = new weighted average
 $583.28 \times 1.112 = 648.6074$

The loss costs presented in Column (2) are on a Combined Single Limit (CSL) basis.
That is, they provide coverage for both Bodily Injury and Property Damage.

* The rates in column (6) are keyed to a statewide revenue change of +11.2 percent.

** Column (7) is the change in the base rate by territory. It is calculated by dividing column (6) by column (3).

North Carolina Reinsurance Facility
Commercial Automobile Manual

Auto Dealers

		Bodily Injury Limit			Property Damage Limit	
		30/60	50/100	100/300	25	50
Territory	Class					
111	Dealers	466	643	1011	577	629
112	Dealers	807	1114	1751	1000	1090
113	Dealers	612	845	1328	758	826
114	Dealers	559	771	1213	692	754
115	Dealers	476	657	1033	590	643
116	Dealers	675	932	1465	837	912
117	Dealers	520	718	1128	645	703
118	Dealers	534	737	1159	662	722
119	Dealers	409	564	888	507	553
120	Dealers	615	849	1335	761	829
121	Dealers	545	752	1183	675	736
122	Dealers	548	756	1189	678	739
123	Dealers	466	643	1011	577	629
124	Dealers	474	654	1029	588	641

TRUCKS

Zone Rating Table-Garaged in North Carolina
Zone 05 (Charlotte) CombinationsSection C
Exhibit 5
Sheet 1

Zone	Liability Non Fleet		Zone	Liability Non Fleet		Zone	Liability Non Fleet		Zone	Liability Non Fleet	
01 Atlanta	2069	BI	13 Houston	2071	BI	25 New Orleans	2096	BI	37 Tulsa	2071	BI
	2527	PD		2530	PD		2560	PD		2530	PD
	399	MP		400	MP		405	MP		400	MP
	**201			**213			**225			**237	
02 Balt.- Wash.	2041	BI	14 Indian- apolis	1794	BI	26 N.Y. City	2041	BI	40 Pacific	2372	BI
	2492	PD		2191	PD		2492	PD		2897	PD
	394	MP		346	MP		394	MP		458	MP
	**202			**214			**226			**240	
03 Boston	2181	BI	15 Jackson- ville	2069	BI	27 Okla.- City	2071	BI	41 Mountain	2632	BI
	2664	PD		2527	PD		2530	PD		3214	PD
	421	MP		399	MP		400	MP		508	MP
	**203			**215			**227			**241	
04 Buffalo	2041	BI	16 Kansas City	2134	BI	28 Omaha	2134	BI	42 Midwest	2190	BI
	2492	PD		2605	PD		2605	PD		2673	PD
	394	MP		412	MP		412	MP		423	MP
	**204			**216			**228			**242	
05 Char- lotte	2069	BI	17 Little Rock	2071	BI	29 Phoenix	2564	BI	43 South- west	2126	BI
	2527	PD		2530	PD		3131	PD		2596	PD
	399	MP		400	MP		495	MP		410	MP
	**205			**217			**229			**243	
06 Chicago	1794	BI	18 Los Angeles	2311	BI	30 Phila- delphia	2041	BI	44 North- Central	1841	BI
	2191	PD		2822	PD		2492	PD		2248	PD
	346	MP		446	MP		394	MP		355	MP
	**206			**218			**230			**244	
07 Cincin- nati	1794	BI	19 Louis- ville	1999	BI	31 Pitts- burgh	2041	BI	45 Mideast	2051	BI
	2191	PD		2442	PD		2492	PD		2506	PD
	346	MP		386	MP		394	MP		396	MP
	**207			**219			**231			**245	
08 Cleve- land	1794	BI	20 Memphis	1999	BI	32 Portland	2311	BI	46 Gulf	2151	BI
	2191	PD		2442	PD		2822	PD		2628	PD
	346	MP		386	MP		446	MP		415	MP
	**208			**220			**232			**246	
09 Dallas Ft. Worth	2071	BI	21 Miami	2069	BI	33 Richmond	2069	BI	47 South- east	2124	BI
	2530	PD		2527	PD		2527	PD		2594	PD
	400	MP		399	MP		399	MP		410	MP
	**209			**221			**233			**247	
10 Denver	2564	BI	22 Mil- waukee	2134	BI	34 St. Louis	2134	BI	48 Eastern	2094	BI
	3131	PD		2605	PD		2605	PD		2557	PD
	495	MP		412	MP		412	MP		404	MP
	**210			**222			**234			**248	
11 Detroit	1794	BI	23 Minn.- St. Paul	2134	BI	35 Salt Lake City	2564	BI	49 New England	2239	BI
	2191	PD		2605	PD		3131	PD		2734	PD
	346	MP		412	MP		495	MP		432	MP
	**211			**223			**235			**249	
12 Hart- ford	2181	BI	24 Nash- ville	1999	BI	36 San Francisco	2311	BI			
	2664	PD		2442	PD		2822	PD			
	421	MP		386	MP		446	MP			
	**212			**224			**236				

TRUCKS

Zone Rating Table-Garaged in North Carolina
Zone 47 (Southeast) CombinationsSection C
Exhibit 5
Sheet 2

Zone	Liability Non Fleet		Zone	Liability Non Fleet		Zone	Liability Non Fleet		Zone	Liability Non Fleet	
01 Atlanta	2124	BI	13 Houston	2126	BI	25 New Orleans	2151	BI	37 Tulsa	2126	BI
	2594	PD		2596	PD		2628	PD		2596	PD
	410	MP		410	MP		415	MP		410	MP
	**901			**913			**925			**937	
02 Balt.- Wash.	2094	BI	14 Indian- apolis	1841	BI	26 N.Y. City	2094	BI	40 Pacific	2433	BI
	2557	PD		2248	PD		2557	PD		2971	PD
	404	MP		355	MP		404	MP		470	MP
	**902			**914			**926			**940	
03 Boston	2239	BI	15 Jackson- ville	2124	BI	27 Okla.- City	2126	BI	41 Mountain	2699	BI
	2734	PD		2594	PD		2596	PD		3296	PD
	432	MP		410	MP		410	MP		521	MP
	**903			**915			**927			**941	
04 Buffalo	2094	BI	16 Kansas City	2190	BI	28 Omaha	2190	BI	42 Midwest	2246	BI
	2557	PD		2673	PD		2673	PD		2742	PD
	404	MP		423	MP		423	MP		433	MP
	**904			**916			**928			**942	
05 Char- lotte	2124	BI	17 Little Rock	2126	BI	29 Phoenix	2632	BI	43 South- west	2180	BI
	2594	PD		2596	PD		3214	PD		2663	PD
	410	MP		410	MP		508	MP		421	MP
	**905			**917			**929			**943	
06 Chicago	1841	BI	18 Los Angeles	2372	BI	30 Phila- delphia	2094	BI	44 North- Central	1888	BI
	2248	PD		2897	PD		2557	PD		2306	PD
	355	MP		458	MP		404	MP		364	MP
	**906			**918			**930			**944	
07 Cincin- nati	1841	BI	19 Louis- ville	2051	BI	31 Pitts- burgh	2094	BI	45 Mideast	2104	BI
	2248	PD		2506	PD		2557	PD		2570	PD
	355	MP		396	MP		404	MP		406	MP
	**907			**919			**931			**945	
08 Cleve- land	1841	BI	20 Memphis	2051	BI	32 Portland	2372	BI	46 Gulf	2206	BI
	2248	PD		2506	PD		2897	PD		2695	PD
	355	MP		396	MP		458	MP		426	MP
	**908			**920			**932			**946	
09 Dallas Ft. Worth	2126	BI	21 Miami	2124	BI	33 Richmond	2124	BI	47 South- east	2178	BI
	2596	PD		2594	PD		2594	PD		2660	PD
	410	MP		410	MP		410	MP		420	MP
	**909			**921			**933			**947	
10 Denver	2632	BI	22 Mil- waukee	2190	BI	34 St. Louis	2190	BI	48 Eastern	2148	BI
	3214	PD		2673	PD		2673	PD		2623	PD
	508	MP		423	MP		423	MP		415	MP
	**910			**922			**934			**948	
11 Detroit	1841	BI	23 Minn.- St. Paul	2190	BI	35 Salt Lake City	2632	BI	49 New England	2296	BI
	2248	PD		2673	PD		3214	PD		2804	PD
	355	MP		423	MP		508	MP		443	MP
	**911			**923			**935			**949	
12 Hart- ford	2239	BI	24 Nash- ville	2051	BI	36 San Francisco	2372	BI			
	2734	PD		2506	PD		2897	PD			
	432	MP		396	MP		458	MP			
	**912			**924			**936				

ZONE RATING TABLE—GARAGED IN STATES OTHER THAN NORTH CAROLINA

Region		40	41	42	43	44	45	46	47	48	49
40	BI	3,190	3,471	2,346	3,395	2,727	2,584	3,247	3,208	3,969	2,596
	PD	4,042	4,398	2,973	4,301	3,454	3,274	4,112	4,065	5,027	3,288
	MP	702	764	516	747	600	569	714	706	873	571
41	BI	3,471	1,887	2,561	2,612	3,035	2,898	3,477	3,849	3,262	2,528
	PD	4,398	2,393	3,246	3,309	3,845	3,671	4,405	4,877	4,130	3,202
	MP	764	415	563	575	668	638	765	847	718	556
42	BI	2,346	2,561	1,764	2,058	2,286	2,425	2,922	3,085	2,831	3,190
	PD	2,973	3,246	2,232	2,607	2,896	3,071	3,700	3,907	3,587	4,042
	MP	516	563	388	453	503	534	643	679	623	702
43	BI	3,395	2,612	2,058	2,220	2,769	2,458	3,246	3,035	3,920	2,179
	PD	4,301	3,309	2,607	2,812	3,508	3,113	4,111	3,845	4,965	2,761
	MP	747	575	453	489	609	541	714	668	862	479
44	BI	2,727	3,035	2,286	2,769	2,240	2,599	2,759	2,593	2,580	2,862
	PD	3,454	3,845	2,896	3,508	2,838	3,293	3,493	3,285	3,269	3,623
	MP	600	668	503	609	493	572	607	570	568	630
45	BI	2,584	2,898	2,425	2,458	2,599	2,952	2,806	2,937	2,822	2,489
	PD	3,274	3,671	3,071	3,113	3,293	3,741	3,554	3,718	3,574	3,154
	MP	569	638	534	541	572	650	617	646	621	548
46	BI	3,247	3,477	2,922	3,246	2,759	2,806	3,441	3,166	3,409	2,988
	PD	4,112	4,405	3,700	4,111	3,493	3,554	4,360	4,011	4,318	3,784
	MP	714	765	643	714	607	617	757	697	750	657
47	BI	3,208	3,849	3,085	3,035	2,593	2,937	3,166	2,943	3,024	3,127
	PD	4,065	4,877	3,907	3,845	3,285	3,718	4,011	3,729	3,830	3,961
	MP	706	847	679	668	570	646	697	647	665	688
48	BI	3,969	3,262	2,831	3,920	2,580	2,822	3,409	3,024	2,896	2,691
	PD	5,027	4,130	3,587	4,965	3,269	3,574	4,318	3,830	3,667	3,409
	MP	873	718	623	862	568	621	750	665	637	592
49	BI	2,596	2,528	3,190	2,179	2,862	2,489	2,988	3,127	2,691	2,694
	PD	3,288	3,202	4,042	2,761	3,623	3,154	3,784	3,961	3,409	3,413
	MP	571	556	702	479	630	548	657	688	592	593

SECTION D

Supporting Exhibits

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE LIABILITY

EXHIBITS OF REVISED RATES

Exhibit 1 - Loss Development Factors

Both 30/60/25 limit and total limits loss development factors based on North Carolina Facility data are shown in this exhibit.

Exhibit 2 - Trend in Claim Severity and Claim Frequency

The historical average annual change in claim costs for both Bodily Injury and Property Damage coverages are displayed for North Carolina voluntary experience and a credibility-weighted mix of multistate and North Carolina only data. Prospective average annual changes for claim cost (severity trend) were selected based on the review of both 12 and 24 point fits. Prospective average annual changes for claim frequency have been selected based on multistate, North Carolina voluntary, and NCRF data. Combining the selected claim cost trends with the selected frequency trends results in the selected Bodily Injury and Property Damage pure premium trends used to adjust the losses to a prospective level.

Exhibit 3 - Trend in Expense

Exhibit 4 - Expense Experience

Exhibit 5 - Tables of Credibility and Weights

Exhibit 6 - Investment Income

Exhibit 7 - Adjusted and Unadjusted Experience

Exhibit 8 - Contingency Factor

North Carolina Facility Data
Bodily Injury Basic Limit Loss Development
Trucks, Tractors, and Trailer Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 1

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	4,521,627	8,159,885	10,224,107	11,026,159	11,666,302
12/31/2017	8,145,356	10,662,380	12,432,776	13,131,527	13,520,472
12/31/2018	8,933,550	12,251,162	13,342,156	13,836,001	14,766,775
12/31/2019	9,051,909	11,276,163	12,125,441	13,101,821	12,841,791
12/31/2020	8,916,463	11,947,024	13,692,821	13,896,714	14,307,290
12/31/2021	11,502,650	15,543,083	16,341,699	16,889,376	
12/31/2022	9,603,186	13,625,980	14,540,883		
12/31/2023	11,743,842	15,324,667			
12/31/2024	13,153,066				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	1.805	1.253	1.078	1.058	
12/31/2017	1.309	1.166	1.056	1.030	
12/31/2018	1.371	1.089	1.037	1.067	
12/31/2019	1.246	1.075	1.081	0.980	
12/31/2020	1.340	1.146	1.015	1.030	
12/31/2021	1.351	1.051	1.034		
12/31/2022	1.419	1.067			
12/31/2023	1.305				
Average of the latest 3 years	1.358	1.088	1.043	1.026	
Selection	1.358	1.088	1.043	1.026	1.000
To Ultimate	1.581	1.164	1.070	1.026	1.000

North Carolina Facility Data
Property Damage Basic Limit Loss Development
Trucks, Tractors, and Trailer Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 2

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	9,258,516	10,503,158	10,959,259	11,364,726	11,537,232
12/31/2017	11,859,775	13,102,357	13,725,572	13,969,182	14,219,398
12/31/2018	12,666,647	14,052,358	14,544,414	14,913,558	15,098,092
12/31/2019	12,765,284	13,689,419	14,174,909	14,401,214	14,424,264
12/31/2020	12,193,268	13,209,729	13,585,284	13,702,373	13,711,339
12/31/2021	15,698,746	17,489,976	17,780,617	17,977,443	
12/31/2022	16,824,884	18,655,963	19,028,329		
12/31/2023	16,970,923	18,271,598			
12/31/2024	16,862,887				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	1.134	1.043	1.037	1.015	
12/31/2017	1.105	1.048	1.018	1.018	
12/31/2018	1.109	1.035	1.025	1.012	
12/31/2019	1.072	1.035	1.016	1.002	
12/31/2020	1.083	1.028	1.009	1.001	
12/31/2021	1.114	1.017	1.011		
12/31/2022	1.109	1.020			
12/31/2023	1.077				
Average of the latest 3 years	1.100	1.022	1.012	1.005	
Selection	1.100	1.022	1.012	1.005	1.000
To Ultimate	1.143	1.039	1.017	1.005	1.000

North Carolina Facility Data
Bodily Injury Total Limits Loss Development
Trucks, Tractors, and Trailer Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 3

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	9,569,803	22,465,015	28,770,777	32,072,772	35,511,607
12/31/2017	17,275,151	24,722,982	32,564,850	35,472,738	38,746,257
12/31/2018	19,301,352	34,993,538	39,933,630	43,848,638	44,790,414
12/31/2019	17,348,475	25,304,382	30,734,878	36,317,500	37,354,766
12/31/2020	22,832,441	36,629,758	41,245,824	48,910,269	50,457,349
12/31/2021	23,213,367	33,700,676	44,226,677	49,340,242	
12/31/2022	19,943,422	37,326,358	45,056,793		
12/31/2023	25,019,309	34,363,513			
12/31/2024	27,107,058				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	2.347	1.281	1.115	1.107	
12/31/2017	1.431	1.317	1.089	1.092	
12/31/2018	1.813	1.141	1.098	1.021	
12/31/2019	1.459	1.215	1.182	1.029	
12/31/2020	1.604	1.126	1.186	1.032	
12/31/2021	1.452	1.312	1.116		
12/31/2022	1.872	1.207			
12/31/2023	1.373				
Average of the latest 3 years	1.566	1.215	1.161	1.027	
Selection	1.566	1.215	1.161	1.027	1.020
To Ultimate	2.316	1.479	1.217	1.048	1.020

North Carolina Facility Data
Property Damage Total Limits Loss Development
Trucks, Tractors, and Trailer Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 4

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	12,587,860	14,487,259	14,973,900	15,523,784	15,897,067
12/31/2017	14,533,508	16,735,129	17,612,713	18,213,842	18,459,433
12/31/2018	14,127,180	15,850,848	16,656,639	16,960,766	17,268,278
12/31/2019	14,079,279	15,411,156	15,871,015	16,230,000	16,286,427
12/31/2020	13,971,794	15,991,109	16,451,231	16,603,536	16,621,103
12/31/2021	18,528,708	21,214,900	21,477,337	22,354,566	
12/31/2022	21,083,611	23,876,955	24,273,108		
12/31/2023	20,455,783	22,756,193			
12/31/2024	20,553,340				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	1.151	1.034	1.037	1.024	
12/31/2017	1.151	1.052	1.034	1.013	
12/31/2018	1.122	1.051	1.018	1.018	
12/31/2019	1.095	1.030	1.023	1.003	
12/31/2020	1.145	1.029	1.009	1.001	
12/31/2021	1.145	1.012	1.041		
12/31/2022	1.132	1.017			
12/31/2023	1.112				
Average of the latest 3 years	1.130	1.019	1.024	1.008	
Selection	1.130	1.019	1.024	1.008	1.000
To Ultimate	1.189	1.052	1.032	1.008	1.000

North Carolina Facility Data
 Bodily Injury Basic Limit Loss Development
 Private Passenger Types Incurred Losses and Expenses

Section D
 Exhibit 1
 Sheet 5

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	11,151	54,091	71,140	101,140	101,140
12/31/2017	111,275	170,626	211,685	212,486	212,486
12/31/2018	434,084	511,108	541,242	523,331	523,331
12/31/2019	614,578	697,656	770,075	776,924	747,949
12/31/2020	511,116	566,856	683,189	689,346	692,206
12/31/2021	1,227,754	1,640,765	1,725,605	1,744,573	
12/31/2022	633,579	795,761	849,106		
12/31/2023	497,289	548,169			
12/31/2024	448,811				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	4.851	1.315	1.422	1.000	
12/31/2017	1.533	1.241	1.004	1.000	
12/31/2018	1.177	1.059	0.967	1.000	
12/31/2019	1.135	1.104	1.009	0.963	
12/31/2020	1.109	1.205	1.009	1.004	
12/31/2021	1.336	1.052	1.011		
12/31/2022	1.256	1.067			
12/31/2023	1.102				
Average of the latest 3 years	1.232	1.108	1.010	0.989	
Selection	1.232	1.108	1.010	1.000	1.000
To Ultimate	1.378	1.119	1.010	1.000	1.000

North Carolina Facility Data
Property Damage Basic Limit Loss Development
Private Passenger Types Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 6

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	107,309	108,295	108,295	108,295	108,545
12/31/2017	222,901	226,273	226,273	226,623	226,623
12/31/2018	342,232	372,593	375,229	376,254	376,254
12/31/2019	500,520	543,709	543,245	543,693	543,693
12/31/2020	632,410	674,328	674,328	674,328	674,328
12/31/2021	1,330,715	1,622,145	1,673,785	1,698,785	
12/31/2022	1,219,408	1,344,057	1,392,537		
12/31/2023	514,625	552,868			
12/31/2024	340,204				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	1.009	1.000	1.000	1.002	
12/31/2017	1.015	1.000	1.002	1.000	
12/31/2018	1.089	1.007	1.003	1.000	
12/31/2019	1.086	0.999	1.001	1.000	
12/31/2020	1.066	1.000	1.000	1.000	
12/31/2021	1.219	1.032	1.015		
12/31/2022	1.102	1.036			
12/31/2023	1.074				
Average of the latest 3 years	1.132	1.023	1.005	1.000	
Selection	1.132	1.023	1.005	1.000	1.000
To Ultimate	1.164	1.028	1.005	1.000	1.000

North Carolina Facility Data
Bodily Injury Total Limits Loss Development
Private Passenger Types Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 7

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	11,151	54,091	71,140	147,888	147,888
12/31/2017	131,275	285,626	351,685	352,486	352,486
12/31/2018	467,084	577,108	607,242	589,331	589,331
12/31/2019	901,622	1,012,844	1,110,263	1,117,112	1,088,137
12/31/2020	511,116	566,856	703,189	709,346	712,206
12/31/2021	1,678,754	2,262,028	2,919,189	3,043,901	
12/31/2022	635,049	828,711	882,056		
12/31/2023	690,881	774,156			
12/31/2024	622,261				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	4.851	1.315	2.079	1.000	
12/31/2017	2.176	1.231	1.002	1.000	
12/31/2018	1.236	1.052	0.971	1.000	
12/31/2019	1.123	1.096	1.006	0.974	
12/31/2020	1.109	1.241	1.009	1.004	
12/31/2021	1.347	1.291	1.043		
12/31/2022	1.305	1.064			
12/31/2023	1.121				
Average of the latest 3 years	1.258	1.198	1.019	0.993	
Selection	1.258	1.198	1.019	1.000	1.000
To Ultimate	1.536	1.221	1.019	1.000	1.000

North Carolina Facility Data
Property Damage Total Limits Loss Development
Private Passenger Types Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 8

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS 75 MONTHS

12/31/2016	179,659	178,724	178,724	178,724	178,974
12/31/2017	237,968	241,340	241,340	241,690	241,690
12/31/2018	342,232	372,593	375,229	376,254	376,254
12/31/2019	500,520	543,709	543,245	543,693	543,693
12/31/2020	666,118	708,036	708,036	708,036	708,036
12/31/2021	1,351,474	1,669,223	1,722,543	1,754,181	
12/31/2022	1,224,586	1,349,235	1,397,715		
12/31/2023	541,486	572,176			
12/31/2024	365,204				

ACC YR ENDED	27:15	39:27	51:39	63:51	75:63
12/31/2016	0.995	1.000	1.000	1.001	
12/31/2017	1.014	1.000	1.001	1.000	
12/31/2018	1.089	1.007	1.003	1.000	
12/31/2019	1.086	0.999	1.001	1.000	
12/31/2020	1.063	1.000	1.000	1.000	
12/31/2021	1.235	1.032	1.018		
12/31/2022	1.102	1.036			
12/31/2023	1.057				
Average of the latest 3 years	1.131	1.023	1.006	1.000	
Selection	1.131	1.023	1.006	1.000	1.000
To Ultimate	1.164	1.029	1.006	1.000	1.000

North Carolina Facility Data
Bodily Injury Basic Limit Loss Development
Auto Dealers Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 9

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	640,127	812,019	808,567	811,856	930,899
12/31/2017	520,920	610,841	639,688	646,148	646,148
12/31/2018	567,243	716,825	715,675	716,990	716,990
12/31/2019	599,482	716,251	762,209	730,386	728,270
12/31/2020	790,065	924,014	1,032,282	1,093,282	1,068,165
12/31/2021	582,070	641,427	666,763	692,035	
12/31/2022	513,430	544,267	513,254		
12/31/2023	724,167	885,830			
12/31/2024	612,628				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	1.269	0.996	1.004	1.147	
12/31/2017	1.173	1.047	1.010	1.000	
12/31/2018	1.264	0.998	1.002	1.000	
12/31/2019	1.195	1.064	0.958	0.997	
12/31/2020	1.170	1.117	1.059	0.977	
12/31/2021	1.102	1.039	1.038		
12/31/2022	1.060	0.943			
12/31/2023	1.223				
Average of the latest 3 years	1.128	1.033	1.018	0.991	
Selection	1.128	1.033	1.018	1.000	1.000
To Ultimate	1.187	1.052	1.018	1.000	1.000

North Carolina Facility Data
Property Damage Basic Limit Loss Development
Auto Dealers Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 10

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	987,074	946,238	974,147	960,147	960,147
12/31/2017	746,105	774,104	773,929	780,329	780,329
12/31/2018	636,561	676,616	680,427	676,927	676,927
12/31/2019	622,502	609,648	616,820	616,464	616,464
12/31/2020	706,360	690,944	693,053	693,053	693,053
12/31/2021	831,836	858,443	893,869	927,086	
12/31/2022	776,275	822,394	824,673		
12/31/2023	799,752	852,359			
12/31/2024	692,104				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	0.959	1.029	0.986	1.000	
12/31/2017	1.038	1.000	1.008	1.000	
12/31/2018	1.063	1.006	0.995	1.000	
12/31/2019	0.979	1.012	0.999	1.000	
12/31/2020	0.978	1.003	1.000	1.000	
12/31/2021	1.032	1.041	1.037		
12/31/2022	1.059	1.003			
12/31/2023	1.066				
Average of the latest 3 years	1.052	1.016	1.012	1.000	
Selection	1.052	1.016	1.012	1.000	1.000
To Ultimate	1.082	1.028	1.012	1.000	1.000

North Carolina Facility Data
Bodily Injury Total Limits Loss Development
Auto Dealers Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 11

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	730,127	918,519	845,067	848,356	1,042,799
12/31/2017	598,120	1,016,541	956,398	962,858	962,858
12/31/2018	653,194	933,128	943,978	945,293	945,293
12/31/2019	619,482	727,291	793,249	776,426	774,310
12/31/2020	1,017,107	1,230,247	1,334,824	1,412,483	1,387,366
12/31/2021	722,070	891,607	866,943	892,215	
12/31/2022	513,430	653,528	622,515		
12/31/2023	739,167	970,830			
12/31/2024	632,649				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	1.258	0.920	1.004	1.229	
12/31/2017	1.700	0.941	1.007	1.000	
12/31/2018	1.429	1.012	1.001	1.000	
12/31/2019	1.174	1.091	0.979	0.997	
12/31/2020	1.210	1.085	1.058	0.982	
12/31/2021	1.235	0.972	1.029		
12/31/2022	1.273	0.953			
12/31/2023	1.313				
Average of the latest 3 years	1.274	1.003	1.022	0.993	
Selection	1.274	1.003	1.022	1.000	1.000
To Ultimate	1.306	1.025	1.022	1.000	1.000

North Carolina Facility Data
Property Damage Total Limits Loss Development
Auto Dealers Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 12

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	990,285	948,572	976,481	962,481	962,481
12/31/2017	747,683	781,376	783,201	789,601	789,601
12/31/2018	662,699	702,754	706,565	703,065	703,065
12/31/2019	637,446	624,592	631,764	631,408	631,408
12/31/2020	711,845	696,429	698,538	698,538	698,538
12/31/2021	893,840	918,795	954,221	988,560	
12/31/2022	800,732	847,212	849,491		
12/31/2023	865,270	920,894			
12/31/2024	724,490				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	0.958	1.029	0.986	1.000	
12/31/2017	1.045	1.002	1.008	1.000	
12/31/2018	1.060	1.005	0.995	1.000	
12/31/2019	0.980	1.011	0.999	1.000	
12/31/2020	0.978	1.003	1.000	1.000	
12/31/2021	1.028	1.039	1.036		
12/31/2022	1.058	1.003			
12/31/2023	1.064				
Average of the latest 3 years	1.050	1.015	1.012	1.000	
Selection	1.050	1.015	1.012	1.000	1.000
To Ultimate	1.078	1.027	1.012	1.000	1.000

North Carolina Facility Data
Bodily Injury Basic Limit Loss Development
Zone Rated Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 13

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	689,897	1,860,437	2,452,773	2,866,970	2,896,367
12/31/2017	2,695,063	3,475,442	3,886,492	3,889,402	3,950,401
12/31/2018	3,247,759	4,455,590	5,074,819	4,926,688	5,461,379
12/31/2019	2,539,073	3,669,657	4,103,753	4,305,224	4,155,522
12/31/2020	2,217,349	3,295,318	3,704,123	3,776,809	3,940,450
12/31/2021	1,999,506	3,048,631	3,303,650	3,454,847	
12/31/2022	1,920,816	2,981,245	3,319,345		
12/31/2023	1,043,379	1,718,469			
12/31/2024	1,264,129				

ACC YR ENDED 27:15 39:27 51:39 63:51

12/31/2016	2.697	1.318	1.169	1.010
12/31/2017	1.290	1.118	1.001	1.016
12/31/2018	1.372	1.139	0.971	1.109
12/31/2019	1.445	1.118	1.049	0.965
12/31/2020	1.486	1.124	1.020	1.043
12/31/2021	1.525	1.084	1.046	
12/31/2022	1.552	1.113		
12/31/2023	1.647			

Average of the latest 3 years	1.575	1.107	1.038	1.039	
Selection	1.575	1.107	1.038	1.039	1.000
To Ultimate	1.880	1.194	1.079	1.039	1.000

North Carolina Facility Data
Property Damage Basic Limit Loss Development
Zone Rated Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 14

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	2,885,659	3,149,618	3,217,752	3,237,743	3,250,303
12/31/2017	3,357,569	3,673,587	3,675,055	3,685,537	3,679,725
12/31/2018	4,309,227	4,722,601	4,727,105	4,705,029	4,714,484
12/31/2019	4,288,480	4,556,134	4,624,138	4,662,648	4,664,419
12/31/2020	2,901,411	3,161,806	3,219,155	3,266,243	3,272,850
12/31/2021	3,326,239	3,957,316	4,270,216	4,286,294	
12/31/2022	2,925,872	3,347,514	3,462,123		
12/31/2023	1,837,808	2,086,597			
12/31/2024	2,166,073				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	1.091	1.022	1.006	1.004	
12/31/2017	1.094	1.000	1.003	0.998	
12/31/2018	1.096	1.001	0.995	1.002	
12/31/2019	1.062	1.015	1.008	1.000	
12/31/2020	1.090	1.018	1.015	1.002	
12/31/2021	1.190	1.079	1.004		
12/31/2022	1.144	1.034			
12/31/2023	1.135				
Average of the latest 3 years	1.156	1.044	1.009	1.001	
Selection	1.156	1.044	1.009	1.001	1.000
To Ultimate	1.219	1.054	1.010	1.001	1.000

North Carolina Facility Data
Bodily Injury Total Limits Loss Development
Zone Rated Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 15

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	1,634,966	6,434,200	9,306,298	12,195,514	12,960,639
12/31/2017	4,777,987	9,552,325	12,177,330	12,448,602	12,967,997
12/31/2018	9,249,841	15,554,549	19,395,967	23,086,908	25,459,936
12/31/2019	3,520,935	8,944,555	10,079,561	13,177,686	13,719,460
12/31/2020	6,602,863	12,279,085	16,188,088	19,804,123	22,214,626
12/31/2021	5,325,746	10,017,453	14,121,787	15,788,243	
12/31/2022	6,693,922	10,635,820	15,445,360		
12/31/2023	4,125,772	6,560,868			
12/31/2024	3,443,529				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	3.935	1.446	1.310	1.063	
12/31/2017	1.999	1.275	1.022	1.042	
12/31/2018	1.682	1.247	1.190	1.103	
12/31/2019	2.540	1.127	1.307	1.041	
12/31/2020	1.860	1.318	1.223	1.122	
12/31/2021	1.881	1.410	1.118		
12/31/2022	1.589	1.452			
12/31/2023	1.590				
Average of the latest 3 years	1.687	1.393	1.216	1.089	
Selection	1.687	1.393	1.216	1.089	1.020
To Ultimate	3.173	1.881	1.350	1.110	1.020

North Carolina Facility Data
Property Damage Total Limits Loss Development
Zone Rated Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 16

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	3,117,236	3,419,218	3,558,808	3,635,808	3,703,368
12/31/2017	3,883,529	4,460,894	5,142,985	5,310,190	5,310,190
12/31/2018	5,208,403	5,584,175	5,594,465	5,656,509	5,672,877
12/31/2019	4,790,903	5,182,573	5,303,962	5,336,878	5,338,649
12/31/2020	3,422,823	3,817,706	3,935,810	3,915,074	4,039,136
12/31/2021	3,719,454	4,617,399	5,256,924	5,315,650	
12/31/2022	3,792,526	4,422,321	4,579,192		
12/31/2023	2,265,279	2,763,532			
12/31/2024	3,905,506				

ACC YR ENDED

27:15

39:27

51:39

63:51

12/31/2016	1.097	1.041	1.022	1.019
12/31/2017	1.149	1.153	1.033	1.000
12/31/2018	1.072	1.002	1.011	1.003
12/31/2019	1.082	1.023	1.006	1.000
12/31/2020	1.115	1.031	0.995	1.032
12/31/2021	1.241	1.139	1.011	
12/31/2022	1.166	1.035		
12/31/2023	1.220			

Average of the latest 3 years
Selection

1.209

1.068

1.004

1.012

1.000

1.209

1.068

1.004

1.012

To Ultimate

1.312

1.085

1.016

1.012

1.000

North Carolina Facility Data
Bodily Injury Basic Limit Loss Development
Publics and Buses Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 17

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	1,641,504	2,169,124	2,479,509	2,551,570	2,639,535
12/31/2017	1,721,076	2,189,133	2,261,753	2,429,164	2,745,986
12/31/2018	1,984,920	2,378,108	2,754,193	3,154,257	3,144,274
12/31/2019	1,802,843	2,279,798	2,671,153	2,702,532	2,712,080
12/31/2020	976,466	1,266,732	1,264,983	1,319,309	1,307,574
12/31/2021	1,114,257	1,487,974	1,764,768	1,830,374	
12/31/2022	1,502,631	1,875,591	1,998,605		
12/31/2023	1,214,246	1,711,927			
12/31/2024	2,184,501				

ACC YR ENDED

27:15

39:27

51:39

63:51

12/31/2016	1.321	1.143	1.029	1.034
12/31/2017	1.272	1.033	1.074	1.130
12/31/2018	1.198	1.158	1.145	0.997
12/31/2019	1.265	1.172	1.012	1.004
12/31/2020	1.297	0.999	1.043	0.991
12/31/2021	1.335	1.186	1.037	
12/31/2022	1.248	1.066		
12/31/2023	1.410			

Average of the latest 3 years

1.331

1.083

1.031

0.997

Selection

1.331

1.083

1.031

1.000

1.000

To Ultimate

1.487

1.117

1.031

1.000

1.000

North Carolina Facility Data
Property Damage Basic Limit Loss Development
Publics and Buses Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 18

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	1,761,704	2,007,347	2,095,745	2,107,175	2,124,949
12/31/2017	1,697,867	1,824,746	1,853,521	1,907,437	1,924,615
12/31/2018	1,386,887	1,477,489	1,532,138	1,572,082	1,578,546
12/31/2019	1,068,984	1,150,279	1,210,500	1,219,692	1,228,064
12/31/2020	613,427	702,788	716,344	720,837	720,902
12/31/2021	996,579	1,213,184	1,213,797	1,214,547	
12/31/2022	1,460,835	1,547,460	1,538,453		
12/31/2023	1,223,603	1,265,473			
12/31/2024	1,488,513				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	1.139	1.044	1.005	1.008	
12/31/2017	1.075	1.016	1.029	1.009	
12/31/2018	1.065	1.037	1.026	1.004	
12/31/2019	1.076	1.052	1.008	1.007	
12/31/2020	1.146	1.019	1.006	1.000	
12/31/2021	1.217	1.001	1.001		
12/31/2022	1.059	0.994			
12/31/2023	1.034				
Average of the latest 3 years	1.104	1.005	1.005	1.004	
Selection	1.104	1.005	1.005	1.004	1.000
To Ultimate	1.119	1.014	1.009	1.004	1.000

North Carolina Facility Data
Bodily Injury Total Limits Loss Development
Publics and Buses Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 19

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	2,303,145	4,359,844	5,874,841	5,724,272	6,218,684
12/31/2017	2,392,434	4,944,260	6,031,033	6,351,325	7,989,525
12/31/2018	2,540,224	3,992,117	6,092,929	8,074,765	8,191,089
12/31/2019	3,284,217	4,902,124	7,839,047	7,860,440	8,641,263
12/31/2020	1,579,473	3,232,343	3,341,969	3,468,516	3,384,560
12/31/2021	4,171,475	4,677,912	5,186,723	6,402,305	
12/31/2022	2,679,539	3,748,058	5,558,152		
12/31/2023	1,889,056	3,465,923			
12/31/2024	5,900,151				

ACC YR ENDED

27:15

39:27

51:39

63:51

12/31/2016	1.893	1.347	0.974	1.086
12/31/2017	2.067	1.220	1.053	1.258
12/31/2018	1.572	1.526	1.325	1.014
12/31/2019	1.493	1.599	1.003	1.099
12/31/2020	2.046	1.034	1.038	0.976
12/31/2021	1.121	1.109	1.234	
12/31/2022	1.399	1.483		
12/31/2023	1.835			

Average of the latest 3 years
Selection

1.452

1.209

1.092

1.030

1.020

To Ultimate

2.011

1.385

1.146

1.050

1.020

North Carolina Facility Data
Property Damage Total Limits Loss Development
Publics and Buses Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 20

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	1,799,122	2,136,575	2,224,973	2,236,403	2,254,177
12/31/2017	1,768,977	1,895,856	1,924,631	2,007,828	2,103,229
12/31/2018	1,431,135	1,537,235	1,623,155	1,741,322	1,747,786
12/31/2019	1,089,514	1,170,809	1,309,390	1,318,582	1,326,954
12/31/2020	618,441	786,869	796,746	804,528	804,528
12/31/2021	1,188,972	1,473,602	1,474,215	1,474,965	
12/31/2022	1,607,536	1,682,159	1,673,152		
12/31/2023	1,289,262	1,325,320			
12/31/2024	1,694,531				

ACC YR ENDED 27:15 39:27 51:39 63:51

12/31/2016	1.188	1.041	1.005	1.008
12/31/2017	1.072	1.015	1.043	1.048
12/31/2018	1.074	1.056	1.073	1.004
12/31/2019	1.075	1.118	1.007	1.006
12/31/2020	1.272	1.013	1.010	1.000
12/31/2021	1.239	1.000	1.001	
12/31/2022	1.046	0.995		
12/31/2023	1.028			

Average of the latest 3 years	1.105	1.003	1.006	1.003	
Selection	1.105	1.003	1.006	1.003	1.000
To Ultimate	1.118	1.012	1.009	1.003	1.000

North Carolina Facility Data
 Bodily Injury Basic Limit Loss Development
 Miscellaneous Incurred Losses and Expenses

Section D
 Exhibit 1
 Sheet 21

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	189,689	415,284	453,752	615,137	872,632
12/31/2017	817,205	677,903	752,157	1,015,123	1,121,031
12/31/2018	95,761	198,440	457,235	568,237	568,237
12/31/2019	154,511	312,706	428,606	428,606	428,606
12/31/2020	429,624	904,693	1,096,365	1,126,365	1,103,910
12/31/2021	444,509	700,918	700,918	700,918	
12/31/2022	308,330	404,952	437,452		
12/31/2023	258,521	264,501			
12/31/2024	143,429				

ACC YR ENDED 27:15 39:27 51:39 63:51

12/31/2016	2.189	1.093	1.356	1.419
12/31/2017	0.830	1.110	1.350	1.104
12/31/2018	2.072	2.304	1.243	1.000
12/31/2019	2.024	1.371	1.000	1.000
12/31/2020	2.106	1.212	1.027	0.980
12/31/2021	1.577	1.000	1.000	
12/31/2022	1.313	1.080		
12/31/2023	1.023			

Average of the latest 3 years	1.304	1.097	1.009	0.993	
Selection	1.304	1.097	1.009	1.000	1.000
To Ultimate	1.444	1.107	1.009	1.000	1.000

North Carolina Facility Data
Property Damage Basic Limit Loss Development
Miscellaneous Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 22

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	309,637	362,511	385,496	392,100	394,398
12/31/2017	398,294	417,948	433,571	438,614	444,770
12/31/2018	279,727	301,919	313,812	322,468	326,156
12/31/2019	219,988	227,864	232,446	236,134	236,134
12/31/2020	382,202	413,687	417,936	418,056	418,056
12/31/2021	270,836	311,019	307,655	307,655	
12/31/2022	240,650	241,948	241,948		
12/31/2023	143,265	157,268			
12/31/2024	100,097				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	1.171	1.063	1.017	1.006	
12/31/2017	1.049	1.037	1.012	1.014	
12/31/2018	1.079	1.039	1.028	1.011	
12/31/2019	1.036	1.020	1.016	1.000	
12/31/2020	1.082	1.010	1.000	1.000	
12/31/2021	1.148	0.989	1.000		
12/31/2022	1.005	1.000			
12/31/2023	1.098				
Average of the latest 3 years	1.084	1.000	1.005	1.004	
Selection	1.084	1.000	1.005	1.004	1.000
To Ultimate	1.094	1.009	1.009	1.004	1.000

North Carolina Facility Data
Bodily Injury Total Limits Loss Development
Miscellaneous Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 23

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	574,985	985,080	1,833,548	2,008,408	2,874,238
12/31/2017	1,120,415	949,049	1,106,657	1,893,788	2,515,199
12/31/2018	135,761	308,940	1,180,769	1,802,068	1,802,405
12/31/2019	154,511	436,045	1,095,341	1,095,341	1,095,341
12/31/2020	574,624	2,905,793	3,202,518	3,356,331	3,193,330
12/31/2021	1,991,018	2,251,658	2,251,658	2,251,658	
12/31/2022	308,330	444,952	569,334		
12/31/2023	873,527	627,686			
12/31/2024	633,429				

ACC YR ENDED 27:15 39:27 51:39 63:51

12/31/2016	1.713	1.861	1.095	1.431
12/31/2017	0.847	1.166	1.711	1.328
12/31/2018	2.276	3.822	1.526	1.000
12/31/2019	2.822	2.512	1.000	1.000
12/31/2020	5.057	1.102	1.048	0.951
12/31/2021	1.131	1.000	1.000	
12/31/2022	1.443	1.280		
12/31/2023	0.719			

Average of the latest 3 years	1.098	1.127	1.016	0.984	
Selection	1.098	1.127	1.016	1.000	1.000
To Ultimate	1.257	1.145	1.016	1.000	1.000

North Carolina Facility Data
Property Damage Total Limits Loss Development
Miscellaneous Incurred Losses and Expenses

Section D
Exhibit 1
Sheet 24

ACC YR ENDED 15 MONTHS 27 MONTHS 39 MONTHS 51 MONTHS 63 MONTHS

12/31/2016	400,976	556,606	579,591	586,195	588,493
12/31/2017	524,050	543,453	559,076	564,119	570,275
12/31/2018	323,626	346,818	358,711	367,367	371,055
12/31/2019	238,976	246,852	251,434	255,122	255,122
12/31/2020	421,874	441,983	446,232	446,352	446,352
12/31/2021	284,198	324,471	321,107	321,107	
12/31/2022	264,620	265,918	265,918		
12/31/2023	159,972	178,392			
12/31/2024	117,801				

ACC YR ENDED	27:15	39:27	51:39	63:51	
12/31/2016	1.388	1.041	1.011	1.004	
12/31/2017	1.037	1.029	1.009	1.011	
12/31/2018	1.072	1.034	1.024	1.010	
12/31/2019	1.033	1.019	1.015	1.000	
12/31/2020	1.048	1.010	1.000	1.000	
12/31/2021	1.142	0.990	1.000		
12/31/2022	1.005	1.000			
12/31/2023	1.115				
Average of the latest 3 years	1.087	1.000	1.005	1.003	
Selection	1.087	1.000	1.005	1.003	1.000
To Ultimate	1.096	1.008	1.008	1.003	1.000

Commercial Auto Liability
NORTH CAROLINA

BODILY INJURY TREND FACTORS

PAID DATA THROUGH 9/30/2024

\$30,000

12 Point - Paid Weighted Severity	3.2%
24 Point - Paid Weighted Severity	4.5%
12 Point - Paid NC only Severity	4.8%
24 Point - Paid NC only Severity	6.1%

Selected Severity Trend Factor	6.0%
--------------------------------	------

INCURRED DATA THROUGH 6/30/2024

Selected Frequency Trend Factor	0.0%
---------------------------------	------

Selected Combined Trend Factor	6.0%
--------------------------------	------

PAID DATA THROUGH 9/30/2024

Total Limits

12 Point - Paid Weighted Severity	9.1%
24 Point - Paid Weighted Severity	11.1%
12 Point - Paid NC only Severity	5.4%
24 Point - Paid NC only Severity	12.9%

Selected Severity Trend Factor	12.0%
--------------------------------	-------

INCURRED DATA THROUGH 6/30/2024

Selected Frequency Trend Factor	0.0%
---------------------------------	------

Selected Combined Trend Factor	12.0%
--------------------------------	-------

Commercial Auto Liability
NORTH CAROLINA

PROPERTY DAMAGE TREND FACTORS

PAID DATA THROUGH 9/30/2024

\$30,000

12 Point - Paid Weighted Severity	9.3%
24 Point - Paid Weighted Severity	9.6%
12 Point - Paid NC only Severity	8.5%
24 Point - Paid NC only Severity	10.0%

Selected Severity Trend Factor	9.5%
--------------------------------	------

INCURRED DATA THROUGH 6/30/2024

Selected Frequency Trend Factor	0.0%
---------------------------------	------

Selected Combined Trend Factor	9.5%
--------------------------------	------

PAID DATA THROUGH 9/30/2024

Total Limits

12 Point - Paid Weighted Severity	10.0%
24 Point - Paid Weighted Severity	10.6%
12 Point - Paid NC only Severity	9.8%
24 Point - Paid NC only Severity	11.4%

Selected Severity Trend Factor	11.0%
--------------------------------	-------

INCURRED DATA THROUGH 6/30/2024

Selected Frequency Trend Factor	0.0%
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Selected Combined Trend Factor	11.0%
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COMMERCIAL AUTO LIABILITY
DETERMINATION OF FACTORS TO ADJUST ACCIDENT YEAR
LOSS RATIOS FOR SUBSEQUENT CHANGES

AVERAGE PAID CLAIM COST DATA

YEAR ENDED	NORTH CAROLINA				MULTISTATE*			
	BODILY INJURY (\$30000 LIMITS)		PROPERTY DAMAGE (\$25000 LIMITS)		BODILY INJURY (\$30000 LIMITS)		PROPERTY DAMAGE (\$25000 LIMITS)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ACTUAL	EXPONEN- TIAL FIT	ACTUAL	EXPONEN- TIAL FIT	ACTUAL	EXPONEN- TIAL FIT	ACTUAL	EXPONEN- TIAL FIT
12/31/2021	11021.96	11420.20	5408.93	5615.76	15987.53	16022.88	5292.69	5500.40
3/31/2022	11680.90	11555.99	5599.63	5731.49	16147.90	16145.78	5472.42	5626.81
6/30/2022	11595.73	11693.41	5883.39	5849.59	16183.87	16269.62	5720.06	5756.13
9/30/2022	11968.57	11832.45	6006.13	5970.13	16436.20	16394.41	5966.47	5888.41
12/31/2022	12115.08	11973.15	6196.21	6093.16	16573.27	16520.16	6194.80	6023.74
3/31/2023	12116.50	12115.52	6403.33	6218.72	16708.43	16646.88	6389.05	6162.18
6/30/2023	12558.85	12259.58	6482.18	6346.87	16852.05	16774.56	6503.08	6303.80
9/30/2023	12536.67	12405.36	6669.57	6477.66	16928.43	16903.23	6597.43	6448.67
12/31/2023	12597.84	12552.87	6682.34	6611.14	16946.29	17032.88	6642.52	6596.87
3/31/2024	12819.06	12702.13	6795.42	6747.38	17087.29	17163.53	6728.00	6748.48
6/30/2024	12752.97	12853.17	6777.63	6886.42	17308.19	17295.18	6756.64	6903.57
9/30/2024	12625.00	13006.01	6691.08	7028.32	17438.53	17427.84	6778.55	7062.23

	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>
(9) AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT)		
(A) NORTH CAROLINA	4.8%	8.5%
(B) MULTISTATE	3.1%	9.5%
(10) CREDIBILITY	0.05	0.25
(11) WEIGHTED AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COSTS { (10) * (9A) } + { (1.0 - (10)) * (9B) }	3.2%	9.3%
(12) AVERAGE ANNUAL PERCENT CHANGE IN CLAIM FREQUENCY	0.0%	0.0%
(13) AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY LOSS RATIO (11) * (12)	3.2%	9.3%

* EXCLUDES MASSACHUSETTS

COMMERCIAL AUTO LIABILITY
DETERMINATION OF FACTORS TO ADJUST ACCIDENT YEAR
LOSS RATIOS FOR SUBSEQUENT CHANGES

AVERAGE PAID CLAIM COST DATA

NORTH CAROLINA					MULTISTATE*			
YEAR ENDED	BODILY INJURY (\$30000 LIMITS)		PROPERTY DAMAGE (\$25000 LIMITS)		BODILY INJURY (\$30000 LIMITS)		PROPERTY DAMAGE (\$25000 LIMITS)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ACTUAL	EXPONEN- TIAL FIT	ACTUAL	EXPONEN- TIAL FIT	ACTUAL	EXPONEN- TIAL FIT	ACTUAL	EXPONEN- TIAL FIT
12/31/2018	9576.87	9347.66	4311.70	4086.13	13752.89	13814.81	4305.85	4170.30
3/31/2019	9809.99	9488.13	4408.44	4184.76	13978.20	13965.33	4362.32	4265.85
6/30/2019	9645.70	9630.70	4418.32	4285.77	13984.76	14117.49	4419.51	4363.58
9/30/2019	9589.39	9775.42	4363.37	4389.22	14091.27	14271.30	4475.88	4463.55
12/31/2019	9821.04	9922.31	4452.44	4495.17	14245.26	14426.79	4533.18	4565.81
3/31/2020	9414.15	10071.41	4477.01	4603.67	14335.11	14583.98	4612.65	4670.42
6/30/2020	10001.66	10222.74	4553.02	4714.79	14601.83	14742.88	4759.30	4777.42
9/30/2020	10297.46	10376.36	4652.37	4828.60	14870.03	14903.51	4838.67	4886.87
12/31/2020	10561.84	10532.28	4719.26	4945.15	15162.66	15065.88	4950.80	4998.84
3/31/2021	10886.17	10690.54	4860.05	5064.51	15460.03	15230.03	5042.20	5113.36
6/30/2021	10867.85	10851.19	4903.16	5186.76	15729.33	15395.97	5020.09	5230.51
9/30/2021	10945.03	11014.24	5155.61	5311.96	15825.30	15563.71	5158.66	5350.34
12/31/2021	11021.96	11179.75	5408.93	5440.17	15987.53	15733.29	5292.69	5472.92
3/31/2022	11680.90	11347.74	5599.63	5571.49	16147.90	15904.71	5472.42	5598.31
6/30/2022	11595.73	11518.26	5883.39	5705.97	16183.87	16077.99	5720.06	5726.57
9/30/2022	11968.57	11691.34	6006.13	5843.70	16436.20	16253.17	5966.47	5857.77
12/31/2022	12115.08	11867.02	6196.21	5984.75	16573.27	16430.25	6194.80	5991.97
3/31/2023	12116.50	12045.34	6403.33	6129.21	16708.43	16609.27	6389.05	6129.25
6/30/2023	12558.85	12226.34	6482.18	6277.16	16852.05	16790.23	6503.08	6269.68
9/30/2023	12536.67	12410.06	6669.57	6428.68	16928.43	16973.17	6597.43	6413.32
12/31/2023	12597.84	12596.54	6682.34	6583.85	16946.29	17158.1	6642.52	6560.25
3/31/2024	12819.06	12785.82	6795.42	6742.77	17087.29	17345.04	6728.00	6710.55
6/30/2024	12752.97	12977.95	6777.63	6905.53	17308.19	17534.02	6756.64	6864.29
9/30/2024	12625.00	13172.97	6691.08	7072.21	17438.53	17725.06	6778.55	7021.56

BODILY INJURY

PROPERTY DAMAGE

(9) AVERAGE ANNUAL PERCENT CHANGE IN PAID
CLAIM COST (12TH POINT / 8TH POINT)

(A) NORTH CAROLINA

6.1%

10.0%

(B) MULTISTATE

4.4%

9.5%

(10) CREDIBILITY

0.05

0.25

(11) WEIGHTED AVERAGE ANNUAL PERCENT CHANGE
IN PAID CLAIM COSTS

{ (10) * (9A) } + { (1.0 - (10)) * (9B) }

4.5%

9.6%

(12) AVERAGE ANNUAL PERCENT CHANGE IN
CLAIM FREQUENCY

0.0%

0.0%

(13) AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY
LOSS RATIO (11) * (12)

4.5%

9.6%

* EXCLUDES MASSACHUSETTS

COMMERCIAL AUTO LIABILITY
DETERMINATION OF FACTORS TO ADJUST ACCIDENT YEAR
LOSS RATIOS FOR SUBSEQUENT CHANGES

AVERAGE PAID CLAIM COST DATA

YEAR ENDED	NORTH CAROLINA				MULTISTATE*			
	BODILY INJURY		PROPERTY DAMAGE		BODILY INJURY		PROPERTY DAMAGE	
	(TOTAL LIMITS)		(TOTAL LIMITS)		(TOTAL LIMITS)		(TOTAL LIMITS)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		EXPONEN-		EXPONEN-		EXPONEN-		EXPONEN-
	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT
12/31/2021	35377.43	40453.18	5947.49	6210.77	71093.89	73406.94	6014.22	6353.70
3/31/2022	41642.77	40984.5	6188.33	6357.92	74018.88	75049.93	6260.94	6506.90
6/30/2022	45016.18	41522.79	6524.43	6508.55	77151.99	76729.69	6607.18	6663.80
9/30/2022	45208.91	42068.16	6659.49	6662.76	80508.20	78447.04	7002.33	6824.48
12/31/2022	43102.47	42620.68	7035.83	6820.61	82247.39	80202.83	7275.28	6989.03
3/31/2023	41418.77	43180.47	7249.22	6982.21	83915.14	81997.93	7502.17	7157.56
6/30/2023	44849.28	43747.60	7270.84	7147.63	84501.88	83833.19	7646.77	7330.14
9/30/2023	45896.61	44322.18	7675.67	7316.98	85150.57	85709.54	7720.46	7506.89
12/31/2023	45926.42	44904.32	7509.35	7490.33	85650.51	87627.88	7728.81	7687.90
3/31/2024	44248.01	45494.09	7758.79	7667.8	88422.12	89589.16	7813.31	7873.28
6/30/2024	42027.46	46091.61	7679.45	7849.47	91585.57	91594.33	7847.67	8063.12
9/30/2024	48290.96	46696.98	7585.88	8035.44	93716.69	93644.39	7840.43	8257.54

	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>
(9) AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT)		
(A) NORTH CAROLINA	5.4%	9.8%
(B) MULTISTATE	9.3%	10.0%
(10) CREDIBILITY	0.05	0.25
(11) WEIGHTED AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COSTS { (10) * (9A) } + { (1.0 - (10)) * (9B) }	9.1%	10.0%
(12) AVERAGE ANNUAL PERCENT CHANGE IN CLAIM FREQUENCY	0.0%	0.0%
(13) AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY LOSS RATIO (11) * (12)	9.1%	10.0%

* EXCLUDES MASSACHUSETTS

COMMERCIAL AUTO LIABILITY
DETERMINATION OF FACTORS TO ADJUST ACCIDENT YEAR
LOSS RATIOS FOR SUBSEQUENT CHANGES

AVERAGE PAID CLAIM COST DATA

NORTH CAROLINA					MULTISTATE*											
BODILY INJURY		PROPERTY DAMAGE		BODILY INJURY		PROPERTY DAMAGE										
(TOTAL LIMITS)		(TOTAL LIMITS)		(TOTAL LIMITS)		(TOTAL LIMITS)										
(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		
YEAR	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	
ENDED	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT
12/31/2018	27655.16	25167.50	4638.45	4353.31	53968.73	51834.19	4868.63	4668.36								
3/31/2019	27427.74	25941.33	4715.02	4472.29	54972.14	53209.00	4960.98	4784.65								
6/30/2019	23900.91	26738.95	4746.20	4594.52	55749.09	54620.27	5015.42	4903.84								
9/30/2019	22179.27	27561.10	4608.98	4720.10	55828.51	56068.97	5070.50	5026.00								
12/31/2019	29184.28	28408.52	4758.36	4849.10	57393.45	57556.10	5096.69	5151.20								
3/31/2020	28079.58	29282.00	4780.73	4981.63	58627.02	59082.67	5144.35	5279.52								
6/30/2020	29067.22	30182.34	4959.91	5117.79	58997.69	60649.73	5331.53	5411.03								
9/30/2020	33464.09	31110.36	5110.55	5257.67	60716.77	62258.36	5431.22	5545.83								
12/31/2020	30887.17	32066.92	5207.09	5401.37	61075.20	63909.65	5585.67	5683.98								
3/31/2021	33253.75	33052.88	5378.46	5548.99	61944.55	65604.73	5718.73	5825.57								
6/30/2021	35016.73	34069.16	5381.12	5700.65	64900.04	67344.78	5654.38	5970.69								
9/30/2021	33959.27	35116.69	5701.83	5856.46	67400.18	69130.98	5815.05	6119.42								
12/31/2021	35377.43	36196.43	5947.49	6016.52	71093.89	70964.55	6014.22	6271.86								
3/31/2022	41642.77	37309.37	6188.33	6180.96	74018.88	72846.76	6260.94	6428.09								
6/30/2022	45016.18	38456.52	6524.43	6349.90	77151.99	74778.88	6607.18	6588.22								
9/30/2022	45208.91	39638.95	6659.49	6523.45	80508.20	76762.26	7002.33	6752.34								
12/31/2022	43102.47	40857.73	7035.83	6701.75	82247.39	78798.24	7275.28	6920.54								
3/31/2023	41418.77	42113.99	7249.22	6884.91	83915.14	80888.22	7502.17	7092.94								
6/30/2023	44849.28	43408.88	7270.84	7073.09	84501.88	83033.63	7646.77	7269.63								
9/30/2023	45896.61	44743.58	7675.67	7266.40	85150.57	85235.94	7720.46	7450.72								
12/31/2023	45926.42	46119.31	7509.35	7465.00	85650.51	87496.67	7728.81	7636.32								
3/31/2024	44248.01	47537.35	7758.79	7669.03	88422.12	89817.36	7813.31	7826.55								
6/30/2024	42027.46	48998.99	7679.45	7878.64	91585.57	92199.60	7847.67	8021.51								
9/30/2024	48290.96	50505.57	7585.88	8093.97	93716.69	94645.03	7840.43	8221.33								

BODILY INJURY

PROPERTY DAMAGE

(9) AVERAGE ANNUAL PERCENT CHANGE IN PAID
CLAIM COST (12TH POINT / 8TH POINT)

(A) NORTH CAROLINA

12.9%

11.4%

(B) MULTISTATE

11.0%

10.3%

(10) CREDIBILITY

0.05

0.25

(11) WEIGHTED AVERAGE ANNUAL PERCENT CHANGE
IN PAID CLAIM COSTS

{ (10) * (9A) } + { (1.0 - (10)) * (9B) }

11.1%

10.6%

(12) AVERAGE ANNUAL PERCENT CHANGE IN
CLAIM FREQUENCY

0.0%

0.0%

(13) AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY
LOSS RATIO (11) * (12)

11.1%

10.6%

* EXCLUDES MASSACHUSETTS

LIABILITY
FREQUENCY TREND

The data underlying the claim frequency trend selections is shown on the following exhibits. The exhibits include quarterly points for Multistate, North Carolina Voluntary, and NCRF incurred frequency trends, as well as, annual changes in incurred frequency trend, for the combined experience of all commercial automobile classes that employ a common exposure base (car-years). As can be seen from the exhibits, frequency for both bodily injury and property damage has changed from year to year in an unpredictable manner. Historically, frequency trend for commercial auto liability has been quite variable, often cyclical in nature. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. Frequency trend is being selected to be 0.0% for bodily injury and 0.0% for property damage.

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

MULTISTATE*

ALL COMMERCIAL AUTOMOBILE CLASSES COMBINED#

<u>YEAR</u> <u>ENDING</u>	<u>BODILY INJURY</u> <u>ACTUAL</u>	<u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u>
9/30/2018	0.8167		2.8412	
12/31/2018	0.8146		2.8436	
3/31/2019	0.8073		2.8352	
6/30/2019	0.8039		2.8063	
9/30/2019	0.8072	-1.2%&	2.8032	-1.3%&
12/31/2019	0.8019		2.7756	
3/31/2020	0.7764		2.6594	
6/30/2020	0.6870	-14.5%	2.3732	-15.4%
9/30/2020	0.6288		2.1764	
12/31/2020	0.5730		2.0063	
3/31/2021	0.5478		1.9472	
6/30/2021	0.5965	-13.2%	2.1023	-11.4%
9/30/2021	0.6094		2.1451	
12/31/2021	0.6223		2.1737	
3/31/2022	0.6394		2.2124	
6/30/2022	0.6397	7.2%	2.2111	5.2%
9/30/2022	0.6441		2.2048	
12/31/2022	0.6548		2.2142	
3/31/2023	0.6610		2.1899	
6/30/2023	0.6702	4.8%	2.1724	-1.8%
9/30/2023	0.6685		2.1404	
12/31/2023	0.6651		2.0997	
3/31/2024	0.6565		2.0713	
6/30/2024	0.6599	-1.5%	2.0467	-5.8%

* EXCLUDES MASSACHUSETTS

CONSISTS OF THE FOLLOWING CLASSES WHICH ARE RATED ON A PER CAR BASIS:

TRUCKS, TRACTORS, AND TRAILERS, PRIVATE PASSENGER TYPES, BUSES AND PUBLICS

@ CHANGE BASED ON YEARS ENDING 6/30/XXXX

& CHANGE BASED ON YEAR ENDING 9/30/2019 DIVIDED BY 9/30/2018

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

NORTH CAROLINA*

ALL COMMERCIAL AUTOMOBILE CLASSES COMBINED#

<u>YEAR</u> <u>ENDING</u>	<u>BODILY INJURY</u> <u>ACTUAL</u>	<u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u>
9/30/2018	0.9570		2.7567	
12/31/2018	0.9074		2.7089	
3/31/2019	0.9069		2.6904	
6/30/2019	0.8955		2.6660	
9/30/2019	0.9003	-5.9%&	2.6729	-3.0%&
12/31/2019	0.9125		2.6305	
3/31/2020	0.8937		2.5743	
6/30/2020	0.7986	-10.8%	2.3565	-11.6%
9/30/2020	0.7568		2.2222	
12/31/2020	0.6754		2.0980	
3/31/2021	0.6428		1.9798	
6/30/2021	0.6782	-15.1%	2.0937	-11.2%
9/30/2021	0.6319		2.0973	
12/31/2021	0.6287		2.0666	
3/31/2022	0.6373		2.1054	
6/30/2022	0.6292	-7.2%	2.1030	0.4%
9/30/2022	0.6189		2.0489	
12/31/2022	0.6380		2.0483	
3/31/2023	0.6720		2.0520	
6/30/2023	0.6985	11.0%	2.0116	-4.3%
9/30/2023	0.7229		2.0341	
12/31/2023	0.7023		2.0666	
3/31/2024	0.6750		2.0621	
6/30/2024	0.6781	-2.9%	2.0608	2.4%

* EXCLUDES NORTH CAROLINA REINSURANCE FACILITY DATA

CONSISTS OF THE FOLLOWING CLASSES WHICH ARE RATED ON A PER CAR BASIS:

TRUCKS, TRACTORS, AND TRAILERS, PRIVATE PASSENGER TYPES, BUSES AND PUBLICS

@ CHANGE BASED ON YEARS ENDING 6/30/XXXX

& CHANGE BASED ON YEAR ENDING 9/30/2019 DIVIDED BY 9/30/2018

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

NORTH CAROLINA REINSURANCE FACILITY*

ALL COMMERCIAL AUTOMOBILE CLASSES COMBINED#

<u>YEAR</u> <u>ENDING</u>	<u>BODILY INJURY</u> <u>ACTUAL</u>	<u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL</u>	<u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u>
9/30/2018	0.7422		2.1933	
12/31/2018	1.0299		2.3151	
3/31/2019	1.2545		2.5100	
6/30/2019	1.1327		2.4094	
9/30/2019	1.2646	70.4%&	2.8186	28.5%&
12/31/2019	1.1197		3.0277	
3/31/2020	1.1524		2.9194	
6/30/2020	1.0608	-6.3%	2.8257	17.3%
9/30/2020	0.9046		2.5311	
12/31/2020	0.8904		2.3265	
3/31/2021	0.6872		2.3598	
6/30/2021	0.7814	-26.3%	2.3042	-18.5%
9/30/2021	0.9606		2.3611	
12/31/2021	0.9729		2.5085	
3/31/2022	1.1492		2.6275	
6/30/2022	1.2757	63.3%	3.0358	31.8%
9/30/2022	1.1132		3.0466	
12/31/2022	1.0557		2.7215	
3/31/2023	0.9290		2.6727	
6/30/2023	0.7119	-44.2%	2.3322	-23.2%
9/30/2023	1.1045		2.9010	
12/31/2023	1.8395		4.3771	
3/31/2024	2.5974		6.5147	
6/30/2024	1.9920	179.8%	7.9681	241.7%

* INCLUDES NORTH CAROLINA REINSURANCE FACILITY DATA ONLY

CONSISTS OF THE FOLLOWING CLASSES WHICH ARE RATED ON A PER CAR BASIS:

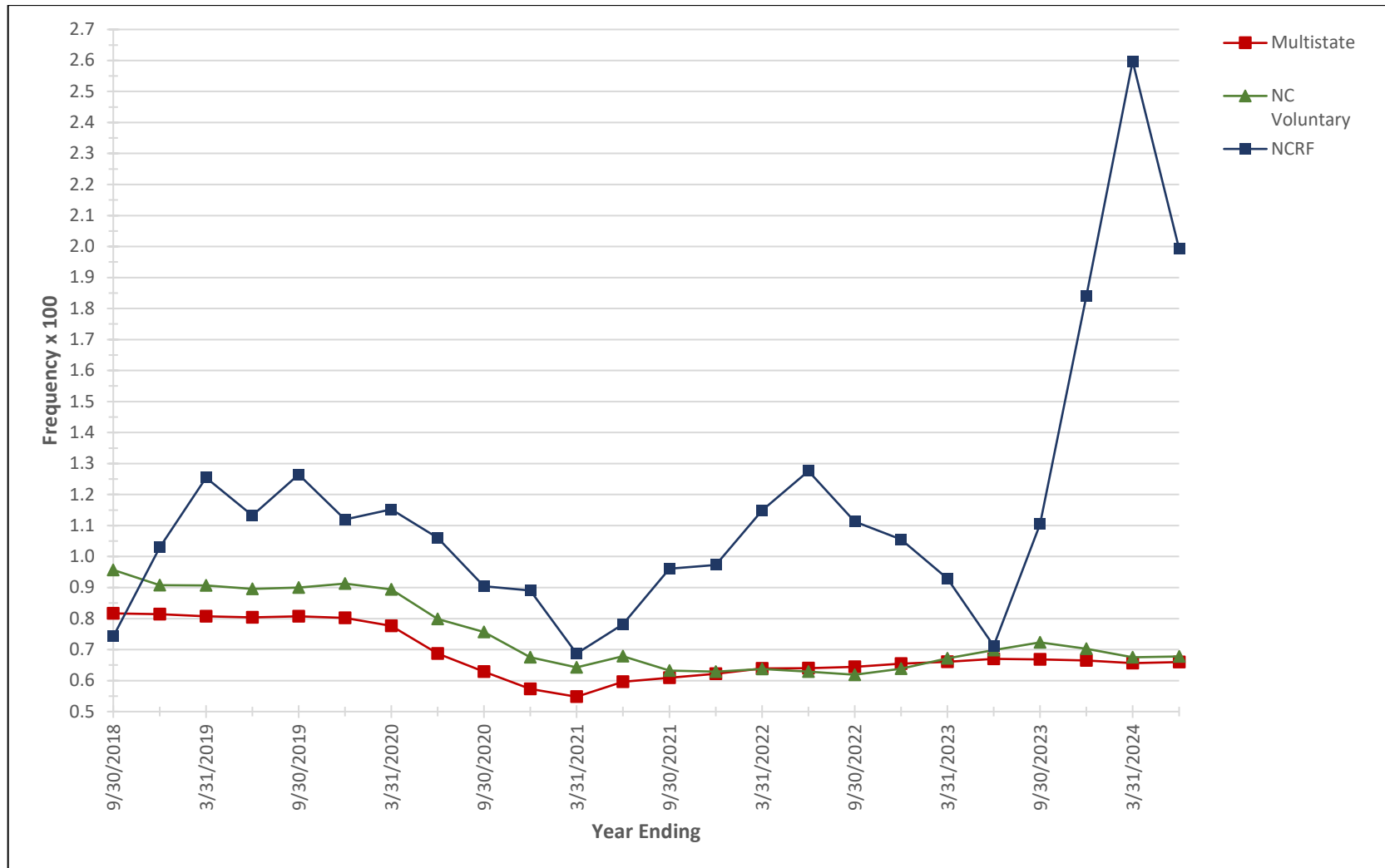
TRUCKS, TRACTORS, AND TRAILERS, PRIVATE PASSENGER TYPES, BUSES AND PUBLICS

@ CHANGE BASED ON YEARS ENDING 6/30/XXXX

& CHANGE BASED ON YEAR ENDING 9/30/2019 DIVIDED BY 9/30/2018

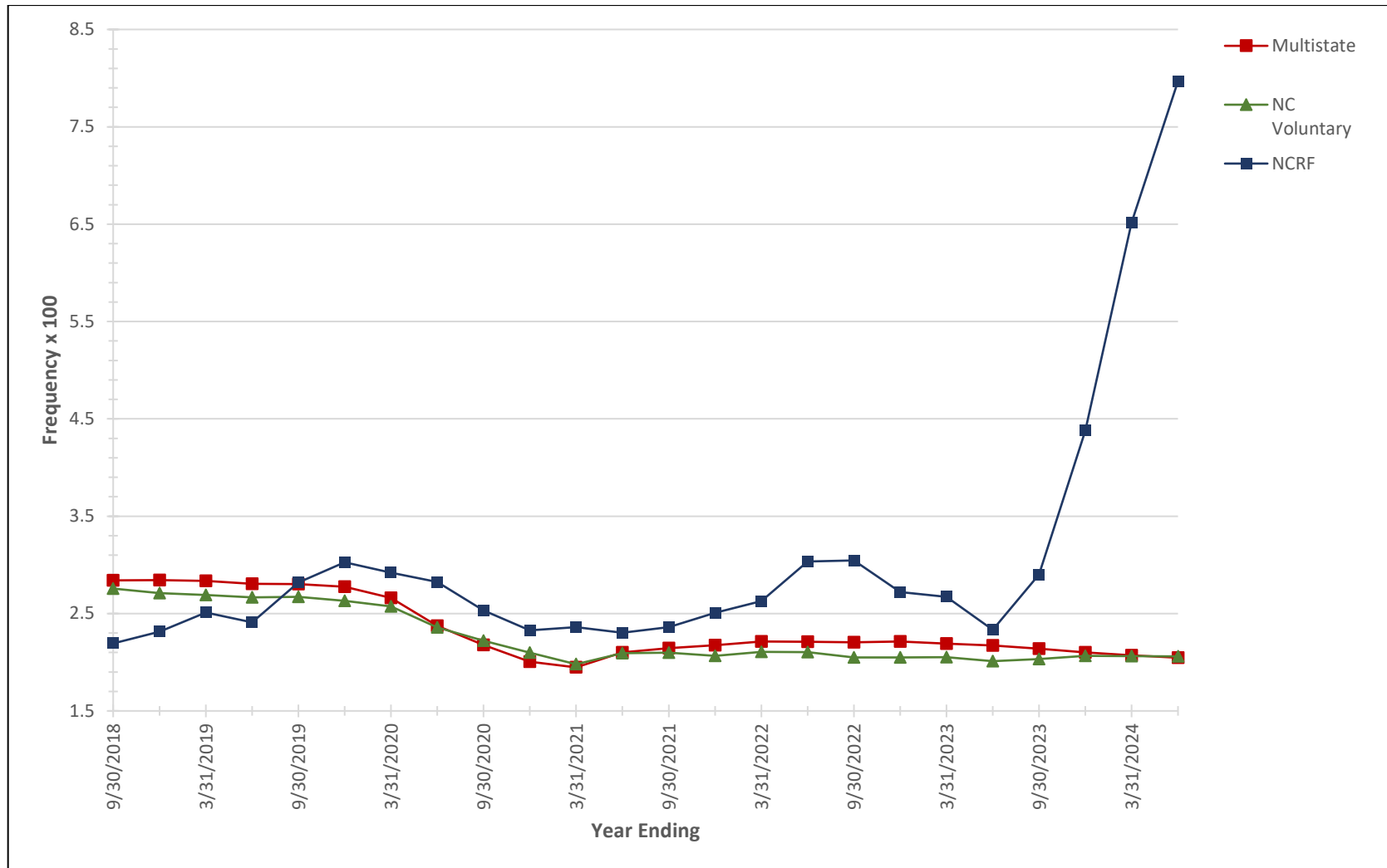
Commercial Automobile Liability
Actual BI Incurred Claim Frequency

Section D
Exhibit 2
Sheet 11



Commercial Automobile Liability
Actual PD Incurred Claim Frequency

Section D
Exhibit 2
Sheet 12



NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

Section D
Exhibit 3
Sheet 1

	<u>ALL ITEMS CPI INDEX</u>	<u>ALL ITEMS - LESS ENERGY CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Oct-20	260.4	268.7	
Nov-20	260.2	268.7	143.0
Dec-20	260.5	268.6	
Jan-21	261.6	269.2	
Feb-21	263.0	270.1	144.6
Mar-21	264.9	271.0	
Apr-21	267.1	273.1	
May-21	269.2	274.9	145.6
Jun-21	271.7	277.2	
Jul-21	273.0	278.2	
Aug-21	273.6	278.7	146.4
Sep-21	274.3	279.4	
Oct-21	276.6	281.2	
Nov-21	277.9	282.4	147.1
Dec-21	278.8	283.6	
Jan-22	281.1	285.8	
Feb-22	283.7	288.0	150.1
Mar-22	287.5	289.5	
Apr-22	289.1	291.2	
May-22	292.3	293.1	153.4
Jun-22	296.3	295.4	
Jul-22	296.3	296.7	
Aug-22	296.2	298.3	154.4
Sep-22	296.8	299.7	
Oct-22	298.0	300.8	
Nov-22	297.7	301.1	155.1
Dec-22	296.8	301.7	
Jan-23	299.2	303.6	
Feb-23	300.8	305.6	157.8
Mar-23	301.8	306.9	
Apr-23	303.4	308.2	
May-23	304.1	309.3	160.0
Jun-23	305.1	310.1	
Jul-23	305.7	310.6	
Aug-23	307.0	311.3	160.6
Sep-23	307.8	312.0	
Oct-23	307.7	312.6	
Nov-23	307.1	312.7	159.9
Dec-23	306.7	313.0	
Jan-24	308.4	314.8	
Feb-24	310.3	316.4	162.1
Mar-24	312.3	317.8	
Apr-24	313.5	318.7	
May-24	314.1	319.3	165.0
Jun-24	314.2	319.7	
Jul-24	314.5	320.0	
Aug-24	314.8	320.7	164.0
Sep-24	315.3	321.9	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

Section D
Exhibit 3
Sheet 2

	<u>All Items (A)</u>	<u>All Items - Less Energy (B)</u>	<u>CCI (C)</u>	<u>Combined</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	5.35%	5.18%	4.06%	4.66%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	4.25%	4.61%	3.89%	4.16%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.25%	3.57%	3.14%	3.27%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.42%	3.47%	3.82%	3.63%

(5) Average Annual Index (E)

Year Ended	3/31/2022	276.21	281.00	147.30
Year Ended	9/30/2022	287.72	290.41	151.25
Year Ended	3/31/2023	296.78	299.51	155.18
Year Ended	9/30/2023	302.28	306.77	158.38
Year Ended	3/31/2024	307.13	312.40	160.65
Year Ended	9/30/2024	311.58	317.30	162.75

(6) Current Cost Factor (Index Value Divided by Average Annual Index)

Year Ended	3/31/2022	1.14	1.15	1.11	1.13
Year Ended	9/30/2022	1.10	1.11	1.08	1.09
Year Ended	3/31/2023	1.06	1.07	1.06	1.06
Year Ended	9/30/2023	1.04	1.05	1.04	1.04
Year Ended	3/31/2024	1.03	1.03	1.02	1.03
Year Ended	9/30/2024	1.01	1.01	1.01	1.01

(7) Selected Expense Trend: 4.0%

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) All items less energy CPI index (urban). Source: Bureau of Labor Statistics.

(C) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.
Source: Bureau of Labor Statistics.

(D) Weighted Average determined as .25 (All items) + .25 (All items - Less Energy) + .50 (CCI)

(E) Average year ended index for period shown.

NORTH CAROLINA

Section D

EXTERNAL EXPENSE TREND SUMMARY

Exhibit 3

Sheet 3

AVERAGE ANNUAL RATES OF CHANGE

DATA ENDED SEPTEMBER 2024

ALL ITEMS CONSUMER PRICE INDEX

	STRAIGHT LINE		<u>EXPONENTIAL</u>
	<u>END POINT</u>	<u>MID POINT</u>	
48 points	4.68%	5.15%	5.35%
36 points	3.89%	4.13%	4.25%
24 points	3.10%	3.20%	3.25%
12 points	3.30%	3.36%	3.42%

ALL ITEMS - LESS ENERGY CONSUMER PRICE INDEX

	STRAIGHT LINE		<u>EXPONENTIAL</u>
	<u>END POINT</u>	<u>MID POINT</u>	
48 points	4.56%	5.01%	5.18%
36 points	4.22%	4.47%	4.61%
24 points	3.40%	3.51%	3.57%
12 points	3.35%	3.40%	3.47%

COMPENSATION COST INDEX

	STRAIGHT LINE		<u>EXPONENTIAL</u>
	<u>END POINT</u>	<u>MID POINT</u>	
16 points	3.69%	3.97%	4.06%
12 points	3.61%	3.79%	3.89%
8 points	3.00%	3.08%	3.14%
4 points	3.68%	3.74%	3.82%

NORTH CAROLINA
EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2024

Section D
Exhibit 3
Sheet 4

ALL ITEMS CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.98	0.97
36 points	0.97	0.96
24 points	0.98	0.98
12 points	0.95	0.95

ALL ITEMS - LESS ENERGY CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.99	0.99
36 points	0.99	0.98
24 points	0.99	0.99
12 points	0.98	0.98

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.97	0.97
8 points	0.94	0.94
4 points	0.87	0.87

NORTH CAROLINA COMMERCIAL AUTOMOBILE EXPENSE EXPERIENCE
Calendar Year 2024

<u>Item</u>	<u>Bodily Injury</u>	<u>Property Damage</u>	<u>Totals</u>
Premium Written	1,001,853,634	267,094,446	1,268,948,080
Premium Earned	966,653,535	250,876,066	1,217,529,601
Commission & Brokerage Expense	120,403,325	35,202,698	155,606,023
Other Acquisition Expense	47,304,229	10,996,952	58,301,181
General Expense	60,667,539	13,335,519	74,003,058
Taxes, Licenses, and Fees	22,101,219	5,390,537	27,491,756
Losses Incurred	625,329,113	178,808,909	804,138,022
Allocated Loss Adjustment Expense	44,957,341	2,639,464	47,596,805
Unallocated Loss Adjustment Expense	35,278,633	11,187,913	46,466,546

	<u>Ratios</u>
	<u>B. I. & P. D. Combined</u>
Commission & Brokerage Expense to Written Premium:	0.123 *
Other Acquisition Expense to Earned Premium:	0.048
General Expense to Earned Premium	0.061 **
Taxes, etc. to Written Premium:	0.022

	<u>B. I.</u>	<u>P. D.</u>	<u>Total</u>
Allocated Loss Adjustment Expense to Incurred Losses:	0.072	0.015	0.059
Unallocated Loss Adjustment Expense to Incurred Losses + Allocated:	0.053	0.062	0.055

* The Facility commission is capped at 10% for Trucks, Tractors, and Trailers, Private Passenger Types, and Auto Dealers. For Zone Rated risks, the Facility commission is capped at 5%.

** 0.055 is used for Trucks, Tractors, and Trailers, Private Passenger Types, and Zone Rated.
0.085 is used for Auto Dealers.

**COMMERCIAL AUTOMOBILE INSURANCE
TABLES OF CREDIBILITY AND WEIGHTS**

Section D
Exhibit 5

Credibility Tables

Credibility for Statewide Loss Ratio*

Trucks, Tractors, and Trailers and Private Passenger Types		Auto Dealers and Zone Rated Risks	
<u>Number of Claims</u>	<u>Credibility</u>	<u>Number of Claims</u>	<u>Credibility</u>
0-10	0%	0-6	0%
11-42	10	7-26	10
43-97	20	27-60	20
98-172	30	61-108	30
173-270	40	109-170	40
271-389	50	171-245	50
390-530	60	246-334	60
531-693	70	335-436	70
694-877	80	437-552	80
878-1083	90	553-682	90
1084 and greater	100	683 and greater	100

Credibility for use with Trend Data**

credibility formula = (# claims)/(#claims + K),

where K = 25,000 for Bodily Injury and 10,000 for Property Damage

Accident Year and/or Policy Year Weights

The loss and loss adjustment expense ratios are weighted as follows:

<u>Year Ending</u>	<u>Weights</u>
12/31/2020	0.05
12/31/2021	0.10
12/31/2022	0.15
12/31/2023	0.25
12/31/2024	0.45

* These credibility standards are based on the first model discussed in "An Introduction to Credibility Theory" by L.H. Longley-Cook. The full credibility standard for Trucks and Private Passenger Types is based on P and K values of 90% and 5% respectively. For Auto Dealers and Zone Rated Risks, the P and K values are 95% and 7.5% respectively.

** These trend credibility standards are based on a Bayesian model which expresses credibility in terms of the observed number of claims and a constant K. The model measures the variation in the trend points between states compared to the variation on a countrywide basis.

Section D
Exhibit 6

In setting the rates, income from investment earnings from assets attributable to unearned premium and loss reserves was considered.

COMMERCIAL AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGE

Section D
Exhibit 6
Sheet 1

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

TRUCKS, TRACTORS, AND TRAILERS AND PRIVATE PASSENGER TYPES

A.	Unearned Premium Reserve	
1.	Earned Premium for Calendar Year Ending 12/31/2024	<u>\$146,608,537</u>
2.	Mean Unearned Premium Reserve: (1) x 0.456	<u>66,853,493</u>
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage Expense	10.00%
	83% of Taxes, Licenses and Fees	1.83%
	50% of Other Acquisition Expense	2.40%
	50% of Company Operating Expense	2.75%
	Total	16.98%
4.	(2) x (3)	<u>11,351,723</u>
5.	Net Subject to Investment (2) - (4)	<u>55,501,770</u>
B.	Delayed Remission of Premium (Agents' Balances)	
1.	Direct Earned Premium (A-1)	<u>146,608,537</u>
2.	Average Agents' Balance	0.208
3.	Delayed Remission (1) x (2)	<u>30,494,576</u>
C.	Loss Reserve	
1.	Direct Earned Premium (A-1)	<u>146,608,537</u>
2.	Expected Incurred Losses and Loss Adjustment Expenses (1) x 0.725	<u>106,291,189</u>
3.	Expected Mean Loss Reserves (2) x 1.793	<u>190,580,102</u>
D.	Net Subject to Investment (A-5) - (B-3) + (C-3)	<u>215,587,296</u>
E.	Average Rate of Return	<u>4.29%</u>
F.	Investment Earnings on Net Subject to Investment (D) x (E)	<u>9,248,695</u>
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	<u>6.31%</u>

COMMERCIAL AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGE

Section D
Exhibit 6
Sheet 2

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

AUTO DEALERS

A. Unearned Premium Reserve

1. Earned Premium for Calendar Year Ending 12/31/2024	<u>\$146,608,537</u>
2. Mean Unearned Premium Reserve: (1) x 0.456	<u>66,853,493</u>
3. Deduction for Prepaid Expenses	
Commission and Brokerage Expense	10.00%
83% of Taxes, Licenses and Fees	1.83%
50% of Other Acquisition Expense	2.40%
50% of Company Operating Expense	<u>4.25%</u>
Total	18.48%
4. (2) x (3)	<u>12,354,526</u>
5. Net Subject to Investment (2) - (4)	<u>54,498,967</u>

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	<u>146,608,537</u>
2. Average Agents' Balance	0.208
3. Delayed Remission (1) x (2)	<u>30,494,576</u>

C. Loss Reserve

1. Direct Earned Premium (A-1)	<u>146,608,537</u>
2. Expected Incurred Losses and Loss Adjustment Expenses (1) x 0.695	<u>101,892,933</u>
3. Expected Mean Loss Reserves (2) x 1.793	<u>182,694,029</u>

D. Net Subject to Investment (A-5) - (B-3) + (C-3)	<u>206,698,420</u>
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E. Average Rate of Return	<u>4.29%</u>
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F. Investment Earnings on Net Subject to Investment (D) x (E)	<u>8,867,362</u>
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G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	<u>6.05%</u>
--	--------------

COMMERCIAL AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGE

Section D
Exhibit 6
Sheet 3

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

ZONE RATED RISKS

A. Unearned Premium Reserve

1. Earned Premium for Calendar Year Ending 12/31/2024	<u>\$146,608,537</u>
2. Mean Unearned Premium Reserve: (1) x 0.456	<u>66,853,493</u>
3. Deduction for Prepaid Expenses	
Commission and Brokerage Expense	5.00%
83% of Taxes, Licenses and Fees	1.83%
50% of Other Acquisition Expense	2.40%
50% of Company Operating Expense	<u>2.75%</u>
Total	11.98%
4. (2) x (3)	<u>8,009,048</u>
5. Net Subject to Investment (2) - (4)	<u>58,844,445</u>

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	<u>146,608,537</u>
2. Average Agents' Balance	0.208
3. Delayed Remission (1) x (2)	<u>30,494,576</u>

C. Loss Reserve

1. Direct Earned Premium (A-1)	<u>146,608,537</u>
2. Expected Incurred Losses and Loss Adjustment Expenses (1) x 0.775	<u>113,621,616</u>
3. Expected Mean Loss Reserves (2) x 1.793	<u>203,723,557</u>

D. Net Subject to Investment

(A-5) - (B-3) + (C-3)	<u>232,073,426</u>
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E. Average Rate of Return

4.29%

F. Investment Earnings on Net Subject to Investment (D) x (E)

9,955,950

G. Average Rate of Return as a Percent of Direct Earned

Premium (F) / (A-1) 6.79%

Estimated Investment Earnings on Unearned Premium Reserves and on Loss Reserves

Section D
Exhibit 6
Sheet 4

Line A-1

Direct earned premiums are taken from NCRF net underwriting results.

Line A-2

The **mean direct unearned premium reserve** is determined by multiplying the direct earned premiums in line A-1 by the ratio of the mean direct unearned premium reserves to the direct earned premium for the latest available calendar year for the line of business.

1.	Direct Earned Premium for Calendar Year 2023	\$47,452,407
2.	Direct Unearned Premium Reserve as of 12/31/22	20,673,457
3.	Direct Unearned Premium Reserve as of 12/31/23	22,615,864
4.	Mean Direct Unearned Premium Reserve = $\frac{1}{2} [(2) + (3)]$	21,644,661
5.	Ratio (4) / (1)	0.456

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our determination of an expected loss and LAE ratio.

Line A-4

Deduction for Federal taxes payable:

The Tax Cuts and Jobs Act of 2017 did not alter the 20% tax on the unearned premium reserve, existing since 1986. At a corporate tax rate of 21%, this tax equals 4.2% ($0.20 \times 0.21 = 0.042$) of the unearned premium reserve.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

The total of admitted and non-admitted agents' balances, or uncollected premiums due, amounts to 0.208 of net earned premiums for all companies. The 0.208 is based on the following:

1.	Net Earned Premium for Calendar Year 2023	815,301,741
2.	Net Agents' Balances as of 12/31/22	159,012,075
3.	Net Agents' Balances as of 12/31/23	180,875,764
4.	Mean Agents' Balances: $\frac{1}{2} [(2) + (3)]$	169,943,920
5.	Ratio (4) / (1)	0.208

Notes:

All monetary values are expressed in thousands of dollars and based on industry-aggregate information.

Estimated Investment Earnings on Unearned Premium Reserves and on Loss ReservesSection D
Exhibit 6
Sheet 5Line C-2

The ***expected incurred losses*** are determined by multiplying the direct earned premium by the average expected loss ratio (including loss adjustment expense).

Line C-3

The ***expected mean loss reserve*** is determined by multiplying the expected incurred losses in line (C-2) by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in the latest two available calendar years for the line of business. This ratio is based on industry-aggregate data and includes an adjustment for the estimated federal income taxes payable due to discounting of loss reserves.

1.	Direct Incurred for Calendar Year 2022	\$36,970,323
2.	Direct Incurred for Calendar Year 2023	42,349,758
3.	Direct Reserves as of 12/31/21	62,620,419
4.	Direct Reserves as of 12/31/22	70,808,428
5.	Direct Reserves as of 12/31/23	80,025,219
6.	Mean Loss Reserve 2022: $\frac{1}{2} [(3) + (4)]$	66,714,424
7.	Mean Loss Reserve 2023: $\frac{1}{2} [(4) + (5)]$	75,416,824
8.	Ratio (6) / (1)	1.805
9.	Ratio (7) / (2)	1.781
10.	$\frac{1}{2} [(8) + (9)]$	1.793

Notes:

Direct incurred and direct reserves include both indemnity and loss adjustment expense.

All monetary values are expressed in thousands of dollars and based on industry-aggregate information.

NORTH CAROLINA

Bodily Injury
Unadjusted ExperienceSection D
Exhibit 7
Sheet 1Trucks, Tractors, and Trailers:

Accident Year Ending	\$30,000/\$60,000 Incurred Losses*	Excess Losses*
12/31/2020	14,307,290	36,150,059
12/31/2021	16,889,376	32,450,866
12/31/2022	14,540,883	30,515,910
12/31/2023	15,324,667	19,038,846
12/31/2024	13,153,066	13,953,992

Private Passenger Types:

Accident Year Ending	\$30,000/\$60,000 Incurred Losses*	Excess Losses*
12/31/2020	692,206	20,000
12/31/2021	1,744,573	1,299,328
12/31/2022	849,106	32,950
12/31/2023	548,169	225,987
12/31/2024	448,811	173,450

Auto Dealers

Accident Year Ending	\$30,000/\$60,000 Incurred Losses*	Excess Losses*
12/31/2020	1,068,165	319,201
12/31/2021	692,035	200,180
12/31/2022	513,254	109,261
12/31/2023	885,830	85,000
12/31/2024	612,628	20,021

Zone Rated Risks

Accident Year Ending	\$30,000/\$60,000 Incurred Losses*	Excess Losses*
12/31/2020	3,940,450	18,274,176
12/31/2021	3,454,847	12,333,396
12/31/2022	3,319,345	12,126,015
12/31/2023	1,718,469	4,842,399
12/31/2024	1,264,129	2,179,400

*These losses are not developed, and include only allocated loss adjustment expenses. The evaluation date of losses is March 31, 2025.

NORTH CAROLINA

Property Damage
Unadjusted ExperienceSection D
Exhibit 7
Sheet 2Trucks, Tractors, and Trailers:

Accident Year Ending	\$25000 <u>Incurred Losses*</u>	<u>Excess Losses*</u>
12/31/2020	13,711,339	2,909,764
12/31/2021	17,977,443	4,377,123
12/31/2022	19,028,329	5,244,779
12/31/2023	18,271,598	4,484,595
12/31/2024	16,862,887	3,690,453

Private Passenger Types:

Accident Year Ending	\$25000 <u>Incurred Losses*</u>	<u>Excess Losses*</u>
12/31/2020	674,328	33,708
12/31/2021	1,698,785	55,396
12/31/2022	1,392,537	5,178
12/31/2023	552,868	19,308
12/31/2024	340,204	25,000

Auto Dealers

Accident Year Ending	\$25000 <u>Incurred Losses*</u>	<u>Excess Losses*</u>
12/31/2020	693,053	5,485
12/31/2021	927,086	61,474
12/31/2022	824,673	24,818
12/31/2023	852,359	68,535
12/31/2024	692,104	32,386

Zone Rated Risks

Accident Year Ending	\$25000 <u>Incurred Losses*</u>	<u>Excess Losses*</u>
12/31/2020	3,272,850	766,286
12/31/2021	4,286,294	1,029,356
12/31/2022	3,462,123	1,117,069
12/31/2023	2,086,597	676,935
12/31/2024	2,166,073	1,739,433

*These losses are not developed, and include only allocated loss adjustment expenses. The evaluation date of losses is March 31, 2025.

NORTH CAROLINA

Section D

Exhibit 7

Sheet 3

Bodily Injury
Adjusted ExperienceTrucks, Tractors, and Trailers:

Accident Year Ending	\$30,000/\$60,000 Limits Earned Premium at Present Rates	\$30,000/\$60,000 Incurred Losses*
12/31/2020	28,586,067	22,191,450
12/31/2021	31,591,185	25,376,012
12/31/2022	30,284,988	21,515,643
12/31/2023	28,281,675	23,285,146
12/31/2024	29,803,491	25,641,105

Private Passenger Types:

Accident Year Ending	\$30,000/\$60,000 Limits Earned Premium at Present Rates	\$30,000/\$60,000 Incurred Losses*
12/31/2020	2,137,274	1,073,652
12/31/2021	3,254,669	2,554,768
12/31/2022	2,461,872	1,185,941
12/31/2023	637,386	800,717
12/31/2024	475,753	762,589

Auto Dealers

Accident Year Ending	\$30,000/\$60,000 Limits Earned Premium at Present Rates	\$30,000/\$60,000 Incurred Losses*
12/31/2020	1,602,385	1,656,787
12/31/2021	1,535,259	1,013,422
12/31/2022	1,355,463	722,537
12/31/2023	1,174,561	1,216,469
12/31/2024	1,025,528	896,655

Zone Rated Risks

Accident Year Ending	\$30,000/\$60,000 Limits Earned Premium at Present Rates	\$30,000/\$60,000 Incurred Losses*
12/31/2020	5,956,752	6,111,871
12/31/2021	7,304,516	5,256,622
12/31/2022	5,476,403	4,952,832
12/31/2023	3,044,589	2,678,434
12/31/2024	2,378,219	2,930,402

*These losses are the losses used in determining the rate level. They are developed using the appropriate unallocated loss adjustment expense factors, loss development factors, and are trended to one year beyond the prospective effective date.

NORTH CAROLINA

Section D
Exhibit 7
Sheet 4Property Damage
Adjusted ExperienceTrucks, Tractors, and Trailers:

Accident Year Ending	\$25,000 Limits Earned Premium at Present Rates	\$25,000 Incurred Losses*
12/31/2020	37,623,146	26,405,105
12/31/2021	41,685,032	31,847,029
12/31/2022	40,073,848	31,228,211
12/31/2023	37,336,027	28,035,776
12/31/2024	39,318,414	26,060,137

Private Passenger Types:

Accident Year Ending	\$25,000 Limits Earned Premium at Present Rates	\$25,000 Incurred Losses*
12/31/2020	2,870,991	1,298,611
12/31/2021	4,374,999	2,994,425
12/31/2022	3,309,432	2,258,387
12/31/2023	857,664	839,335
12/31/2024	640,365	535,415

Auto Dealers

Accident Year Ending	\$25,000 Limits Earned Premium at Present Rates	\$25,000 Incurred Losses*
12/31/2020	1,894,493	1,334,671
12/31/2021	1,832,698	1,634,161
12/31/2022	1,613,614	1,346,752
12/31/2023	1,399,280	1,294,006
12/31/2024	1,227,006	1,012,505

Zone Rated Risks

Accident Year Ending	\$25,000 Limits Earned Premium at Present Rates	\$25,000 Incurred Losses*
12/31/2020	7,773,994	6,302,809
12/31/2021	9,533,456	7,562,945
12/31/2022	7,150,395	5,642,731
12/31/2023	3,976,241	3,247,878
12/31/2024	3,104,908	3,570,058

*These losses are the losses used in determining the rate level. They are developed using the appropriate unallocated loss adjustment expense factors, loss development factors, and are trended to one year beyond the prospective effective date.

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTO
CONTINGENCY FACTOR SUPPORT

YEAR	WRITTEN PREMIUMS	NET RESULTS OF OPERATION	% GAIN/LOSS
2007	66,227,808	7,490,800	11.3%
2008	59,273,117	5,567,889	9.4%
2009	50,878,140	3,053,368	6.0%
2010	46,469,710	(7,109,467)	-15.3%
2011	45,877,750	(14,934,209)	-32.6%
2012	47,156,744	(8,247,769)	-17.5%
2013	54,301,497	(16,212,461)	-29.9%
2014	65,376,043	(11,741,798)	-18.0%
2015	85,864,992	(37,958,116)	-44.2%
2016	94,750,622	(27,615,343)	-29.1%
2017	113,082,769	(11,458,946)	-10.1%
2018	116,799,744	(45,371,504)	-38.8%
2019	119,409,706	(20,130,184)	-16.9%
2020	116,829,885	(16,528,689)	-14.1%
2021	153,644,984	(22,310,683)	-14.5%
2022	144,501,145	(21,894,680)	-15.2%
2023	136,522,343	(30,472,925)	-22.3%
2024	155,556,150	(50,255,442)	-32.3%
15 YEAR AVERAGE			-23.4%
PRIOR 15 YEAR AVERAGE			-20.8%
SELECTED CONTINGENCY FACTOR			5.0%

SECTION E

Revision of Increased Limits Tables

North Carolina Reinsurance Facility
Commercial Automobile Liability

Revision of Increased Limits Tables

Summary of Changes

The following is a proposed revision of Commercial Automobile Liability Increased Limit Factors. A review of the experience indicates a change of 0.7% in total liability premium for bodily injury and 6.6% for property damage. This document presents revised factors for the following increased limits tables:

- Light and Medium Trucks
- Heavy Trucks and Truck-Tractors
- Extra-Heavy Trucks and Truck-Tractors
- Zone Rated Risks
- All Other Risks

Notes Pertaining to the Revision

- This revision is based upon North Carolina Reinsurance Facility experience. North Carolina and Countrywide Voluntary data has been considered when necessary to promote stability.
- Data for accident years ending December 31, 2020 to December 31, 2024 have been used to develop the indicated changes for each table.
- The five years of data have been developed to an ultimate settlement basis by using the loss development factors shown in Exhibit 3 of Section F.
- Data has been trended to one year beyond the assumed effective date of 4/1/2026.

North Carolina Reinsurance Facility
Comparison of Indicated and Current Factors
Bodily Injury Increased Limits Tables

A comparison of indicated and current increased limit factors for selected policy limits is shown below:

		<u>Policy Limit</u>	<u>Indicated Factors</u>	<u>Current Factors</u>
<u>Light and Medium Trucks</u>	\$	30,000 / 60,000	1.00	1.00
		50,000 / 100,000	1.32	1.32
		100,000 / 300,000	2.12	2.11
		500,000 / 500,000	3.39	3.37
		1,000,000 / 1,000,000	4.59	4.56
<u>Heavy Trucks and Truck-Tractors</u>	\$	30,000 / 60,000	1.00	1.00
		50,000 / 100,000	1.38	1.38
		100,000 / 300,000	2.32	2.31
		500,000 / 500,000	4.13	4.10
		1,000,000 / 1,000,000	5.72	5.67
<u>Extra Heavy Trucks and Truck-Tractors</u>	\$	30,000 / 60,000	1.00	1.00
		50,000 / 100,000	1.43	1.43
		100,000 / 300,000	2.57	2.55
		500,000 / 500,000	4.58	4.55
		1,000,000 / 1,000,000	6.54	6.49
<u>Zone Rated Risks</u>	\$	30,000 / 60,000	1.00	1.00
		50,000 / 100,000	1.74	1.73
		100,000 / 300,000	3.35	3.33
		500,000 / 500,000	6.59	6.54
		1,000,000 / 1,000,000	9.61	9.53
<u>All Other Risks^</u>	\$	30,000 / 60,000	1.00	1.00
		50,000 / 100,000	1.38	1.38
		100,000 / 300,000	2.17	2.16
		500,000 / 500,000	3.51	3.49
		1,000,000 / 1,000,000	4.72	4.68

^ Including Private Passenger Types, Publics, Semi-trailers and Trailers.

North Carolina Reinsurance Facility
Comparison of Indicated and Current Factors
Property Damage Increased Limits Tables

A comparison of indicated and current increased limit factors for selected policy limits is shown below:

	<u>Policy Limit</u>	<u>Indicated Factors</u>	<u>Current Factors</u>
<u>Light and Medium Trucks</u>	\$ 25,000	1.00	1.00
	50,000	1.09	1.07
	300,000	1.31	1.23
	750,000	1.40	1.30
	1,000,000	1.43	1.32
<u>Heavy Trucks and Truck-Tractors</u>	\$ 25,000	1.00	1.00
	50,000	1.11	1.08
	300,000	1.32	1.24
	750,000	1.43	1.32
	1,000,000	1.46	1.34
<u>Extra Heavy Trucks and Truck-Tractors</u>	\$ 25,000	1.00	1.00
	50,000	1.11	1.08
	300,000	1.31	1.23
	750,000	1.41	1.31
	1,000,000	1.45	1.34
<u>Zone Rated Risks</u>	\$ 25,000	1.00	1.00
	50,000	1.16	1.12
	300,000	1.54	1.40
	750,000	1.70	1.52
	1,000,000	1.76	1.57
<u>All Other Risks^</u>	\$ 25,000	1.00	1.00
	50,000	1.09	1.07
	300,000	1.31	1.23
	750,000	1.40	1.30
	1,000,000	1.43	1.32

^ Including Private Passenger Types, Publics, Semi-trailers and Trailers.

SECTION F

Increased Limits Experience Review

North Carolina Reinsurance Facility

Increased Limits Experience Review

Introduction

Charges for coverage in excess of the basic limit of liability (\$30,000/\$60,000 for bodily injury, \$25,000 for property damage) are calculated by multiplying the applicable basic limit manual rate for the class by the appropriate increased limit factor for the desired liability limit. For example, a Light Truck risk desiring to purchase coverage of \$100,000/\$300,000 bodily injury per person/per accident might pay a premium calculated as 2.12 times the manual rate for the risk classification.

The Commercial Automobile Liability Increased Limits Tables are reviewed to ensure that a consistent pricing relationship is maintained between factors for different limits.

Exhibit 1: Development of Increased Limits Table Change Indications

Set forth on this exhibit is the North Carolina Reinsurance Facility experience for all companies for the latest five accident years.

Losses include allocated loss adjustment expenses and are developed to an ultimate settlement basis using the North Carolina statewide loss development factors shown in Exhibit 3. Additionally, the losses have been trended from the average date of loss to twelve months beyond an anticipated effective date of April 1, 2026 by an exponential projection of the annual loss trend factors for basic and total limits losses developed on Exhibit 2.

The indicated average increased limit factor has been compared to the present average increased limit factor to develop an overall increased limits factor change indication. These indications are 0.7% and 6.6% for bodily injury and property damage, respectively.

Exhibit 2: Bodily Injury and Property Damage Trend Factors

North Carolina and Countrywide paid claim data for Commercial Automobile Bodily Injury and Property Damage Liability Insurance, as reported to ISO, were used to develop average annual trend factors for basic and total limits losses. The derivation of these factors is shown in Exhibit 2 of Section D.

North Carolina Reinsurance Facility

Increased Limits Experience Review

Introduction (Cont'd)

Exhibit 3: Loss Development Factors

Set forth on this exhibit are the factors used to develop the losses to an ultimate basis. The derivation of these factors is shown in Exhibit 1 of Section D. These factors are based on North Carolina facility data.

Exhibit 4: North Carolina Facility Data

Data set forth on this exhibit represent North Carolina Reinsurance Facility loss data. This exhibit also displays the data developed to ultimate settlement basis and trended to one year beyond the proposed effective date.

Exhibit 5: Policy Limit Distribution

Set forth on this exhibit is the basic limit loss distribution (including ALAE) for each increased limits table by policy limit. These table distributions are based on all detailed statistics reported to ISO for Facility business for fiscal accident years ending 6/30/20 through 6/30/24.

NORTH CAROLINA REINSURANCE FACILITY

Commercial Automobile Liability Insurance
Development of Increased Limits
Table Change Indications
All Classes Combined

BODILY INJURY

(1)	(2)	(3)	(4)
Year	\$30,000/\$60,000 Basic Limits	Total Limits	Indicated Average Increased Limit Factor
<u>Ending</u>	<u>Incurred Losses*</u>	<u>Incurred Losses*</u>	<u>(3)/(2)</u>
12/31/20	33,223,269	178,082,797	5.360
12/31/21	36,188,738	157,607,902	4.355
12/31/22	30,363,560	144,189,953	4.749
12/31/23	29,413,451	108,023,876	3.673
12/31/24	32,834,102	120,384,481	3.666
Total	162,023,120	708,289,009	4.372

(5) Current average increased limits factor based upon the current table and the policy limits distribution for bodily injury Reinsurance Facility business: 4.340

(6) Indicated change in bodily injury increased limits factors $[((4)/(5)) - 1] \times 100$: 0.7%

* Including allocated loss adjustment expense and developed to an ultimate basis. In addition, losses have been trended from the average date of accident to twelve months beyond an anticipated effective date of 4/1/2026 by an exponential projection of the annual paid claim cost trend factors for basic and total limits losses shown in Exhibit 2.

NORTH CAROLINA REINSURANCE FACILITY

Commercial Automobile Liability Insurance
Development of Increased Limits
Table Change Indications
All Classes Combined

PROPERTY DAMAGE

(1)	(2)	(3)	(4)
	\$25,000		Indicated
Year	Basic Limit	Total Limits	Average
<u>Ending</u>	<u>Incurred Losses*</u>	<u>Incurred Losses*</u>	Increased
			Limit Factor
			<u>(3)/(2)</u>
12/31/20	35,964,076	47,164,549	1.311
12/31/21	44,676,058	59,144,731	1.324
12/31/22	41,364,804	55,692,364	1.346
12/31/23	33,828,085	44,359,696	1.311
12/31/24	31,874,858	43,691,938	1.371
Total	187,707,881	250,053,278	1.332
(5) Current average increased limits factor based upon the current table and the policy limits distribution for property damage Reinsurance Facility business:			1.249
(6) Indicated change in property damage increased limits factors $[((4)/(5)) - 1] \times 100$:			6.6%

* Including allocated loss adjustment expense and developed to an ultimate basis. In addition, losses have been trended from the average date of accident to twelve months beyond an anticipated effective date of 4/1/2026 by an exponential projection of the annual paid claim cost trend factors for basic and total limits losses shown in Exhibit 2.

COMMERCIAL AUTO LIABILITY

NORTH CAROLINA

BODILY INJURY AND PROPERTY DAMAGE TREND FACTORS*

Bodily Injury

\$30,000 Limit		Total Limits	
12 Point - Paid Weighted Severity	+3.2%	12 Point - Paid Weighted Severity	+9.1%
24 Point - Paid Weighted Severity	+4.5%	24 Point - Paid Weighted Severity	+11.1%
12 Point - Paid NC only Severity	+4.8%	12 Point - Paid NC only Severity	+5.4%
24 Point - Paid NC only Severity	+6.1%	24 Point - Paid NC only Severity	+12.9%
Selected Severity Trend Factor	+6.0%	Selected Severity Trend Factor	+12.0%
Selected Incurred Frequency Trend Factor	+0.0%	Selected Incurred Frequency Trend Factor	+0.0%
Average Annual Change	+6.0%	Average Annual Change	+12.0%

Property Damage

Total Limits		Total Limits	
12 Point - Paid Weighted Severity	+9.3%	12 Point - Paid Weighted Severity	+10.0%
24 Point - Paid Weighted Severity	+9.6%	24 Point - Paid Weighted Severity	+10.6%
12 Point - Paid NC only Severity	+8.5%	12 Point - Paid NC only Severity	+9.8%
24 Point - Paid NC only Severity	+10.0%	24 Point - Paid NC only Severity	+11.4%
Selected Severity Trend Factor	+9.5%	Selected Severity Trend Factor	+11.0%
Selected Incurred Frequency Trend Factor	+0.0%	Selected Incurred Frequency Trend Factor	+0.0%
Average Annual Change	+9.5%	Average Annual Change	+11.0%

* See Exhibit 2, Section D for the calculation of these trend factors.

NORTH CAROLINA REINSURANCE FACILITY
Commercial Automobile Liability Insurance
Loss Development Factors **

	<u>Bodily Injury</u>		<u>Property Damage</u>	
	30/60	Total Limits	\$25,000	Total Limits
<u>Trucks, Tractors & Trailers</u>	<u>Losses</u>	<u>Losses</u>	<u>Losses</u>	<u>Losses</u>
63 months to ult.	1.000	1.020	1.000	1.000
51 months to ult.	1.026	1.048	1.005	1.008
39 months to ult.	1.070	1.217	1.017	1.032
27 months to ult.	1.164	1.479	1.039	1.052
15 months to ult.	1.581	2.316	1.143	1.189
<u>Private Passenger Types</u>				
63 months to ult.	1.000	1.000	1.000	1.000
51 months to ult.	1.000	1.000	1.000	1.000
39 months to ult.	1.010	1.019	1.005	1.006
27 months to ult.	1.119	1.221	1.028	1.029
15 months to ult.	1.378	1.536	1.164	1.164
<u>Publics (Including Buses)</u>				
63 months to ult.	1.000	1.020	1.000	1.000
51 months to ult.	1.000	1.050	1.004	1.003
39 months to ult.	1.031	1.146	1.009	1.009
27 months to ult.	1.117	1.385	1.014	1.012
15 months to ult.	1.487	2.011	1.119	1.118
<u>Zone Rated Risks</u>				
63 months to ult.	1.000	1.020	1.000	1.000
51 months to ult.	1.039	1.110	1.001	1.012
39 months to ult.	1.079	1.350	1.010	1.016
27 months to ult.	1.194	1.881	1.054	1.085
15 months to ult.	1.880	3.173	1.219	1.312
<u>Miscellaneous</u>				
63 months to ult.	1.000	1.000	1.000	1.000
51 months to ult.	1.000	1.000	1.004	1.003
39 months to ult.	1.009	1.016	1.009	1.008
27 months to ult.	1.107	1.145	1.009	1.008
15 months to ult.	1.444	1.257	1.094	1.096
<u>Auto Dealers</u>				
63 months to ult.	1.000	1.000	1.000	1.000
51 months to ult.	1.000	1.000	1.000	1.000
39 months to ult.	1.018	1.022	1.012	1.012
27 months to ult.	1.052	1.025	1.028	1.027
15 months to ult.	1.187	1.306	1.082	1.078

** See Exhibit 1, Section D for the calculation of these factors.

NORTH CAROLINA REINSURANCE FACILITY
Commercial Automobile Liability Insurance

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSES

	<u>Evaluation*</u>	<u>Bodily Injury</u>		<u>Property Damage</u>	
		30/60 <u>Losses**</u>	Total Limits <u>Losses**</u>	\$25,000 <u>Losses**</u>	Total Limits <u>Losses**</u>
Trucks, Tractors, & Trailers	20@63	14,307,290	50,457,349	13,711,339	16,621,103
	21@51	16,889,376	49,340,242	17,977,443	22,354,566
	22@39	14,540,883	45,056,793	19,028,329	24,273,108
	23@27	15,324,667	34,363,513	18,271,598	22,756,193
	24@15	13,153,066	27,107,058	16,862,887	20,553,340
Private Passenger Types	20@63	692,206	712,206	674,328	708,036
	21@51	1,744,573	3,043,901	1,698,785	1,754,181
	22@39	849,106	882,056	1,392,537	1,397,715
	23@27	548,169	774,156	552,868	572,176
	24@15	448,811	622,261	340,204	365,204
Zone-Rated Risks	20@63	3,940,450	22,214,626	3,272,850	4,039,136
	21@51	3,454,847	15,788,243	4,286,294	5,315,650
	22@39	3,319,345	15,445,360	3,462,123	4,579,192
	23@27	1,718,469	6,560,868	2,086,597	2,763,532
	24@15	1,264,129	3,443,529	2,166,073	3,905,506
Publics (Including Buses)	20@63	1,307,574	3,384,560	720,902	804,528
	21@51	1,830,374	6,402,305	1,214,547	1,474,965
	22@39	1,998,605	5,558,152	1,538,453	1,673,152
	23@27	1,711,927	3,465,923	1,265,473	1,325,320
	24@15	2,184,501	5,900,151	1,488,513	1,694,531
Misc.	20@63	1,103,910	3,193,330	418,056	446,352
	21@51	700,918	2,251,658	307,655	321,107
	22@39	437,452	569,334	241,948	265,918
	23@27	264,501	627,686	157,268	178,392
	24@15	143,429	633,429	100,097	117,801
Auto Dealers	20@63	1,068,165	1,387,366	693,053	698,538
	21@51	692,035	892,215	927,086	988,560
	22@39	513,254	622,515	824,673	849,491
	23@27	885,830	970,830	852,359	920,894
	24@15	612,628	632,649	692,104	724,490

* All classes are on an accident year basis

** Includes allocated loss adjustment expenses.

NORTH CAROLINA REINSURANCE FACILITY
Commercial Automobile Liability Insurance

DEVELOPED LOSS AND LOSS ADJUSTMENT EXPENSES

	Year <u>Ending*</u>	<u>Bodily Injury</u>		<u>Property Damage</u>	
		30/60 <u>Losses**</u>	Total Limits <u>Losses**</u>	\$25,000 <u>Losses**</u>	Total Limits <u>Losses**</u>
Trucks, Tractors, & Trailers	12/31/20	14,307,290	51,466,496	13,711,339	16,621,103
	12/31/21	17,328,500	51,708,574	18,067,330	22,533,403
	12/31/22	15,558,745	54,834,117	19,351,811	25,049,847
	12/31/23	17,837,912	50,823,636	18,984,190	23,939,515
	12/31/24	20,794,997	62,779,946	19,274,280	24,437,921
Private Passenger Types	12/31/20	692,206	712,206	674,328	708,036
	12/31/21	1,744,573	3,043,901	1,698,785	1,754,181
	12/31/22	857,597	898,815	1,399,500	1,406,101
	12/31/23	613,401	945,244	568,348	588,769
	12/31/24	618,462	955,793	395,997	425,097
Zone-Rated Risks	12/31/20	3,940,450	22,658,919	3,272,850	4,039,136
	12/31/21	3,589,586	17,524,950	4,290,580	5,379,438
	12/31/22	3,581,573	20,851,236	3,496,744	4,652,459
	12/31/23	2,051,852	12,340,993	2,199,273	2,998,432
	12/31/24	2,376,563	10,926,318	2,640,443	5,124,024
Publics (Including Buses)	12/31/20	1,307,574	3,452,251	720,902	804,528
	12/31/21	1,830,374	6,722,420	1,219,405	1,479,390
	12/31/22	2,060,562	6,369,642	1,552,299	1,688,210
	12/31/23	1,912,222	4,800,303	1,283,190	1,341,224
	12/31/24	3,248,353	11,865,204	1,665,646	1,894,486
Misc.	12/31/20	1,103,910	3,193,330	418,056	446,352
	12/31/21	700,918	2,251,658	308,886	322,070
	12/31/22	441,389	578,443	244,126	268,045
	12/31/23	292,803	718,700	158,683	179,819
	12/31/24	207,111	796,220	109,506	129,110
Auto Dealers	12/31/20	1,068,165	1,387,366	693,053	698,538
	12/31/21	692,035	892,215	927,086	988,560
	12/31/22	522,493	636,210	834,569	859,685
	12/31/23	931,893	995,101	876,225	945,758
	12/31/24	727,189	826,240	748,857	781,000

* All classes are on an accident year basis

** Losses are developed to ultimate using development factors from Exhibit 3.

NORTH CAROLINA REINSURANCE FACILITY
Commercial Automobile Liability Insurance

DEVELOPED AND TRENDED LOSS AND LOSS ADJUSTMENT EXPENSES

	Year <u>Ending*</u>	<u>Bodily Injury</u>		<u>Property Damage</u>	
		30/60 <u>Losses**</u>	Total Limits <u>Losses**</u>	\$25,000 <u>Losses**</u>	Total Limits <u>Losses**</u>
Trucks, Tractors, & Trailers	12/31/20	21,201,763	110,597,740	25,300,271	33,619,399
	12/31/21	24,225,330	99,212,454	30,445,644	41,061,415
	12/31/22	20,520,003	93,936,951	29,780,959	41,123,420
	12/31/23	22,194,278	77,737,992	26,680,565	35,405,972
	12/31/24	24,409,000	85,737,438	24,738,137	32,561,353
Private Passenger Types	12/31/20	1,025,770	1,530,479	1,244,275	1,432,140
	12/31/21	2,438,922	5,840,287	2,862,659	3,196,550
	12/31/22	1,131,061	1,539,770	2,153,724	2,308,345
	12/31/23	763,205	1,445,811	798,762	870,775
	12/31/24	725,946	1,305,309	508,254	566,404
Zone-Rated Risks	12/31/20	5,839,295	48,692,362	6,039,089	8,169,935
	12/31/21	5,018,259	33,624,855	7,230,148	9,802,662
	12/31/22	4,723,639	35,720,490	5,381,222	7,637,772
	12/31/23	2,552,954	18,876,336	3,090,880	4,434,609
	12/31/24	2,789,591	14,921,875	3,388,954	6,827,306
Publics (Including Buses)	12/31/20	1,937,675	7,418,635	1,330,214	1,627,314
	12/31/21	2,558,872	12,898,205	2,054,845	2,695,813
	12/31/22	2,717,619	10,911,906	2,388,870	2,771,473
	12/31/23	2,379,224	7,342,370	1,803,408	1,983,638
	12/31/24	3,812,891	16,204,095	2,137,822	2,524,234
Misc.	12/31/20	1,635,868	6,862,233	771,400	902,833
	12/31/21	979,887	4,320,222	520,510	586,891
	12/31/22	582,136	990,937	375,691	440,040
	12/31/23	364,311	1,099,297	223,015	265,948
	12/31/24	243,105	1,087,383	140,549	172,028
Auto Dealers	12/31/20	1,582,898	2,981,348	1,278,827	1,412,928
	12/31/21	967,468	1,711,879	1,562,252	1,801,400
	12/31/22	689,102	1,089,899	1,284,338	1,411,314
	12/31/23	1,159,479	1,522,070	1,231,455	1,398,754
	12/31/24	853,569	1,128,381	961,142	1,040,613

* All classes are on an accident year basis

** Losses have been developed to ultimate and trended to one year beyond an anticipated effective date of April 1, 2026.

NORTH CAROLINA REINSURANCE FACILITY

Basic Limit Loss Distribution*
By Increased Limits Table and Policy Limit

BODILY INJURY

POLICY LIMIT	LIGHT & MEDIUM	HEAVY	EXTRA HEAVY	ZONE	ALL OTHER	ALL TABLES COMBINED **
30/60	6.50%	0.19%	0.00%	0.02%	0.76%	7.46%
50/100	12.06%	0.35%	0.00%	0.04%	1.41%	13.86%
85/85	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100/100	0.44%	0.18%	0.00%	0.00%	3.14%	3.76%
100/300	9.23%	0.60%	0.00%	0.14%	6.48%	16.45%
100/500	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150/150	0.00%	0.00%	0.08%	0.00%	0.00%	0.08%
250/250	0.00%	0.00%	0.37%	0.10%	0.00%	0.47%
250/500	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
300/300	0.26%	0.00%	0.00%	0.00%	0.00%	0.26%
400/400	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
500/500	0.18%	0.00%	0.00%	0.00%	0.43%	0.61%
500/1,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
750/750	1.92%	2.48%	12.94%	6.12%	0.12%	23.59%
1,000/1,000	3.98%	1.41%	10.90%	5.97%	2.43%	24.68%
1,500/1,500	4.15%	0.03%	0.00%	0.02%	3.28%	7.47%
2,000/2,000	0.60%	0.00%	0.00%	0.00%	0.00%	0.60%
2,500/2,500	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>5,000/5,000</u>	<u>0.08%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.32%</u>	<u>0.28%</u>	<u>0.71%</u>
TOTAL**	39.40%	5.23%	24.31%	12.72%	18.34%	100.00%

* Data includes allocated loss adjustment expenses and uses losses incurred in the period from fiscal accident year ending 6/30/2020 through fiscal accident year ending 6/30/2024, as reported to ISO, for those risks assigned to the Facility.

** The individual weights at each limit and increased limits table combination are rounded to 5 decimal places and displayed to 4 decimal places. Due to rounding, the total values may differ slightly from the sum of the displayed individual values. Totals by major class group are scaled to match the distribution for all reporting companies per the data.

NORTH CAROLINA REINSURANCE FACILITY

Basic Limit Loss Distribution*
By Increased Limits Table and Policy Limit

PROPERTY DAMAGE

POLICY <u>LIMIT</u>	LIGHT & <u>MEDIUM</u>	<u>HEAVY</u>	EXTRA <u>HEAVY</u>	<u>ZONE</u>	ALL <u>OTHER</u>	ALL TABLES <u>COMBINED</u> **
25	13.86%	0.44%	0.00%	0.04%	0.98%	15.32%
30	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50	18.87%	0.86%	0.00%	0.20%	1.90%	21.82%
85	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
250	0.01%	0.12%	0.44%	0.19%	0.00%	0.76%
300	0.25%	0.00%	0.00%	0.00%	0.00%	0.25%
400	0.02%	0.00%	0.00%	0.00%	0.00%	0.02%
500	0.17%	0.00%	0.00%	0.00%	0.02%	0.19%
750	1.95%	4.23%	17.88%	6.59%	0.73%	31.37%
1000	3.91%	1.78%	11.56%	7.02%	1.19%	25.46%
1500	2.54%	0.01%	0.00%	0.02%	1.19%	3.75%
2000	0.67%	0.01%	0.05%	0.01%	0.00%	0.74%
2500	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>5000</u>	<u>0.08%</u>	<u>0.02%</u>	<u>0.05%</u>	<u>0.12%</u>	<u>0.07%</u>	<u>0.33%</u>
TOTAL **	42.30%	7.46%	29.99%	14.19%	6.06%	100.00%

* Data includes allocated loss adjustment expenses and uses losses incurred in the period from fiscal accident year ending 6/30/2020 through fiscal accident year ending 6/30/2024, as reported to ISO, for those risks assigned to the Facility.

** The individual weights at each limit and increased limits table combination are rounded to 5 decimal places and displayed to 4 decimal places. Due to rounding, the total values may differ slightly from the sum of the displayed individual values. Totals by major class group are scaled to match the distribution for all reporting companies per the data.

SECTION G

Revision of Increased Limits Tables

Section G

North Carolina Reinsurance Facility

Commercial Automobile Liability Revision of Increased Limits Tables

Sheets 1, 2, 3, and 4 of Exhibit 1 display the revised increased limit factors for Commercial Automobile Liability as they will appear in the North Carolina Reinsurance Facility Commercial Automobile Manual of Rules and Rates.

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

INCREASED LIABILITY LIMITS

BODILY INJURY FACTORS

Classification	Limits Identifier Code (3)				
	Limit of Liability (in 1000's)				
	30/60	85/85	50/100	100/100	100/300
	Limit Codes				
	49	52	49	52	52
1. Light and Medium Trucks	1.00	1.43	1.32	1.60	2.12
2. Heavy Trucks and Truck Tractors	1.00	1.56	1.38	1.75	2.32
3. Extra-Heavy Trucks and Truck Tractors	1.00	1.63	1.43	1.93	2.57
4. Trucks, Tractors and Trailers Zone Rated	1.00	1.98	1.74	2.28	3.35
5. All Other Risks	1.00	1.43	1.38	1.61	2.17

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

INCREASED LIABILITY LIMITS

PROPERTY DAMAGE FACTORS

Classification	Limits Identifier Code (3)		
	Limit of Liability (in 1000's)		
	25	30	50
	Limit Codes		
	05	06	08
1. Light and Medium Trucks	1.00	1.04	1.09
2. Heavy Trucks and Truck Tractors	1.00	1.04	1.11
3. Extra-Heavy Trucks and Truck Tractors	1.00	1.04	1.11
4. Trucks, Tractors and Trailers Zone Rated	1.00	1.04	1.16
5. All Other Risks	1.00	1.03	1.09

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

SUPPLEMENTARY RATING PROCEDURES SECTION

Rule 2. INCREASED LIMITS

A. Bodily Injury

BODILY INJURY FACTORS

Limits Identifier Code (3)

Limit of Liability (1000's)	Limit Code	1. Light and Medium Trucks	2. Heavy Trucks and Truck-Tractors	3. Extra-Heavy Trucks and Truck-Tractors	4. Trucks, Tractors and Trailers Zone Rated	5. All Other Risks
100/500	55	2.28	2.70	2.89	3.93	2.37
300/300	64	2.78	3.20	3.54	4.87	2.78
250/500	61	2.89	3.51	3.80	5.30	2.98
400/400	68	3.09	3.74	4.13	5.80	3.16
500/500	68	3.39	4.13	4.58	6.59	3.51
750/750	73	4.05	4.98	5.67	8.19	4.18
1,000/1,000	73	4.59	5.72	6.54	9.61	4.72
1,500/1,500	74	5.36	6.87	7.94	11.74	5.47
2,000/2,000	75	6.05	7.84	9.12	13.62	6.19
2,500/2,500	76	6.54	8.70	10.22	15.21	6.81
5,000/5,000	79	8.59	11.74	14.09	21.30	8.85
7,500/7,500	82	10.03	13.87	16.80	25.56	10.28
10,000/10,000	85	10.97	15.25	18.56	28.33	11.21
12,500/12,500	86	11.53	16.08	19.62	29.99	11.77
15,000/15,000	86	11.84	16.54	20.20	30.90	12.08

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

SUPPLEMENTARY RATING PROCEDURES SECTION

Rule 2. INCREASED LIMITS

B. Property Damage

PROPERTY DAMAGE FACTORS

Limits Identifier Code (3)

Limit of Liability (1000's)	Limit Code	1. Light and Medium Trucks	2. Heavy Trucks and Truck- Tractors	3. Extra-Heavy Trucks and Truck- Tractors	4. Trucks, Tractors and Trailers Zone Rated	5. All Other Risks
85	9	1.17	1.19	1.19	1.28	1.19
100	10	1.20	1.21	1.21	1.31	1.21
300	14	1.31	1.32	1.31	1.54	1.31
400	15	1.35	1.36	1.35	1.59	1.35
500	16	1.37	1.39	1.37	1.63	1.37
750	17	1.40	1.43	1.41	1.70	1.40
1,000	18	1.43	1.46	1.45	1.76	1.43
1,500	19	1.47	1.50	1.52	1.88	1.47
2,000	20	1.50	1.53	1.59	1.99	1.51
2,500	21	1.51	1.55	1.64	2.02	1.54
5,000	23	1.56	1.64	1.71	2.15	1.58
7,500	24	1.60	1.70	1.76	2.24	1.61
10,000	25	1.63	1.74	1.79	2.30	1.63
12,500	26	1.65	1.76	1.81	2.34	1.64
15,000	26	1.66	1.77	1.82	2.36	1.65

SECTION H

Publics Relativities Review

Publics Relativities Review

Section H
Exhibit 1

Bodily Injury

		(A)	(B)	(B) / (A)
	Accident Year	Aggregate Loss Costs	Adjusted	Basic Limit
	Ending	At Current Level	Basic Limit	Losses /
			Losses and Expenses	Loss Costs
Trucks, Tractors and Trailers				
	12/31/2020	28,586,067	22,191,450	0.776
	12/31/2021	31,591,185	25,376,012	0.803
	12/31/2022	30,284,988	21,515,643	0.710
	12/31/2023	28,281,675	23,285,146	0.823
	12/31/2024	29,803,491	25,641,105	0.860
		148,547,405	118,009,357	0.794
Taxis and Limousines				
	12/31/2020	1,527,454	854,140	0.559
	12/31/2021	1,030,523	766,661	0.744
	12/31/2022	850,564	857,671	1.008
	12/31/2023	743,520	645,724	0.868
	12/31/2024	818,310	555,776	0.679
		4,970,371	3,679,972	0.740
			Change	-6.80%
School and Church Buses				
	12/31/2020	687,088	254,320	0.370
	12/31/2021	652,731	396,277	0.607
	12/31/2022	767,998	427,867	0.557
	12/31/2023	767,402	598,804	0.780
	12/31/2024	707,442	532,878	0.753
		3,582,660	2,210,146	0.617
			Change	-22.29%
Other Buses				
	12/31/2020	1,728,215	872,992	0.505
	12/31/2021	2,046,868	1,285,174	0.628
	12/31/2022	2,151,922	1,563,655	0.727
	12/31/2023	2,300,942	1,252,102	0.544
	12/31/2024	2,812,331	2,904,977	1.033
		11,040,278	7,878,900	0.714
			Change	-10.08%

Publics Relativities Review

Section H
Exhibit 2

Property Damage

		(A)	(B)	(B) / (A)
	Accident Year	Aggregate Loss Costs	Adjusted	Basic Limit
	Ending	At Current Level	Basic Limit	Losses /
			Losses and Expenses	Loss Costs
Trucks, Tractors and Trailers				
	12/31/2020	37,623,146	26,405,105	0.702
	12/31/2021	41,685,032	31,847,029	0.764
	12/31/2022	40,073,848	31,228,211	0.779
	12/31/2023	37,336,027	28,035,776	0.751
	12/31/2024	39,318,414	26,060,137	0.663
		196,036,466	143,576,257	0.732
Taxis and Limousines				
	12/31/2020	1,262,667	742,108	0.588
	12/31/2021	878,864	854,220	0.972
	12/31/2022	748,638	794,150	1.061
	12/31/2023	623,467	495,729	0.795
	12/31/2024	679,185	307,514	0.453
		4,192,820	3,193,721	0.762
			Change	4.10%
School and Church Buses				
	12/31/2020	412,274	88,409	0.214
	12/31/2021	382,670	209,866	0.548
	12/31/2022	461,364	448,231	0.972
	12/31/2023	460,651	386,882	0.840
	12/31/2024	424,631	420,100	0.989
		2,141,590	1,553,487	0.725
			Change	-0.96%
Other Buses				
	12/31/2020	1,048,840	519,731	0.496
	12/31/2021	1,248,955	1,044,753	0.837
	12/31/2022	1,318,292	1,212,781	0.920
	12/31/2023	1,405,968	986,887	0.702
	12/31/2024	1,721,583	1,470,134	0.854
		6,743,638	5,234,287	0.776
			Change	6.01%

Calculation of revised Publics Relativities

	Current Relativity	Indicated Change	Revised Relativity
BI			
Taxi and Limousines	5.19	-6.80%	4.84
School and Church Buses	0.99	-22.29%	0.77
Other Buses	6.13	-10.08%	5.51
PD			
Taxi and Limousines	3.28	4.10%	3.41
School and Church Buses	0.45	-0.96%	0.45
Other Buses	2.84	6.01%	3.01

I certify that the information contained in this questionnaire is true and correct and the filing complies with statutory requirements to the best of my knowledge.

EXHIBIT 1

EFFECT OF THE PROPOSED FILING ON ACTIVE FILINGS

[illegible]

EXHIBIT 2

EXPECTED LOSS RATIO

1. Line, Subline, Coverage, Territory, Class, etc. or combination to which this exhibit applies: Bodily Injury and Property Damage

- ## 2. Development of Expected Loss Ratio:

		Selected Provision		
		Trucks &Types	Auto Dealers	Zone Rated
A.	Total Production Expense	14.8%	14.8%	9.8%
B.	General Expense	5.5%	8.5%	5.5%
C.	Taxes, Licenses & Fees	2.2%	2.2%	2.2%
D.	Underwriting Profit & Contingencies	5.0%	5.0%	5.0%
E.	Other (explain)			
F.	TOTAL	27.5%	30.5%	22.5%

- | | | | |
|-------------------------------------|------|------|------|
| 3. Expected Loss Ratio (ELR=100-2F) | .725 | .695 | .775 |
|-------------------------------------|------|------|------|

4. Rate level change for which this exhibit applies

	Basic Limits		Total Limits	
	<u>BI</u>	<u>PD</u>	<u>BI</u>	<u>PD</u>
Trucks, Tractors, & Trailers	+ 4.5%	- 7.2%	+ 5.2%	- 2.1%
Private Passenger Types	+33.7%	+ 4.0%	+34.4%	+ 7.2%
Auto Dealers	+ 6.8%	+11.2%	+ 7.3%	+13.9%
Zone Rated Risks	+21.2%	+13.4%	+22.3%	+26.9%
Publics	- 7.5%	- 3.0%	- 6.8%	+ 2.3%

EXHIBIT 2A
Five Year Rate Filing History

<u>Effective Date</u>	<u>NCDOI File #</u>	<u>% Change</u>	<u>Reason for Filing</u>
04/15/2021	NCRI-132596377	+22.5%	Review of basic limits experience and increased limits factors.
04/01/2022	NCRI-133014089	+ 8.7%	Review of basic limits experience and increased limits factors.
10/01/2022	NCRI-132811002	0.0%	Re-definition of territories.
10/01/2022	NCRI-133217838	+ 7.4%	Review of basic limits experience.
04/01/2024	NCRI-133868568	+12.7%	Review of basic limits experience and increased limits factors.
04/01/2025	NCRI-134290551	+39.7%	Review of basic limits experience and increased limits factors.

EXHIBIT 3

NORTH CAROLINA EXPERIENCE X Direct ___ Net

	<u>2020</u>	<u>2021</u>	<u>2022</u>
(1) Written Premiums	<u>840,595,929</u>	<u>1,007,728,233</u>	<u>1,082,747,852</u>
(2) Earned Premiums	<u>800,288,165</u> 100.0%	<u>938,384,384</u> 100.0%	<u>1,051,293,814</u> 100.0%
(3) Inc. Loss and LAE	<u>558,712,379</u> 69.8%	<u>653,182,212</u> 69.6%	<u>753,470,316</u> 71.7%
(4) Total Prod. Expense	<u>153,493,758</u> 19.2%	<u>178,855,897</u> 19.1%	<u>184,725,011</u> 17.6%
(5) General Expense	<u>54,636,323</u> 6.8%	<u>62,305,724</u> 6.6%	<u>65,015,665</u> 6.2%
(6) Taxes, Lic. & Fees	<u>20,087,549</u> 2.5%	<u>26,571,292</u> 2.8%	<u>25,077,870</u> 2.4%
(7) Other			

	<u>2023</u>	<u>2024</u>	<u>5 Years Combined</u>
(1) Written Premiums	<u>1,142,071,723</u>	<u>1,268,948,080</u>	<u>5,342,091,817</u>
(2) Earned Premiums	<u>1,113,339,003</u> 100.0%	<u>1,217,529,601</u> 100.0%	<u>5,120,834,967</u> 100.0%
(3) Inc. Loss and LAE	<u>878,358,268</u> 78.9%	<u>898,201,373</u> 73.8%	<u>3,741,924,548</u> 73.1%
(4) Total Prod. Expense	<u>196,583,830</u> 17.7%	<u>213,907,204</u> 17.6%	<u>927,565,700</u> 18.1%
(5) General Expense	<u>69,262,896</u> 6.2%	<u>74,003,058</u> 6.1%	<u>325,223,666</u> 6.4%
(6) Taxes, Lic. & Fees	<u>25,727,500</u> 2.3%	<u>27,491,756</u> 2.3%	<u>124,955,967</u> 2.4%
(7) Other			

COUNTRYWIDE EXPERIENCE X Direct ___ Net (in thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
(1) Written Premiums	<u>33,032,399</u>	<u>34,048,678</u>	<u>40,032,636</u>
(2) Earned Premiums	<u>31,518,810</u> 100.0%	<u>32,989,358</u> 100.0%	<u>37,706,533</u> 100.0%
(3) Inc. Loss and LAE	<u>27,408,337</u> 87.0%	<u>26,705,881</u> 81.0%	<u>29,317,999</u> 77.8%
(4) Total Prod. Expense	<u>5,801,907</u> 18.4%	<u>6,001,646</u> 18.2%	<u>6,823,105</u> 18.1%
(5) General Expense	<u>2,009,743</u> 6.4%	<u>2,024,432</u> 6.1%	<u>2,222,271</u> 5.9%
(6) Taxes, Lic. & Fees			
(7) Other			

	<u>2022</u>	<u>2023</u>	<u>5 Years Combined</u>
(1) Written Premiums	<u>44,311,571</u>	<u>47,768,902</u>	<u>199,194,186</u>
(2) Earned Premiums	<u>42,706,199</u> 100.0%	<u>45,706,199</u> 100.0%	<u>190,782,305</u> 100.0%
(3) Inc. Loss and LAE	<u>35,333,409</u> 82.7%	<u>40,317,710</u> 87.9%	<u>159,083,336</u> 83.4%
(4) Total Prod. Expense	<u>7,251,278</u> 17.0%	<u>7,781,743</u> 17.0%	<u>33,659,679</u> 17.6%
(5) General Expense	<u>2,495,829</u> 5.8%	<u>2,690,464</u> 5.9%	<u>11,442,739</u> 6.0%
(6) Taxes, Lic. & Fees			
(7) Other			

EXHIBIT 4

UNDERWRITING PROFIT AND CONTINGENCY PROVISION

1. Target after tax rate of return	0	%
2. Ratio of premium to surplus	N/A	
3. Target rate of return as a percent of premium (1/2)	0	
4. Anticipated investment income as a percent of premium	Various - See Section A, Exhibit 1	
5. Target profit and contingency provision (3-4)	Various	%
6. Company select profit and contingency provision	Various	%
Explain any differences between 5 and 6: _____		

7. Methodology used to derive the anticipated investment income as a percent of premium:		
Please refer to Section D, Exhibit 6, Sheets 1-4.		

EXHIBIT 5

ACTUARIAL SUPPORT FOR RATE MODIFICATION

This exhibit should provide actuarial support for the proposed rate modification and must include the following information as required in NCGS 58-36-15(h):

- (1) North Carolina earned premiums at the actual and current rate level; losses and loss adjustment expenses, each on paid and incurred bases without trending or other modification for the experience period, including the loss ratio anticipated at the time the rates were promulgated for the experience period;
- (2) Credibility factor development and application;
- (3) Loss development factor derivation and application on both paid and incurred bases and in both numbers and dollars of claims;
- (4) Trending factor development and application;
- (5) Changes in premium base resulting from rating exposure trends;
- (6) Limiting factor development and application;

- (7) Overhead expense development and application of commission and brokerage, other acquisition fees, general expenses, taxes, licenses and fees;
- (8) Percentage rate change;
- (9) Final proposed rates;
- (10) Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves;
- (11) Identification of applicable statistical plans and programs and a certification of compliance with them;
- (12) Investment earnings on capital and surplus;
- (13) Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
SUPPLEMENTARY MATERIAL

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current levels.	1 - 2
Losses and loss adjustment expenses, each on paid and incurred bases.	3
The loss ratio anticipated at the time rates were promulgated for the experience period.	4
2. Credibility factor development and application.	5
3. Loss development factor derivation and application on both paid and incurred bases, in both dollars and numbers of claims.	6 - 26
4. Trending factor development and application.	27
5. Changes in premium base resulting from rating exposure trends.	28
6. Limiting factor development and application.	29
7. Overhead expense development and application of commission and brokerage, other acquisition fees, general expenses, taxes, licenses and fees.	30
8. Percentage rate change.	31
9. Final proposed rates.	32
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	33
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	34
12. Investment earnings on capital and surplus.	35
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	36

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

1. North Carolina earned premium at the actual and current rate levels.

Losses and loss adjustment expenses, each on paid and incurred bases without trending or other modification for the experience period.

Loss ratios anticipated at the time the rates were promulgated for the experience period.

North Carolina

CEDED EARNED PREMIUM EXHIBIT (a)

Earned Premium at Collected Level

	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
Trucks, Tractors, & Trailers Bodily Injury	19,284,838	21,937,825	23,230,758
Trucks, Tractors, & Trailers Property Damage	20,735,786	24,247,430	26,662,714
Private Passenger Types Bodily Injury	551,466	856,062	700,199
Private Passenger Types Property Damage	702,898	1,103,553	935,306
Auto Dealers Bodily Injury	1,090,800	1,140,549	1,249,214
Auto Dealers Property Damage	759,316	908,963	1,238,578
Zone Rated Risks Bodily Injury	4,549,527	5,853,785	4,975,762
Zone Rated Risks Property Damage	4,773,645	6,073,337	4,886,524
	<u>12/31/2023</u>	<u>12/31/2024</u>	
Trucks, Tractors, & Trailers Bodily Injury	23,525,021	25,965,565	
Trucks, Tractors, & Trailers Property Damage	27,138,847	30,553,170	
Private Passenger Types Bodily Injury	305,587	285,537	
Private Passenger Types Property Damage	362,737	339,517	
Auto Dealers Bodily Injury	1,253,377	1,114,966	
Auto Dealers Property Damage	1,288,623	1,170,244	
Zone Rated Risks Bodily Injury	3,186,902	2,584,470	
Zone Rated Risks Property Damage	2,845,521	2,376,630	

Earned Premium at Current Level

	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
Trucks, Tractors, & Trailers Bodily Injury	28,586,067	31,591,185	30,284,988
Trucks, Tractors, & Trailers Property Damage	37,623,146	41,685,032	40,073,848
Private Passenger Types Bodily Injury	2,137,274	3,254,669	2,461,872
Private Passenger Types Property Damage	2,870,991	4,374,999	3,309,432
Auto Dealers Bodily Injury	1,602,385	1,535,259	1,355,463
Auto Dealers Property Damage	1,894,493	1,832,698	1,613,614
Zone Rated Risks Bodily Injury	5,956,752	7,304,516	5,476,403
Zone Rated Risks Property Damage	7,773,994	9,533,456	7,150,395
	<u>12/31/2023</u>	<u>12/31/2024</u>	
Trucks, Tractors, & Trailers Bodily Injury	28,281,675	29,803,491	
Trucks, Tractors, & Trailers Property Damage	37,336,027	39,318,414	
Private Passenger Types Bodily Injury	637,386	475,753	
Private Passenger Types Property Damage	857,664	640,365	
Auto Dealers Bodily Injury	1,174,561	1,025,528	
Auto Dealers Property Damage	1,399,280	1,227,006	
Zone Rated Risks Bodily Injury	3,044,589	2,378,219	
Zone Rated Risks Property Damage	3,976,241	3,104,908	

(a) For Trucks, Tractors, & Trailers, Private Passenger Types, Auto Dealers, and Zone Rated Risks, premiums are at 30/60 level for Bodily Injury and 25,000 for Property Damage.

North Carolina

PAID/INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE (a)

Paid Losses

	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
Trucks, Tractors, & Trailers Bodily Injury	49,107,102	44,696,026	37,615,719
Trucks, Tractors, & Trailers Property Damage	16,698,000	22,186,818	24,012,425
Private Passenger Types Bodily Injury	712,206	3,032,801	882,056
Private Passenger Types Property Damage	708,036	1,754,181	1,397,715
Auto Dealers Bodily Injury	1,387,366	889,152	471,140
Auto Dealers Property Damage	698,538	973,515	849,491
Zone Rated Risks Bodily Injury	20,692,432	12,562,532	13,713,913
Zone Rated Risks Property Damage	3,856,350	5,301,930	4,569,544
	<u>12/31/2023</u>	<u>12/31/2024</u>	
Trucks, Tractors, & Trailers Bodily Injury	24,727,964	9,079,576	
Trucks, Tractors, & Trailers Property Damage	22,201,393	18,511,273	
Private Passenger Types Bodily Injury	759,056	551,961	
Private Passenger Types Property Damage	572,176	363,054	
Auto Dealers Bodily Injury	687,625	251,407	
Auto Dealers Property Damage	907,422	616,250	
Zone Rated Risks Bodily Injury	3,886,759	1,559,758	
Zone Rated Risks Property Damage	2,474,057	2,179,842	

Incurred Losses

	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
Trucks, Tractors, & Trailers Bodily Injury	50,457,349	49,340,242	45,056,793
Trucks, Tractors, & Trailers Property Damage	16,621,103	22,354,566	24,273,108
Private Passenger Types Bodily Injury	712,206	3,043,901	882,056
Private Passenger Types Property Damage	708,036	1,754,181	1,397,715
Auto Dealers Bodily Injury	1,387,366	892,215	622,515
Auto Dealers Property Damage	698,538	988,560	849,491
Zone Rated Risks Bodily Injury	22,214,626	15,788,243	15,445,360
Zone Rated Risks Property Damage	4,039,136	5,315,650	4,579,192
	<u>12/31/2023</u>	<u>12/31/2024</u>	
Trucks, Tractors, & Trailers Bodily Injury	34,363,513	27,107,058	
Trucks, Tractors, & Trailers Property Damage	22,756,193	20,553,340	
Private Passenger Types Bodily Injury	774,156	622,261	
Private Passenger Types Property Damage	572,176	365,204	
Auto Dealers Bodily Injury	970,830	632,649	
Auto Dealers Property Damage	920,894	724,490	
Zone Rated Risks Bodily Injury	6,560,868	3,443,529	
Zone Rated Risks Property Damage	2,763,532	3,905,506	

(a) Ceded business only. Paid and incurred losses are on a total limits basis and do not include unallocated loss adjustment expense.

North Carolina

ANTICIPATED LOSS RATIOS AT THE TIME THE RATES WERE PROMULGATED (a)

<u>Coverages</u>	<u>4/1/2025</u>
Trucks, Tractors, & Trailers Bodily Injury	0.724
Trucks, Tractors, & Trailers Property Damage	0.724
Private Passenger Types Bodily Injury	0.724
Private Passenger Types Property Damage	0.724
Auto Dealers Bodily Injury	0.694
Auto Dealers Property Damage	0.694
Zone Rated Risks Bodily Injury	0.774
Zone Rated Risks Property Damage	0.774

(a) Ceded Business

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

2. Credibility factor development and application

Credibility factor determination

Credibility considerations enter into the Commercial Automobile ratemaking in three areas:

- 1) Statewide rate level, in the determination of the statewide rate level loss ratio for each coverage.

The credibility tables are displayed in Section D, Exhibit 5 of Exhibit RF-1.

- 2) Trend factor calculation, in the determination to base the selected average annual change on North Carolina data and a credibility-weighted combination of North Carolina and multistate data.

The credibility procedure for the statewide loss ratio calculation is based on the first model discussed in "An Introduction to Credibility Theory" by L.H. Longley-Cook. The full credibility standard for Trucks, Tractors, & Trailers and Private Passenger Types is based on P and K values of 90% and 5% respectively. For Zone Rated Risks, the P and K values are 95% and 7.5% respectively.

The trend credibility standards are based on a Bayesian model which expresses credibility in terms of the observed number of claims and a constant K which is 25,000 for Bodily Injury and 10,000 for Property Damage. The model measures the variation in the trend points between states compared to the variation on a multistate basis.

Credibility factor application

Credibility is applied in the statewide rate level calculations in Section B, Exhibits 1 - 4 of Exhibit RF-1.

Credibility is used in the claim cost trend calculations in Section D, Exhibit 2, Sheets 3 - 6 of Exhibit RF-1.

See also the pre-filed testimony of James Davidson.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

3. Loss Development factor derivation and application on both paid and incurred bases and in both numbers and dollars of claims.

Development

The following incurred loss development exhibits are shown in Exhibit RF-1:

Basic Limits

Trucks, Tractors, & Trailers - Section D, Exhibit 1, Sheets 1 and 2
Private Passenger Types - Section D, Exhibit 1, Sheets 5 and 6
Auto Dealers - Section D, Exhibit 1, Sheets 9 and 10
Zone Rated Risks - Section D, Exhibit 1, Sheets 13 and 14
Publics and Buses - Section D, Exhibit 1, Sheets 17 and 18
Miscellaneous Classes - Section D, Exhibit 1, Sheets 21 and 22

Total Limits

Trucks, Tractors, & Trailers - Section D, Exhibit 1, Sheets 3 and 4
Private Passenger Types - Section D, Exhibit 1, Sheets 7 and 8
Auto Dealers - Section D, Exhibit 1, Sheets 11 and 12
Zone Rated Risks - Section D, Exhibit 1, Sheets 15 and 16
Publics and Buses - Section D, Exhibit 1, Sheets 19 and 20
Miscellaneous Classes - Section D, Exhibit 1, Sheets 23 and 24

The following pages contain the Total Limits and Basic Limits paid loss development exhibits. Also included are exhibits for paid and incurred claims development.

Application

Loss development is applied on Sheet 2 of Exhibits 1 - 4 in Section B of Exhibit RF-1.

See also the pre-filed testimony of James Davidson.

North Carolina
Facility Data
Basic Limit Loss Development
Trucks, Tractors, and Trailers Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	3,738,553	8,419,083	10,809,288	12,723,068	13,658,881
12/31/2021	5,222,534	11,044,320	14,074,150	15,491,751	
12/31/2022	4,443,577	9,856,124	12,790,793		
12/31/2023	6,076,069	12,245,847			
12/31/2024	6,351,029				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	11,387,014	13,112,298	13,628,555	13,787,873	13,814,669
12/31/2021	14,471,581	17,320,464	17,731,393	17,904,353	
12/31/2022	15,711,752	18,237,680	18,879,171		
12/31/2023	15,798,298	17,745,933			
12/31/2024	15,786,736				

North Carolina
Facility Data
Total Limits Loss Development
Trucks, Tractors, and Trailers Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	6,080,471	23,144,817	32,431,539	43,928,316	49,107,102
12/31/2021	10,423,342	22,929,677	36,889,519	44,696,026	
12/31/2022	6,939,726	23,460,234	37,615,719		
12/31/2023	8,909,613	24,727,964			
12/31/2024	9,079,576				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	12,809,561	15,677,488	16,453,849	16,660,327	16,698,000
12/31/2021	16,775,322	20,833,759	21,282,441	22,186,818	
12/31/2022	19,662,103	23,103,860	24,012,425		
12/31/2023	19,077,870	22,201,393			
12/31/2024	18,511,273				

North Carolina
Facility Data
Basic Limit Loss Development
Private Passenger Types Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	378,416	526,406	653,189	689,346	692,206
12/31/2021	766,604	1,443,528	1,739,219	1,770,301	
12/31/2022	508,449	774,461	851,556		
12/31/2023	364,031	539,056			
12/31/2024	378,511				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	627,610	674,328	674,328	674,328	674,328
12/31/2021	1,304,165	1,618,245	1,673,785	1,698,785	
12/31/2022	1,195,294	1,344,243	1,392,723		
12/31/2023	493,578	552,868			
12/31/2024	338,054				

North Carolina
Facility Data
Total Limits Loss Development
Private Passenger Types Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	378,416	526,406	653,189	709,346	712,206
12/31/2021	786,604	1,655,528	2,751,889	3,032,801	
12/31/2022	508,449	804,961	882,056		
12/31/2023	454,031	759,056			
12/31/2024	551,961				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	661,318	708,036	708,036	708,036	708,036
12/31/2021	1,324,924	1,665,323	1,722,543	1,754,181	
12/31/2022	1,200,286	1,349,235	1,397,715		
12/31/2023	512,886	572,176			
12/31/2024	363,054				

North Carolina
Facility Data
Basic Limit Loss Development
Auto Dealers Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	239,310	737,893	873,289	1,065,153	1,068,143
12/31/2021	329,676	558,364	613,670	638,972	
12/31/2022	160,064	381,267	445,157		
12/31/2023	359,840	682,625			
12/31/2024	231,386				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	614,734	690,944	693,053	693,053	693,053
12/31/2021	754,454	835,579	860,373	908,955	
12/31/2022	688,720	822,394	824,673		
12/31/2023	705,123	838,876			
12/31/2024	591,864				

North Carolina
Facility Data
Total Limits Loss Development
Auto Dealers Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	239,310	940,457	1,100,853	1,384,376	1,387,366
12/31/2021	469,676	738,544	863,850	889,152	
12/31/2022	160,064	387,250	471,140		
12/31/2023	364,840	687,625			
12/31/2024	251,407				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	620,219	696,429	698,538	698,538	698,538
12/31/2021	793,930	898,795	923,811	973,515	
12/31/2022	713,177	847,212	849,491		
12/31/2023	745,641	907,422			
12/31/2024	616,250				

North Carolina
Facility Data
Basic Limit Loss Development
Zone Rated Risks Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	636,830	1,806,337	2,857,304	3,513,908	3,918,550
12/31/2021	707,354	1,815,344	2,777,499	3,139,203	
12/31/2022	1,001,115	2,136,828	2,958,477		
12/31/2023	332,145	1,193,247			
12/31/2024	475,103				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	2,573,525	3,055,778	3,137,014	3,228,751	3,247,064
12/31/2021	2,874,181	3,884,600	4,279,120	4,304,317	
12/31/2022	2,764,737	3,352,404	3,491,003		
12/31/2023	1,668,484	1,994,053			
12/31/2024	1,926,798				

North Carolina
Facility Data
Total Limits Loss Development
Zone Rated Risks Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	2,073,144	5,665,512	10,251,581	17,750,006	20,692,432
12/31/2021	2,061,182	5,494,368	10,955,841	12,562,532	
12/31/2022	3,987,703	7,316,373	13,713,913		
12/31/2023	1,774,197	3,886,759			
12/31/2024	1,559,758				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	2,898,142	3,599,640	3,743,824	3,837,986	3,856,350
12/31/2021	3,225,172	4,534,867	5,225,238	5,301,930	
12/31/2022	3,542,922	4,388,571	4,569,544		
12/31/2023	2,057,744	2,474,057			
12/31/2024	2,179,842				

North Carolina
Facility Data
Basic Limit Loss Development
Publics and Buses Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	532,768	1,214,212	1,343,877	1,431,121	1,447,165
12/31/2021	831,755	1,399,868	1,816,142	2,012,936	
12/31/2022	728,016	1,476,406	1,847,868		
12/31/2023	704,056	1,480,658			
12/31/2024	937,840				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	603,215	745,334	760,390	764,883	764,883
12/31/2021	995,656	1,256,015	1,257,128	1,257,878	
12/31/2022	1,374,364	1,535,460	1,534,953		
12/31/2023	1,200,485	1,258,665			
12/31/2024	1,423,943				

North Carolina
Facility Data
Total Limits Loss Development
Publics and Buses Paid Losses and Expenses
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	998,860	2,911,982	3,211,272	3,368,516	3,384,560
12/31/2021	2,563,433	3,908,246	4,720,511	6,252,305	
12/31/2022	1,114,208	2,682,259	4,378,202		
12/31/2023	798,756	2,941,858			
12/31/2024	1,404,995				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	603,229	824,349	840,726	848,508	848,508
12/31/2021	1,179,770	1,516,432	1,517,545	1,518,295	
12/31/2022	1,488,635	1,673,659	1,673,152		
12/31/2023	1,252,502	1,319,870			
12/31/2024	1,629,962				

North Carolina
Facility Data
Total Limits Loss Development
Trucks, Tractors, and Trailers Incurred Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	905	1089	1180	1184	1182
12/31/2021	1184	1303	1300	1309	
12/31/2022	1009	1007	1017		
12/31/2023	1195	1183			
12/31/2024	1283				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	2609	2774	2847	2853	2851
12/31/2021	2980	3178	3204	3215	
12/31/2022	2932	3064	3086		
12/31/2023	2918	3022			
12/31/2024	3046				

North Carolina
Facility Data
Total Limits Loss Development
Private Passenger Types Incurred Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	113	111	113	114	114
12/31/2021	203	204	206	206	
12/31/2022	118	117	119		
12/31/2023	73	73			
12/31/2024	45				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	234	242	242	242	242
12/31/2021	379	404	406	407	
12/31/2022	315	323	325		
12/31/2023	111	114			
12/31/2024	84				

North Carolina
Facility Data
Total Limits Loss Development
Auto Dealers Incurred Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	65	66	67	68	68
12/31/2021	58	55	58	58	
12/31/2022	55	49	49		
12/31/2023	73	74			
12/31/2024	54				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	125	120	120	120	120
12/31/2021	146	146	149	149	
12/31/2022	113	115	115		
12/31/2023	108	109			
12/31/2024	90				

North Carolina
Facility Data
Total Limits Loss Development
Zone Rated Risks Incurred Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	178	197	201	200	200
12/31/2021	160	171	176	178	
12/31/2022	152	160	163		
12/31/2023	80	85			
12/31/2024	79				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	496	516	523	526	526
12/31/2021	569	607	613	615	
12/31/2022	457	489	501		
12/31/2023	256	272			
12/31/2024	265				

North Carolina
Facility Data
Total Limits Loss Development
Publics and Buses Incurred Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	171	246	247	248	248
12/31/2021	196	211	213	213	
12/31/2022	169	166	169		
12/31/2023	143	149			
12/31/2024	212				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	239	265	276	278	278
12/31/2021	264	295	297	298	
12/31/2022	347	357	358		
12/31/2023	282	284			
12/31/2024	314				

North Carolina
Facility Data
Total Limits Loss Development
Trucks, Tractors, and Trailers Paid Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	460	676	769	811	828
12/31/2021	619	886	974	1011	
12/31/2022	538	773	868		
12/31/2023	741	1029			
12/31/2024	764				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	2390	2567	2634	2644	2645
12/31/2021	2723	3031	3077	3090	
12/31/2022	2740	2997	3035		
12/31/2023	2784	2992			
12/31/2024	2845				

North Carolina
Facility Data
Total Limits Loss Development
Private Passenger Types Paid Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	95	106	112	114	114
12/31/2021	143	186	203	205	
12/31/2022	97	114	119		
12/31/2023	56	71			
12/31/2024	32				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	231	242	242	242	242
12/31/2021	361	402	406	407	
12/31/2022	301	323	325		
12/31/2023	106	114			
12/31/2024	80				

North Carolina
Facility Data
Total Limits Loss Development
Auto Dealers Paid Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	30	59	64	68	68
12/31/2021	49	54	57	58	
12/31/2022	24	44	47		
12/31/2023	47	65			
12/31/2024	33				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	117	120	120	120	120
12/31/2021	141	146	149	149	
12/31/2022	105	115	115		
12/31/2023	102	109			
12/31/2024	88				

North Carolina
Facility Data
Total Limits Loss Development
Zone Rated Risks Paid Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	67	115	146	160	168
12/31/2021	72	120	149	161	
12/31/2022	70	122	144		
12/31/2023	32	65			
12/31/2024	33				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	452	496	509	516	516
12/31/2021	522	592	607	609	
12/31/2022	431	479	495		
12/31/2023	239	271			
12/31/2024	244				

North Carolina
Facility Data
Total Limits Loss Development
Publics and Buses Paid Claims
Bodily Injury

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	86	120	123	126	127
12/31/2021	94	123	135	139	
12/31/2022	99	137	153		
12/31/2023	94	136			
12/31/2024	128				

Property Damage

ACC YR ENDED	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
12/31/2020	218	248	249	249	249
12/31/2021	249	277	278	279	
12/31/2022	319	341	342		
12/31/2023	270	280			
12/31/2024	301				

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

4. Trending factor development and application.

Development

The claim cost trend is developed on Exhibit 2, Sheets 3 - 6 of Section D of Exhibit RF-1.

The claim frequency trend is developed on Exhibit 2, Sheets 7 - 12 of Section D of Exhibit RF-1.

The calculation of the trend for expenses is shown on Exhibit 3, Sheets 1 - 4 of Section D of Exhibit RF-1.

Application

The claim cost trend is applied on Sheet 2 of Exhibits 1 - 4 of Section B of Exhibit RF-1.

The expense trend is applied on Sheet 2 of Exhibits 1 - 4 of Section B of Exhibit RF-1.

See also the pre-filed testimony of James Davidson.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

5. Changes in premium base resulting from rating exposure trends.

NOT APPLICABLE.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

6. Limiting factor development and application.

NOT APPLICABLE.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses, and fees.

Development

See Exhibit 4 of Section D of Exhibit RF-1 for the development of various expense components.

Application

See Exhibit 1 of Section A and Exhibit 1 (Sheet 1), Exhibit 2 (Sheet 1), Exhibit 3 (Sheet 1), and Exhibit 4 (Sheet 1) of Section B for the application of the expense components.

See also the pre-filed testimony of James Davidson.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

8. Percentage rate change.

See Summary of Indications (page a) and page 1 (the page preceding Section A) of Exhibit RF-1.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

9. Final proposed rates.

See Exhibit 2 (Sheets 3-9), Exhibit 3 (Sheet 3), Exhibit 4 (Sheet 3), and Exhibit 5 (Sheets 1 and 2) of Section C of Exhibit RF-1.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.

See Exhibit 6 of Section D of Exhibit RF-1 and the pre-filed testimony of James Davidson and Alyssa Irving.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

11. Identification of applicable statistical plans and programs and a certification of compliance with them.

a) The statistical plans and data calls utilized are:

ISO Commercial Statistical Plan - Commercial Automobile Module

ISO Commercial Minimum Statistical Plan - Commercial Automobile Module

Annual Statement for 2024

Insurance Expense Exhibits for 2024

Rate Bureau Call for 2024 Automobile and Motorcycle Expense Experience

Reinsurance Facility Call for Exposure and Loss Experience

b) The North Carolina Reinsurance Facility certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agents involved that the data which were collected under the statistical plans and data calls identified in response (11) (a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Reinsurance Facility is aware that the collected data sometimes require corrections or adjustments, the Reinsurance Facility's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the pre-filed testimony of James Davidson.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

12. Investment earnings on capital and surplus.

NOT APPLICABLE.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA STATUTORY
REQUIREMENTS FOR A COMMERCIAL AUTOMOBILE RATE FILING

13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.

NOT APPLICABLE.

CHECKING SLIP—IMPORTANT

NORTH CAROLINA REINSURANCE FACILITY COMMERCIAL AUTOMOBILE MANUAL

NC 2025 Revision 002

NEW PAGES ENCLOSED	i–ii, 17–67, (a)–(b)
SUPERSEDED—REMOVE	All previous Manual Checking Slips Pages i–ii, 17– <u>69</u> , (a)–(b)
NEW CHANGES	Rule 20 is amended to (1) remove the option for standalone Uninsured Motorists coverage and (2) clarify notice requirements; effective July 1, 2025 in accordance with the following Rule of Application: These changes are applicable to all policies becoming effective on or after July 1, 2025. No policy effective prior to July 1, 2025 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of these changes except at the request of the insured and at the customary short rate charges as of the date of such request, but in no event prior to July 1, 2025. • Rule 20..... Pages 18 and 19 Table of Contents pages i and ii are revised. Pages 23–67 are reprinted for editorial purposes only.
ELECTRONIC MANUAL	The North Carolina Reinsurance Facility Commercial Manual is available in electronic format at https://www.aipso.com/Manuals/NorthCarolinaManuals . Register at https://www.aipso.com/EmailAlerts to receive email alerts when the manual is updated.
ABOUT THIS MANUAL	Stars (★) indicate the beginning of an amendment and end symbols (✧) indicate the ending of an amendment. The latest effective dates of rules, rates, and worksheets are listed on pages (a) and (b) located at the back of this Plan Manual.

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NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

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**NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL**

STANDARD PRACTICES SECTION

NOTES

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL
STANDARD PRACTICES SECTION

Unless otherwise noted, the following provisions are restated from the Standard Practice Manual. This chapter does not include all provisions found in the Standard Practice Manual. The provisions not included should be referred to as needed.

A. Membership Obligation

There is created pursuant to Article 37 of Chapter 58 of the General Statutes of North Carolina a non-profit unincorporated legal entity to be known as the North Carolina Reinsurance Facility (hereinafter referred to as the "Facility") consisting of all insurers licensed to write and engaged in writing within this State motor vehicle insurance or any component thereof. Every such insurer, as a prerequisite to further engaging in writing such insurance in this State, shall be a member of the Facility and shall be bound by the provisions of said Article 37, and the Plan of Operation (hereinafter referred to as the "Plan") and the Rules of Operation promulgated by the Board of Governors (hereinafter referred to as the "Board") pursuant thereto.

B. Eligibility (GS 58-37-1)

"Eligible risk", for the purpose of motor vehicle insurance, other than nonfleet private passenger motor vehicle insurance means:

1. A person who is a resident of this State who owns a motor vehicle registered or principally garaged in this State;
2. A person who has a valid driver's license in this State;
3. A person who is required to file proof of financial responsibility under Articles 9A or 13 of Chapter 20 of the General Statutes, in order to register his or her motor vehicle, or to obtain a driver's license in this State;
4. A nonresident of this State who owns a motor vehicle registered and principally garaged in this State; or
5. The State and its agencies and cities, counties, towns and municipal corporations in this State and their agencies.

However, no person shall be deemed an eligible risk if timely payment of premium is not tendered or if there is a valid unsatisfied judgment of record against such person for recovery of amounts due for motor vehicle insurance premiums and such person has not been discharged from paying said judgment, or if such person does not furnish the information necessary to effect insurance.

Refer to paragraph H.2, Application Requirements, Rate Evasion Fraud, for criteria regarding proof of North Carolina residency or eligible risk status.

C. Extent of Coverage

Policies issued to risks ceded to the Facility shall have the contract terms established by the Board of Governors and filed with the Commissioner of Insurance. Such contract terms will be disseminated by or on behalf of the Facility.

The ceding privileges are as follows:

1. For eligible risks (except as provided in paragraph 2 below) motor vehicle insurance coverage

up to the following limits shall be eligible for cession to the Facility:

- a. Bodily Injury Liability:
\$100,000 Each Person; \$300,000 Each Accident
 - b. Property Damage Liability:
\$50,000 Each Accident
 - c. Single Limit Bodily Injury and Property Damage Liability:
A limit per accident equal to the total of the minimum per accident Bodily Injury and Property Damage Liability limits required under the North Carolina Vehicle Financial Responsibility Act of 1953 as it is in effect on the date of cession to the Facility.
 - d. Medical Payments:
\$2,000 Each Person, except that this coverage shall not be available for motorcycles.
 - e. Uninsured Motorists:
\$1,000,000 Each Person and \$1,000,000 Each Accident for Bodily Injury, \$50,000 for Property Damage (\$100 Deductible).
 - f. Combined Uninsured and Underinsured Motorists:
\$1,000,000 Each Person and \$1,000,000 Each Accident for Bodily Injury and, for Uninsured Motorists, \$50,000 Each Accident for Property Damage (\$100 deductible).
2. If an eligible risk is subject to motor vehicle insurance or financial responsibility limits required by:
 - a. Any federal law or federal agency regulation;
 - b. Any law of the State of North Carolina;
 - c. Any rule duly adopted under Chapter 150B, General Statutes of North Carolina; or
 - d. Any rule duly adopted by the North Carolina Utilities Commissionmotor vehicle insurance coverages up to the limits required by such law or rule shall be eligible for cession to the Facility.
 3. For persons who must maintain liability coverage limits above those available under paragraph C.1 of this Section, in order to obtain or continue coverage under personal excess liability or personal "umbrella" insurance policies, motor vehicle insurance coverage up to the following limits shall be eligible for cession to the Facility:
 - a. Bodily Injury Liability:
\$250,000 Each Person; \$500,000 Each Accident
 - b. Property Damage Liability:
\$100,000 Each Accident

NORTH CAROLINA REINSURANCE FACILITY
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STANDARD PRACTICES

- c. Single Limit Bodily Injury and Property Damage Liability:

A limit per accident equal to the total of the minimum per accident Bodily Injury and Property Damage Liability limits required under the North Carolina Vehicle Financial Responsibility Act of 1953 as it is in effect on the date of cession to the Facility.

- d. Medical Payments:

\$5,000 Each Person, except that this coverage shall not be available for motorcycles.

- e. Uninsured Motorists:

\$1,000,000 Each Person and \$1,000,000 Each Accident for Bodily Injury, \$50,000 for Property Damage (\$100 Deductible).

- f. Combined Uninsured and Underinsured Motorists:

\$1,000,000 Each Person and \$1,000,000 Each Accident for Bodily Injury and, for Uninsured Motorists, \$50,000 Each Accident for Property Damage (\$100 deductible).

D. Rules And Rates; Policy Forms

All policies issued on risks ceded to the Facility shall be in accordance with the policy forms and endorsements and with the rules, rates, and rating by a licensed or statutory rating bureau or organization authorized by the Board of Governors, and filed with the Commissioner of Insurance. Such forms, rules, rates, and rating plans will be disseminated by or on behalf of the Facility.

E. Termination of Cession

1. Expiration

Cession of a risk automatically terminates on the expiration date of the policy period covered by the Notice of Cession, unless the policy has been terminated at an earlier date.

Please note that the Plan of Operation requires the risk to have an underwriting review and the Facility to be again notified of cession prior to the renewal effective date if cession of the risk is to be continued. This requirement applies to each subsequent renewal.

2. Flat Cancellation

When a company cedes a risk for a renewal term and the policyholder does not pay any renewal premium, the company must notify the Facility of termination of cession (See Section 3. Paragraph E. of the Standard Practice Manual). This shall be done in one of two ways depending on the accounting practices of the company.

- a. If the company has submitted a cession record only for the ceded policy, then the company must notify the Facility of termination of cession by cancelling the cession via online data entry in EDGE, or through a transaction Code 4 cession sent in an FTP cession file. Such notice must be submitted to the Facility by not more than 90 days after the renewal effective date.

Flat cancellations made after 90 days from the effective date of cession will be suspended pending review by NCRF and will be processed separately.

- b. If the company does record the renewal quotation as written premium and cancels such amount when the renewal is not taken, the termination of cession will be accomplished either through the Monthly Accounting Detail Premium Report or through cancellation premium created directly online in EDGE and the Notice of Cession record should not be cancelled online in EDGE on such not-taken renewals.

3. Termination of Insurance (GS 58-37-50)

No member may terminate insurance to the extent that cession of a particular type of coverage and limits is available under the provisions of this Article except for the following reasons:

- a. Nonpayment of premium when due to the insurer or producing agent.
- b. The named insured has become a nonresident of this State and would not otherwise be entitled to insurance on submission of new application under this Article.
- c. A member company has terminated an agency contract for reasons other than the quality of the agents' insureds or the agent has terminated the contract and such agent represented the company in taking the original application for insurance.
- d. When the insurance contract has been cancelled pursuant to a Power of Attorney given a company licensed pursuant to the provisions of GS 58-35-5.
- e. The named insured, at the time of renewal, fails to meet the requirements contained in the corporate charter, articles of incorporation, and/or bylaws of the insurer, when the insurer is a company organized for the sole purpose of providing members of an organization with insurance policies in North Carolina.
- f. The named insured is no longer an eligible risk under GS 58-37-1.

In accordance with the instructions in the initial part of this Section, it should be apparent that when insurance terminates the cession is likewise terminated. If the termination of insurance results in an accounting transaction, for the purpose of cancelling written premium, the Facility will be notified of the termination of cession through the Monthly Detail Premium Records. If the termination occurs at the end of the policy period, cession automatically terminates.

(GS 58-2-164)

If an applicant provides false or misleading information material to the applicant's or any named insured's status as an eligible risk and that fraudulent information makes the applicant or any named insured appear to be an eligible risk when that person is in fact not an eligible risk, the insurer may do any or all of the following:

- (1) Refuse to issue, amend, or endorse a policy.

NORTH CAROLINA REINSURANCE FACILITY
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STANDARD PRACTICES

- (2) Cancel or refuse to renew a policy that has been issued.
- (3) Deny coverage for any claim by the applicant for auto liability, comprehensive, or collision coverage. This subdivision does not apply to bodily injury or property damage claims of innocent third parties to the extent of any minimum financial responsibility requirement of State or federal law.

Any motor vehicle liability policy may provide that the insured shall reimburse the insurer for any payment made under a policy of insurance if the issuance of the policy was induced by a knowing and material misrepresentation of facts relating to the insured's status as an eligible risk. For purposes of this subsection, a payment made shall include any sums paid for satisfaction, in whole or in part, of any judgment against the insured or for a reasonable settlement of a claim against the insured for bodily injury or property damage. A payment made shall further include any costs or attorneys' fees incurred by the insurer in the adjustment, investigation, or defense of a claim.

F. Commissions

Commissions paid to producers on business ceded to the North Carolina Reinsurance Facility are subject to minimums as provided in GS 58-37-30. These minimums are defined as not less than the commission on insurance coverage written through the North Carolina Automobile Insurance Plan on May 1, 1973 which is as follows:

1. For long-haul trucking applicants and public passenger carrying vehicles other than school buses, 5% of the policy premium for commission to a licensed producer designated by the insured.
2. For other applicants, 10% of the policy premium for commission to a licensed producer designated by the insured.
3. On any applicant rated and domiciled outside of this State, the licensed producer may be paid only that portion of the producer's commission specified above which is permissible under the laws of the state in which the applicant is rated and domiciled.

The same commission must apply uniformly statewide. Commissions paid on business submitted to designated carriers are contained in Section 3. Paragraph L. of the Standard Practice Manual.

G. Service Standards

1. Each insurer shall provide the same type of service to ceded business that it provides for its voluntary market.
2. Records provided to agents and brokers shall include an indication that the business is ceded.
3. When an insurer cedes a policy or renewal to the Facility and the Facility premium is higher than the premium that would normally be charged if retained by the insurer, the policyholder shall be informed:
 - a. that the policy is ceded;

- b. that the coverages are written at the Facility rate, which rate differential must be specified;
- c. of the reason or reasons for the cession to the Facility;
- d. that the specific reason or reasons for the cession to the Facility will be provided upon the written request of the policyholder to the insurer; and
- e. that the policyholder may seek insurance through other insurers who may elect not to cede the policy.

If the policyholder obtains motor vehicle liability insurance through another insurer which elects not to cede the policy to the Facility and the policyholder cancels the ceded policy within 45 days of the effective date of the ceded policy, the earned premium for the ceded policy shall be calculated on the pro rata basis, except that the pro rata calculation shall not apply to a cancellation by any insurance premium finance company as provided in GS 58-35-85.

4. Upon the written request of any eligible risk who has been notified pursuant to paragraph 3 above that his motor vehicle insurance policy has been ceded to the Facility, the insurer ceding the insurance policy must provide in writing to that eligible risk the specific reason or reasons for the decision to cede that policy to the Facility. Proof of mailing of the written reason or reasons is sufficient proof of compliance with this obligation.

Note: GS 58-37-25 provides: "With regard to any notice of cession or any written or oral communications specifying the reason or reasons for cession, there will be no liability on the part of, and no cause of action of any nature will arise against: (1) any insurer or its authorized representatives, agents, or employees, or (2) any licensed agent, broker, or persons who furnish to the insurer information as to the reason or reasons for the cession, for any communications or statements made by them, unless the communications or statements are shown to have been made in bad faith with malice in fact".

H. Minimum Underwriting Requirements

1. Standards—Each member company is responsible to meet the following minimum underwriting standards for all business ceded to the Facility. Each member ceding risks is responsible to determine that all business ceded to the Facility is correctly classified and rated to develop the correct and proper premium. Classification and rating practices and procedures of each member company shall correspond with those followed for non-Facility business, subject to the following:
 - a. As to private passenger cars ceded to the Facility, member companies shall:
 - (1) Obtain the identification, date of birth, driver license number and state of issue (including date of original licensing for persons licensed less than two years) of the applicant, of all operators resident in

NORTH CAROLINA REINSURANCE FACILITY
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STANDARD PRACTICES

- the applicant's household and of any non-residents shown as regular operators.
- (2) Determine the use and place of principal garaging of each vehicle to be insured.
- (3) Obtain within 60 days of the cession effective date, for each initial cession, and at least annually thereafter, a current record of convictions for moving traffic violations for the applicant and each operator whose driving record would affect the subclass for every vehicle subject to rating under the North Carolina Safe Driver Insurance Plan.
- (4) Correctly classify and rate each vehicle in accordance with the approved North Carolina Personal Auto Manual.
- (5) Correctly determine and charge any applicable recoupment surcharges.
- b. As to other than private passenger cars ceded to the Facility, member companies shall develop sufficient identification, territory, use, and other information correctly to classify and price, in accordance with the approved North Carolina Reinsurance Facility Commercial Automobile Manual, the insurance afforded.
- ★ ❖
- c. Member companies shall make all underwriting records of business ceded to the Facility available for audit by the Audit Committee or its designate. Member companies shall not:
- (1) Cede any risk to the Facility except as provided by the rules outlined in Articles IX and X in the Plan of Operation.
- (2) Refuse to insure any eligible risk for cedable coverages unless an exemption has been approved for that company by the Board of Governors.
2. Application Requirements—Each member company shall provide agents with motor vehicle insurance application forms to obtain from applicants sufficient information properly to classify and rate each exposure. This shall include at least the following:
- a. The name, address, date of birth, operator's license number, and state of issue for the applicant, each operator residing in the applicant's household, and any nonresidents who are regular operators, as well as the original date of licensing for any operator licensed for less than two years.
- b. Identification of each of the specified vehicles to be insured to include the year, the make and model, the body type, and the vehicle identification number.
- c. The use of each vehicle to be insured, as required by the approved classification plan, and the place of principal garaging.
- d. A record of all accidents and convictions by the applicant and all operators as needed to establish the correct subclass, according to the North Carolina Safe Driver Insurance Plan.
- e. The correct gross weight and information regarding the use, including the radius of operation, of any commercial automobile.
- ★ ❖
- f. Any other information necessary to develop the correct rating and premium for any type of risk eligible to be ceded.
- g. **A Statement of Eligibility for Cession of Higher Limits Form NCRF-30 (see Section 3 Exhibit F-1 in the Standard Practice Manual)** when coverage limits above 100/300/50 are to be ceded to the Facility pursuant to paragraph C.2 of this Section and the coverage limits are required by rule, law, or regulation other than the Vehicle Financial Responsibility Act of 1957 (Article 13 Chapter 20, General Statutes of North Carolina). The insured must complete and sign a Form NCRF-30, and the signed form, or a copy thereof, must be retained in the ceding company's file. Absent a finding by the Facility of a lack of good faith by the ceding company, the ceding company shall be entitled to rely upon the insured's satisfactorily completed statement of eligibility for the cession of limits above 100/300/50. If, upon audit, the ceding company does not have a satisfactorily completed Form NCRF-30 in its file, the ceding company, in order to maintain cession of limits above 100/300/50 to the Facility or, in the event of a loss, in order to recover reimbursement from the Facility for losses in excess of 100/300/50, must prove, to the satisfaction of the Facility, that the higher limits were eligible to be ceded to the Facility as of the effective date of the initial cession of the insured's policy by the ceding company or as of the date notice of such cession was received by the Facility. A Form NCRF-30 is satisfactorily completed if the form is fully completed and the date the form was signed by the insured is prior to the later of (1) the date 45 days after the initial notice of cession of the insured's policy by the ceding company was received by the Facility or (2) the date of a loss.
- The initial statement of eligibility by the insured shall remain in effect and may be relied upon by the ceding carrier for subsequent successive renewals of the policy until such time as the insured advises the ceding company that the insured is no longer required by the rules, laws, and regulations referenced in GS 58-37-35(b)(1)e. to maintain coverage limits in excess of 100/300/50 or until the ceding company becomes aware that the insured is no longer required by such rules, laws, or regulations to maintain coverage limits in excess of 100/300/50.
- h. **A Certification of Higher Coverage Limits Form NCRF-31 (See Section 3 Exhibit G-1 in the Standard Practice Manual)** when liability coverage limits above 100/300/50 or medical payments limits above \$2,000 are to be ceded to the Facility pursuant to paragraph C.3 of this Section. The insured must complete and sign a copy of Form NCRF-31 and the signed form, or a copy thereof, must be

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retained in the ceding company's file. Absent a finding by the Facility of a lack of good faith by the ceding company, the ceding company shall be entitled to rely upon the insured's satisfactorily completed certification for the cession of liability coverage limits above 100/300/50 and/or medical payments limits above \$2,000. If, upon audit, the ceding company does not have a satisfactorily completed Form NCRF-31 in its file, the ceding company, in order to maintain cession of such limits to the Facility or, in the event of a loss, in order to recover reimbursement from the Facility for losses in excess of 100/300/50 for the liability coverages and/or in excess of \$2,000 for medical payments, must prove, to the satisfaction of the Facility, that the higher limits were eligible to be ceded to the Facility as of the effective date of the initial cession of the insured's policy by the ceding company or as of the date notice of such cession was received by the Facility. A Form NCRF-31 is satisfactorily completed if the form is fully completed and the date the form was signed by the insured is prior to the later of (1) the date 45 days after the initial notice of cession of the insured's policy by the ceding company was received by the Facility or (2) the date of loss.

The initial certification by the insured shall remain in effect and may be relied upon by the ceding carrier for subsequent successive renewals of the policy until such time as the insured advises the ceding company that the higher limits are no longer needed in order to obtain or continue coverage under personal excess liability or personal "umbrella" insurance policies or until the ceding company becomes aware that the higher limits are no longer needed in order to obtain or continue coverage under personal excess liability or personal "umbrella" insurance policies.

i. **Rate Evasion, Fraud—Reliable Proof—Other than Nonfleet Private Passenger Motor Vehicle Insurance**

As provided in G.S. 58-2-164(c2), for the purpose of obtaining other than nonfleet private passenger motor vehicle insurance and to the extent relevant to a particular criterion, for eligible risk status, reliable proof of North Carolina residency or eligible risk status includes two or more of the following:

- (1) A utility bill in the name of the applicant showing a North Carolina address for the principal place of business of the applicant.
- (2) A receipt for real property taxes paid by the applicant to a North Carolina locality within the preceding 12-month period and showing the applicant's current North Carolina address.
- (3) A valid North Carolina vehicle registration issued to the applicant and showing the applicant's current North Carolina address.
- (4) A federal income tax return filed by the applicant for the most recent prior filing

period showing the applicant's name and current North Carolina address.

- (5) A valid North Carolina driver's license of an owner of an applicant that is a corporation or an LLC, provided that the person holds at least twenty (20%) percent ownership interest in the applicant corporation or LLC.
- (6) If the principal place of business of a corporation or LLC is the primary residence of the sole owner, any of the documents identified in subdivisions (1) through (5) of this subsection, whether in the name of the corporation or LLC or in the name of the sole owner. For purposes of this subsection, "sole owner" shall mean an individual or a husband and wife.

For purposes of subdivisions (5) and (6) of this subsection, on policies to be ceded to the North Carolina Reinsurance Facility, proof of ownership is established through the execution by the owner of the corporation or LLC of **Certification of Ownership Form NCRF – 47 (see Exhibit H-1 in the Standard Practice Manual)**.

NOTE: For a risk to be an eligible risk for the purpose of motor vehicle insurance other than nonfleet private passenger motor vehicle insurance, the requirements of G.S. 58-37-1(4) must be satisfied. A completed Form NCRF-47 alone does not satisfy those requirements.

The following definitions apply to the above:

"Applicant" means one or more persons applying for the issuance or renewal of an auto insurance policy on which the person or persons will be a named insured.

"Principal place of business" means the single physical location from which the majority of the essential operations of the applicant's business are directed and controlled. The location of a consultant, service agent, or attorney of the applicant shall not be sufficient to establish an applicant's principal place of business.

3. **Ceding at Renewal**—The Plan of Operation requires each risk to have an underwriting review and the Facility to be notified of cession prior to the effective date of each renewal if cession is to be effective on that date. This requirement applies to every renewal to be ceded, whether or not the expiring policy was ceded.

THIS WILL INCLUDE AS A MINIMUM OBTAINING CURRENT RECORDS OF CONVICTIONS FOR MOVING TRAFFIC VIOLATIONS EVERY YEAR FOR ALL OPERATORS OF THE VEHICLES INSURED UNDER EACH CEDED POLICY SUBJECT TO RATING UNDER THE SAFE DRIVER INSURANCE PLAN

4. **Agents' Responsibility**—It shall be the responsibility of each agent to obtain from the applicant answers to all relevant questions on the application for insurance and to obtain from the applicant any other information needed for correct premium determination.

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GENERAL RULES SECTION

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GENERAL RULES SECTION

**Rule 1. REINSURANCE FACILITY
SELECTED RULES OF OPERATION**

- A. For general rules of cession to the North Carolina Reinsurance Facility, refer to the Reinsurance Facility's Standard Practice Manual.
- B. The Standard Practice Manual includes information about the following:
 - 1. Facility membership obligations
 - 2. Eligibility for insurance
 - 3. Extent of coverage
 - 4. Rules, rates and policy forms
 - 5. Termination of insurance
 - 6. Commissions
 - 7. Service standards
 - 8. Minimum underwriting requirements
 - 9. Facility member responsibilities

Rule 2. APPLICATION OF THIS MANUAL

A. Contents

The rules, classifications, territories, rates, and additional charges applicable to auto risks insured in accordance with the provisions of the North Carolina Reinsurance Facility are contained herein.

B. Sections

This Manual is divided into separate sections for the following:

- 1. General Rules
- 2. Common Coverages
- 3. Trucks, Tractors, and Trailers
- 4. Public Transportation
- 5. Garage Dealers
- 6. Special Types and Operations
- ★
- 7. Supplementary Rating Procedures
- 8. Territories
- 9. Rates

C. Rates

- 1. For rates, refer to the Rates Section of this Manual
- 2. The rates and premium displayed in this manual are for an annual policy term. For policies written for a period other than 12 months, modify the annual rates and premiums in accordance with the provisions of the Premium Computation Rule ([Rule 4](#)).

D. Statistical Codes

Most statistical codes are shown on the rate schedules or in the specific rules. For statistical codes not shown, refer to the auto module of the commercial statistical plan.

E. Rules

Please note that if a rule regarding a type of coverage is not included in this Manual then the coverage is not eligible to be ceded to the Facility.

Rule 3. POLICY PERIOD

- A. Policies may be written for a specific term up to 36 months or on a continuous basis. However, no policy may be written for a period longer than 36 months.

Note: Annual notices of cession are required for three-year policies if coverage for the entire policy period is to be ceded to the Facility.

- B. A policy may be renewed by renewal certificates. When renewal certificates are used, they must conform in every respect to current rules, rates, and forms at the time of renewal.

Rule 4. PREMIUM COMPUTATION

- A. The premium to be charged for policy terms not exceeding 12 months shall be as follows:

- 1. 12-Month Policies—Charge the annual rates or minimum premiums, whichever apply. Compute the premium at the rates in effect at the policy inception.
- 2. 6-Month Policies—If a policy is written for a specified period of six months, the premium for the policy shall be 50%, respectively, of the one year premium.

★ This provision shall not apply to risks classified as public auto. ❖

B. Long Term Policies

For policies issued for more than one year, compute the premium at the rates in effect on each anniversary date of the policy's inception for each annual period. Use Calculation Of Premium Endorsement IL 00 03.

Rule 5. FACTORS OR MULTIPLIERS

Factors or multipliers are to be applied consecutively and not added together, unless otherwise specified.

Rule 6. PREMIUM ROUNDING

Each company may adopt and utilize its own auto insurance premium rounding rule, provided the company is consistent in the application of the rule.

Rule 7. MINIMUM PREMIUM

- A. Unless otherwise provided in this Manual, the minimum annual premium charge is \$200 subject to no reduction for each policy covering one or more of the following perils:

Bodily injury liability
Property damage liability
Medical payments

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(but not including uninsured and underinsured motorists coverage) even though coverage against other perils may be included in the policy.

- B. The minimum premium shall be inclusive of additional charges imposed for additional hazards in connection with the perils named above.
- C. In the event of cancellation or the issuance of a short term policy, pro rata or .90 of the pro rata amount of such annual minimum premium shall be charged as the conditions require.
- D. This minimum premium shall apply to each policy, certificate or declaration under a bordereau.
- E. For continuous policies, apply the policy writing minimum premium for each annual period.

Rule 8. ADDITIONAL PREMIUM CHANGES

- A. Prorate all changes requiring additional premium.
- B. In computing the additional premium, charge the rates in effect at the time the addition is made or the rates in effect at the inception of the policy even if the policy inception premium was less than the policy minimum premium. With respect to the election of using the rates in effect at the time the addition is made or the rates in effect at the inception of the policy, a company's election shall be applied consistently by the company and not on a policy by policy basis.
- C. Waive additional premium of \$10 or less. This waiver only applies to cash exchange due on an endorsement effective date.

Each company may adopt and utilize its own additional premium waiver amount up to \$10 provided the company is consistent in the application of the rule between voluntary and ceded business.

Rule 9. RETURN PREMIUM CHANGES

- A. Compute return premium at the rates used to calculate the policy premium.
- B. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced. Retain the policy minimum premium.
- C. Waive return premium of \$10 or less. Each company may adopt and utilize its own return premium waiver amount up to \$10, provided the company is consistent in the application of the rule between voluntary and ceded business. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

Rule 10. CANCELLATION

The following provisions apply when a policy, auto, or form of coverage is cancelled:

- A. If a policy, auto, or form of coverage is cancelled at the request of the insured, the return premium shall be calculated at .90 of the pro rata unearned premium for the

policy term except in the situations described in paragraph C below.

- B. If a policy, auto, or form of coverage is cancelled by the company, the return premium shall be computed pro rata.
- C. In the following cases, if a policy, auto, or form of coverage is cancelled at the request of the insured, the return premium shall be computed pro rata:
 - 1. if the insured has disposed of the auto, provided the insured takes out a new policy in the same company on another auto to become effective within 30 days of the date of cancellation;
 - 2. if the insured auto is repossessed under terms of a financing agreement;
 - 3. if an auto is cancelled from a policy, and the policy remains in force on other autos;
 - 4. if the insured enters the armed forces of the United States of America;
 - 5. if the insured auto is stolen or destroyed (total or constructive total loss) and cancellation is requested by the insured within 30 days following the date the auto is stolen or destroyed. The return premium for all coverages (including the premium for the coverage under which loss was paid) shall be calculated from the day following the date of such loss;
 - 6. if an insured who has been ceded to the Facility at rates higher than the insurer's voluntary rates obtains insurance through another insurer who elects not to cede the policy to the Facility and the insured cancels the ceded policy within 45 days of the effective date of the ceded policy.

Exception: This pro rata cancellation shall not apply to a cancellation by any insurance premium finance company.

- D. The following provisions apply to policies exceeding 12 months:
 - 1. If cancelled during the first year, calculate the return premium at .90 of the pro rata unearned premium for the first year or pro rata of the premium for the first year in accordance with the provisions of this Rule, plus the full annual premium for the second and/or third years.
 - 2. If cancelled after the first year, the full pro rata unearned premium shall be returned.
- E. If cancellation of the policy results in a return premium of less than \$10, no refund need be made except at the request of the insured, in which case the actual return premium shall be allowed. Each company may adopt and utilize its own additional premium waiver amount up to \$10, provided the company is consistent in the application of the rule between voluntary and ceded business.

F. Retention of Policy Writing Minimum Premium

Retain the policy writing minimum premium when return premium is calculated using the .90 of pro rata return premium calculation procedures except when a policy is cancelled as of the inception date.

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Rule 11. HOW TO CLASSIFY AUTOS

- A. ★If an auto has more than one use, use the highest rated classification. ♦
- B. Classify and rate autos of the private passenger type according to the Private Passenger Types Rule ([Rule 12](#)).
- C. Classify and rate autos of the truck type that transport property or are used in business according to the Trucks, Tractors, and Trailers Section.
- D. Classify and rate buses, taxicabs, and other autos that are used in the business of transporting people according to the Public Transportation Section.
- E. Classify and rate new and used auto dealers according to the Garage Section.
- F. Classify and rate autos that do not fit into these categories according to the Special Types and Operations Section.
- G. ★Determine classification for each vehicle based on information from the insured and/or other sources verifying business operations within the last 12 months. New classification information obtained during the policy period (inspections, accidents or information from the insured, etc.) which proves vehicle(s) is operated outside the current classification, should be used to update the vehicle classification at the upcoming renewal. ♦

Rule 12. PRIVATE PASSENGER TYPES

Fleet-Class Code 7398

Non-Fleet Class Code 7391

- A. A private passenger auto is
1. 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 pickup truck or van that
 - a. is owned by an individual or by a husband and wife 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 pounds; and
 - c. 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.
- B. The rates displayed on the rate schedules for private passenger types apply to all private passenger autos which are rated as part of a fleet.

A fleet is any risk with five or more motor vehicles owned or hired under a long term contract.

EXCEPTIONS:

Five or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household which are not used for business use, other than farming or ranching, and which are covered under a Personal Auto Policy shall not be considered a fleet.

- C. Private passenger nonfleet motor vehicles must be written on a Personal Auto Policy and rated out of the Personal Auto Manual.

EXCEPTIONS:

A private passenger nonfleet auto may be written on a commercial auto policy if

1. the vehicle is owned by an individual, husband and wife resident of the same household, or jointly by two or more individuals other than husband and wife, and the vehicle is written in conjunction with at least one commercial risk; or
2. the vehicle is not owned by a natural person.

However, these vehicles must be rated out of the Personal Auto Manual and coded as nonfleet private passenger autos, 7391.

D. Premium Determination

1. Determine the rating territory from the territory definitions based on the street address of principal garaging.
2. Premiums for private passenger types are displayed on the rate schedules for the following:
 - a. Bodily injury liability
 - b. Property damage liability
 - c. Medical payments
3. The Private Passenger Types rates displayed on the rate schedules apply to all private passenger autos which are rated as part of a fleet.
4. For uninsured and underinsured motorist insurance, refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)).

E. Classifications and Codes

1. Fleet Classification—Use code 7398.
2. Nonfleet—Use code 7391 and apply North Carolina Rate Bureau/Reinsurance Facility Endorsement CA 01 99 when insuring nonfleet private passenger autos on a commercial auto policy.

Rule 13. FARMERS AUTOS

Class Code 7399

A. Eligibility

This Rule applies to private passenger autos, pickups, panel trucks, and vans rated as part of a fleet which meet all the following qualifications:

1. Principally garaged on a farm or ranch
2. Owned by an individual or husband and wife resident in the same household, or by a farm family partnership or corporation

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3. Not used in any occupation other than farming or ranching
4. Not used in going to and from work other than farming or ranching

B. Premium Computation

Charge 70% of the Private Passenger Types rate shown on the rate schedules.

Rule 14. COMBINATION OF INTERESTS

More than one interest may be named on a policy and rated as a single risk if one interest owns more than 50% of another. All the interests that are combined must be named on the policy.

Rule 15. DRIVE OTHER CAR COVERAGE

(Class Code 9020)

- A. Drive other car coverage is provided for no additional charge in the following cases:
 1. An individual named insured who is an auto dealer garage risk. Use Individual Named Insured—Dealers Only Endorsement CA 99 18.
 2. An individual named insured who owns a private passenger auto, refer to the Individual As Named Insured Rule ([Rule 18](#)) in this Section. Use Individual Named Insured Endorsement CA 99 17.
- B. Except for an individual named insured who is an auto dealer garage risk or an individual named insured who owns a private passenger auto, use Drive Other Car Coverage—Broadened Coverage For Named Individuals Endorsement CA 99 10. For each named individual, charge the following rates:

Coverage	Limits	Premium per Named Individual
Bodily Injury	\$30/60	\$16
Property Damage	25	9
Medical Payments	500	4
	1,000	5
	2,000	6

Uninsured Motorists—Charge the additional persons rate in the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)).

- C. In all cases, drive other car coverage includes coverage for the spouse for no additional charge.

Rule 16. NONOWNERSHIP LIABILITY

A. Garage Dealer Risks

Coverage for nonownership liability for garage dealer risks is included in the basic garage charges. The following rating methodology applies to other than garage dealer risks.

B. Eligibility

For eligibility for this coverage, refer to Section I of the Facility Standard Practice Manual and General Statute 58-37-1.

1. Premium Development

a. Application

For All Risks Other than Social Service Agency Risks as Defined in the Public Transportation Section

- (1) Apply one of the following procedures, as appropriate:

(a) All Risks Other than Garage Service Operations

Determine the total number of employees of the insured at all locations and select the advance premium from the following table:

Class Code	Total Number of Employees	Bodily Injury and Property Damage	
		30/60 BI	\$25,000 PD
6601	0–25	\$ 7	\$ 8
6602	26–100	18	22
6603	101–500	58	72
6604	501–1,000	110	138
6605	Over 1,000	169	213

(b) Garage Service Operations (Class Code 6680)

Coverage is provided solely for the operation of nonowned autos by auto repair shops, service stations, storage garages, and public parking places, or tow truck operators. Refer to the General Liability or Market Segments Divisions for all other garage operations liability coverage.

- (i) Determine the total number of employees whose principal duty involves the operation of autos.

- (ii) Multiply this amount by .35.

- (iii) Multiply the result by the Private Passenger Types rates in the [rate schedules](#) of the North Carolina Reinsurance Facility Manual.

- (2) To extend nonownership liability coverage to cover the individual liability of employees (including employees of garage service operations) while using their autos and other covered nonowned autos in the employer's business, compute the additional premium by multiplying the premium determined in accordance with preceding paragraph 1.a.(1) or 1.a.(2) by .25 (Class Code 6671). Use Employees As Insureds Endorsement CA 99 33.

(3) For Partnership as the Named Insured

- (a) When nonownership liability coverage is afforded, the coverage form provides coverage to a partnership for the use of autos owned by individual partners which are used in the business of the partnership.

- (b) Multiply the Private Passenger Types rates in the [rate schedules](#) by .10 for each active or inactive partner for the

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- territory in which the partnership is located. Apply this rating base regardless of the type of autos being used (Class Code 7000).
- b. Social Service Agency Risks (Class Code 6670)
- (1) Determine the advance premium based on the number of employees in accordance with paragraph a.(1)(a) above.
 - (2) Charge an additional premium determined as follows:

Determine the total number of volunteers at all locations who regularly use their own autos to transport social service clients in connection with the agency's programs and multiply this number by \$1.59 bodily injury, \$30,000/60,000 limits, and \$.75 property damage, \$25,000 limit per volunteer. The minimum premium shall be \$10 bodily injury, \$30,000/60,000 limits, and \$6 property damage, \$25,000 limit.
 - (3) To extend nonownership coverage to cover the individual liability of agency employees, charge an additional premium determined in accordance with paragraph 1.a.(2) (Class Code 6671). Use Employees As Insureds Endorsement CA 99 33.
 - (4) To extend coverage to cover the blanket individual liability of volunteers who use their own autos in the agency's social service programs, charge an additional premium of \$.37 bodily injury, \$30,000/ 60,000 limits, and \$.19 property damage, \$25,000 limit, per volunteer donor subject to a minimum premium of \$5 per policy (Class Code 6672). Use Social Service Agencies—Volunteers As Insureds Endorsement CA 99 34.
- c. Unless there is substantial change in exposures during the policy period, the advance premium is the earned premium.
- (1) For liability coverage, separately estimate the cost of hire for those autos for which the insured is providing the primary insurance.
 - (2) Multiply the hired car premium by 6.00.
 - (3) Multiply the rate determined in the preceding paragraph times each \$100 cost of hire.
2. If the owner of the auto is providing the primary insurance, rate as though owned by the insured.
3. If a lessor is an employee of the insured, use Employee As Lessor Endorsement CA 99 47.
4. If an employee rents or hires an auto in his or her own name for the purpose of performing duties related to the insured's business, use Employee Hired Autos Endorsement CA 20 54.
- B. **Cost of Hire Basis—Liability Coverages (Class Code 6611 Minimum Premium Class Code 6619) Class Code 6625 Without Hold Harmless Agreements and 6627 With Hold Harmless Agreements. Minimum Premium Class Code 6619**
1. Truckers

For truckers, refer to the Truckers/Motor Carrier Rule ([Rule 34](#)).
 2. Premium Computation
 - a. Estimate the total cost for the hire of autos for each state where the insured does business. Do not include charges for services performed by common or contract motor carriers subject to the insurance requirement of any public authority regulating motor carriers.
 - b. To compute the advance premium, multiply the cost of hire rate on the state rate schedules times each \$100 cost of hire in each state. Add the total cost of hire premium for all states.
 - c. Unless there is substantial change in exposures during the policy period, the advance premium is the earned premium.
 - d. The minimum premium is \$10 bodily injury, \$30,000/60,000 limits, and \$4 property damage, \$25,000 limit.

Rule 17. HIRED AUTOS

A. Autos Hired, Loaned, Leased, or Furnished

1. If an insured, lessee, or renter is providing the primary insurance covering the auto (Class Code 6614) and the term of the lease is
 - a. 6 months or more:
 - (1) Rate as though owned by the insured, lessee, or renter; and
 - (2) If the policy is extended to cover the owner of the auto as an additional insured, multiply the otherwise applicable liability rate by 1.04. Use Lessor—Additional Insured And Loss Payee CA 20 01 or Hired Autos Specified As Covered Autos You Own Endorsement CA 99 16.
 - b. Less than 6 months (Class code 6614)—Rate according to the provisions in paragraph B except as follows:

Rule 18. INDIVIDUAL AS THE NAMED INSURED

Endorse a policy covering an individually owned auto with the appropriate individual named insured endorsement.

- A. Family drive other car coverage is provided at no additional charge if the policy covers
1. a private passenger auto not used for public transportation or rented to others without a driver;
 2. a pickup, panel truck, or van that is not customarily used in the business of the insured other than for farming or ranching.
 3. Use Individual Named Insured Endorsement CA 99 17.
- B. Drive other car coverage is provided at no additional charge if the policy covers an auto dealer garage risk.

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Use Individual Named Insured—Dealers Only Endorsement CA 99 18.

Rule 19. MEDICAL PAYMENTS

- A. The premiums for trucks, tractors, trailers, public autos, and private passenger types are on the rate schedules.
- B. For zone rated risks, refer to the [zone rating tables](#).
- C. For all other classes, refer to the section Rules.
- D. For premiums for limits not shown, refer to the Increased Limits Rule ([Rule 22](#)).
- E. Use Auto Medical Payments Coverage Endorsement CA 99 03.

Rule 20. ★COMBINED UNINSURED AND UNDERINSURED MOTORISTS INSURANCE

Use North Carolina Uninsured Motorists Coverage Limits—CA 21 16, which includes, among other things, an exclusion of punitive damages.✦

For purposes of this Rule, the following definitions apply:

A commercial motor vehicle is defined as (1) any single motor vehicle with a GVWR of at least 26,001 pounds; (2) a combination of motor vehicles that has a combined GVWR of at least 26,001 pounds and includes as part of the combination a towed unit that has a GVWR of at least 10,001 pounds; (3) a combination of motor vehicles that includes a towing unit that has a GVWR of at least 26,001 pounds and a towed unit that has a GVWR of less than 10,001 pounds; (4) a motor vehicle that is designed to transport 16 or more passengers, including the driver; or (5) a motor vehicle transporting hazardous materials and required to be placarded in accordance with 49 C.F.R. Part 172, Subpart F.

A noncommercial motor vehicle is defined as any motor vehicle that is not a commercial motor vehicle as defined above, but that is otherwise subject to the requirements of North Carolina's Motor Vehicle Safety and Financial Responsibility Act of 1953.

★For the purpose of determining whether a policy is applicable solely to fleet vehicles, an insurer may rely upon the number of vehicles reported by the insured at the time of issuance of the policy for the policy term in question. In the event of a renewal of the policy, when determining whether a policy is applicable solely to fleet vehicles, the insurer may rely upon the number of vehicles reported by the insured at the time of renewal of the policy for the policy term in question.

NOTE: The minimum limits required by North Carolina's financial responsibility law changed for policies issued or renewed on or after July 1, 2025. The basic limits set forth by this rule do not correspond to the minimum limits required by North Carolina's financial responsibility law for policies issued or renewed on or after July 1, 2025.

A. Combined Uninsured/Underinsured Motorists Coverage

Owners—(Class Code—Refer to statistical plan.)

Combined uninsured/underinsured motorists coverage shall be afforded:

- Under every auto liability policy insuring the owner of a nonfleet, noncommercial motor vehicle registered or principally garaged in North Carolina.
- Under every fleet or nonfleet auto liability policy insuring both commercial and noncommercial motor vehicles on which a noncommercial motor vehicle is registered or principally garaged in North Carolina.

EXCEPTIONS:

- For policies insuring only commercial motor vehicles or a fleet of only noncommercial motor vehicles, combined uninsured/underinsured motorists coverage is not mandatory and will apply only if purchased by the insured.

1. Limits

The limits of combined uninsured/underinsured motorists bodily injury coverage shall equal the highest limits of liability for bodily injury liability coverage for any one noncommercial motor vehicle insured under the policy, provided, however, that (1) the limits shall not be required to exceed \$1,000,000/1,000,000 regardless of whether the highest limits of bodily injury liability coverage for any one motor vehicle insured under the policy exceed those limits; (2) a named insured may purchase greater or lesser limits, but not less than the bodily injury limits required by North Carolina's financial responsibility law, and in no event shall an insurer be required to sell combined uninsured/underinsured motorists bodily injury coverage at limits that exceed \$1,000,000/ 1,000,000; and (3) the limits shall be equal to the limits of uninsured motorists bodily injury coverage purchased.✦

The limit of uninsured motorists property damage coverage, sold with combined uninsured/underinsured motorists bodily injury coverage, shall equal the highest limit of liability for property damage liability coverage for any one noncommercial motor vehicle insured under the policy, provided, however, that (1) the limits shall not be required to exceed \$1,000,000 regardless of whether the highest limits of property damage liability coverage for any one vehicle insured under the policy exceed those limits; and (2) a named insured may purchase lesser limits of uninsured motorists property damage coverage but not less than the property damage liability limits required by North Carolina's financial responsibility law.

★

The property damage coverage applies only on an uninsured motorists basis and is subject to an exclusion of the first \$100 of damage.

If provided, combined uninsured/underinsured motorists coverage must apply to all autos insured under the policy at the limits determined in this Rule.

2. Rates

Basic Limits (30,000/60,000/25,000) Rates for Combined Uninsured/Underinsured Motorists Coverage

Charge the following for each auto or set of dealer or transporter plates insured under the policy:

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- Individual or Married Couple (Other than Garage Risks)-Per Auto

Private Passenger Types	\$15
Other than Private Passenger Types	\$8

- Garage Risks

\$6 for each set of dealer or transporter plates in addition to the premium charged for any separately registered autos

- All Others-Per Auto

Private Passenger Types	\$13
Other than Private Passenger Types	\$6

Add the rates shown below to the basic limits rates for Combined Uninsured/Underinsured Motorists coverage for each auto or set of dealer or transporter plates insured under the policy.

- a. Combined Uninsured/Underinsured Motorists Bodily Injury Liability❖

- (1) To compute the premium for limits higher than the basic limits, add the rate shown below for each auto or set of dealer or transporter plates to the basic limits premium:

Additional Charge		
BI Limits	PP Types	Other than PP Types
\$ 50/100	\$ 8	\$ 6
85/85	17	13
100/200	24	18
100/300	26	19
250/500	55	41
300/300	59	44
500/500	73	55
500/1,000	77	58
1,000/1,000	89	67
1,500/1,500	97	73
2,000/2,000	103	78
2,500/2,500	109	82
5,000/5,000	128	96
7,500/7,500	137	103
10,000/10,000	143	108
15,000/15,000	151	111

- (2) Compute the charges for limits not shown by interpolation.

- b. ★Uninsured Motorists Property Damage Liability

- (1) To compute the premium for limits higher than the basic limits, add the rates shown below for each auto or set of dealer or transporter plates to the basic limits premium:❖

Additional Charge		
PD Limits	PP Types	Other than PP Types
\$ 50	\$1.00	\$1.00
85	1.01	1.01
100	1.02	1.02
300	1.03	1.03
400	1.04	1.04

Additional Charge

PD Limits	PP Types	Other than PP Types
500	1.05	1.05
750	1.06	1.06
1,000	1.07	1.07
1,500	1.08	1.08
2,000	1.09	1.09
2,500	1.10	1.10
5,000	1.11	1.11
7,500	1.12	1.12
10,000	1.13	1.13
15,000	1.14	1.14

- (2) Compute the charges for limits not shown by interpolation.

These total rates are not subject to modification under the provisions of any rating plan or other Manual rule.

3. Trailers

★Do not charge an uninsured/underinsured motorist premium for trailers when power units designed to tow such trailers are insured for uninsured/underinsured motorist insurance on the same coverage form.

B. Notice Requirements

Every insurer that sells motor vehicle liability policies insuring nonfleet, noncommercial vehicles shall, when issuing and renewing such policies, give reasonable notice to the named insured as required in N.C.G.S. 20-279.21(m).



Rule 21. CERTIFIED RISKS—FINANCIAL RESPONSIBILITY LAWS

For risks rated in accordance with this Manual for which the insured requests the company to certify the policy in accordance with financial responsibility laws, a fee of \$25 will be added to the total liability premium. This fee applies per driver and shall be applied each time the company provides such certification.

Rule 22. INCREASED LIMITS

A. Liability Increased Limits

- The rates and premiums in this Manual are for basic limits of \$30,000/60,000 bodily injury and \$25,000 property damage.
- For limits in excess of \$30,000/60,000 bodily injury and \$25,000 property damage, refer to the increased limit tables in the [Commercial Auto Liability Rates](#) Section of this Manual. For limits not shown, interpolation shall be used.

B. Medical Payments Limits Not Displayed on the Rate Schedules

- The \$500 basic limit medical payments premiums for trucks, tractors, public autos, and private passenger types are on the rate schedules.

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2. For limits not displayed on the rate schedules, compute the premium as follows:

a. Private Passenger Types

Multiply the \$500 limit by the following factors:

Limits	Limit Codes	Factor
\$1,000	3	1.30
2,000	4	1.46

\$250 Limit (Limit Code 7)—Decrease the \$500 limit premium by \$1.

b. Trucks, Tractors, Trailers, and Public Autos

(1) Other than Zone Rated Autos

Multiply the \$500 limit premium by the following factors:

Limit	Limit Codes	Factors
\$ 250	7	0.85
750	2	1.10
1,000	3	1.18
2,000	4	1.32

(2) Zone Rated Autos

Multiply the \$500 limit premium by the following factors:

Limit	Limit Codes	Factors
\$ 250	7	0.85
750	2	1.10
1,000	3	1.20
2,000	4	1.30

C. Rates

1. Bodily Injury

Reductions from the full coverage bodily injury rates for deductible amounts for the limits of \$30,000/60,000 are given in the table below:

Amount of Deductible	Percent Reduction From Full Coverage Rate	
	Per Claim	Per Accident
\$ 250	9%	7%
500	16	12
1,000	23	20
2,500	28	26
5,000	37	34
10,000	40	37
20,000	52	49
25,000	92	55

2. Property Damage

Reductions from the full coverage property damage rates for deductible amounts per accident for the limit of \$25,000 are given in the table below:

Amount of Deductible	Percent Reduction From Full Coverage Rate
\$ 250	42%
300	44
400	47
500	48
1,000	49
2,000	50
3,000	51
4,000	52
5,000	53

3. Only those deductibles shown are available.

Rule 23. DEDUCTIBLE INSURANCE

A. Eligibility

- Bodily injury liability insurance may be written on a deductible basis provided the company insures five or more autos owned by or under the control of the insured.
- Property damage liability insurance may be written on a deductible basis provided the company insures one or more autos owned by or under the control of the insured.
- If in addition to such autos the company insures both hired autos and the nonownership liability of the insured, the deductible form is also available for these coverages.
- Use Deductible Liability Coverage Endorsement CA 03 01 or CA 03 02.

B. Deductible Amounts

- The deductible amount applies to the loss portion of the claim and not to the expense incurred by the company.
- The minimum deductible for bodily injury and property damage is \$250.

Rule 24. POLLUTION LIABILITY

Coverage for bodily injury or property damage arising out of the discharge of pollutants that are being transported or towed by, loaded onto or unloaded from, or, with the exception of certain fuels, stored, disposed of, treated or processed in or upon a covered auto is excluded under the Business Auto and Truckers Policies.

A. Pollution Liability—Broadened Coverage for Covered Autos

Business Auto and Truckers Policies shall be endorsed to delete that part of the pollution exclusion and the definition of covered pollution cost or expense, for bodily injury, property damage, and covered pollution cost or expense relating to discharge of pollutants which are in or upon, being transported or towed by, being loaded onto or unloaded from a covered auto for risks which are subject to the Motor Carrier Act of 1980 or any similar or equivalent North Carolina financial responsibility filing requirement. This extension of coverage does not apply to liability assumed under any contract or agreement.

Attach applicable endorsement.

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B. Classes of Pollutants

Pollutants that are or that are contained in any property that is being transported or towed by or handled for movement into, onto, or from, covered autos are classed as follows:

1. Property (Nonhazardous)
2. Hazardous substances as defined in 49 CFR 171.8, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons; or in bulk Class A or B explosives, poison gas (Poison A), liquefied compressed gas, or compressed gas; or highway route controlled quantity radioactive materials as defined in 49 CFR 173.455.
3. Oil listed in 49 CFR 172.101; hazardous waste, hazardous materials, and hazardous substances defined in 49 CFR 171.8 and listed in 49 CFR 172.101, but not mentioned in 2 above or 4 below.
4. Any quantity of Class A or B explosives; any quantity of poison gas (Poison A); or highway route controlled quantity radioactive materials as defined in 49 CFR 173.455.

C. Premium Development

Business Auto and Truckers Policies

1. Owned Autos
 - a. Charge an additional 5% of the otherwise applicable bodily injury and property damage premium for each covered auto transporting any substance described in B.1 above.

- b. Charge an additional 25% of the otherwise applicable bodily injury and property damage premium for each covered auto transporting any substance described in B.2 above.
 - c. Charge an additional 10% of the otherwise applicable bodily injury and property damage premium for each covered auto transporting any substance described in B.3 above.
 - d. Charge an additional 25% of the otherwise applicable bodily injury and property damage premium for each covered auto transporting any substance described in B.4 above.
 - e. Where more than one class of pollutants is transported by a covered auto, apply the charge which develops the highest premium.

2. Hired Autos

Charge an additional percentage of the otherwise applicable bodily injury and property damage premium for hired auto coverage. Such percentage is the highest one determined in accordance with 1 above for any covered auto. Where hired autos will transport more than one class of pollutants, apply the charge which develops the highest premium.

Rules 25–30. RESERVED FOR FUTURE USE

NOTES

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NOTES

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Rule 31. ELIGIBILITY

This Section applies to all trucks, including pickup, panel, and van types, truck-tractors, trailers, and semitrailers except for the following:

- A. Autos used for public transportation. Refer to the Public Transportation Section.
- B. Autos leased or rented to others without drivers by leasing or rental concerns. Refer to the Leasing or Rental Concerns Rule ([Rule 67](#)).
- C. Pickups, panel trucks, or vans owned by an individual, husband and wife resident in the same household, or a family farm partnership or corporation and used for farming or ranching and not used in any occupation other than farming or ranching. Refer to the Farmers Autos Rule ([Rule 13](#)).
- D. Individually owned nonfleet pickups, panel trucks, or vans. Refer to [Rule 12](#). Private Passenger Types.
- E. Self-propelled vehicles with the following types of permanently attached equipment. Refer to the Special or Mobile Equipment Rule in the Special Types Section ([Rule 72](#)).
 - 1. Equipment designed primarily for
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing;
 - c. street cleaning;
 - 2. Cherry pickers and similar devices mounted on auto or truck chassis and used to raise or lower workers; and
 - 3. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

**Rule 32. PREMIUM DEVELOPMENT—
OTHER THAN ZONE RATED
AUTOS**

- A. This Rule applies to
 - 1. all light trucks and trailers used with light trucks;
 - 2. all other trucks, tractors, and trailers which solely operate within a 200-mile radius from the street address of principal garaging. For those autos operating beyond a 200 mile radius, refer to the Premium Development—Zone Rated Autos Rule ([Rule 35](#)).
- B. Determine the classification, rating factor, and class code as follows:
 - 1. Determine whether the risk is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).
 - 2. Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)) based on size class, business use class, and radius class.
 - 3. Determine the secondary rating factor, if any, from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)) based on the special industry classifications.

- 4. Determine the combined rating factor by adding or subtracting the secondary rating factor to or from the primary rating factor.
- 5. For trailers used with light trucks which operate beyond a 200-mile radius, use the rating factor for the intermediate rating class.

C. Premium Computation

- 1. For vehicles principally garaged in North Carolina:
 - a. Determine the rating territory from the territory definitions based on the street address of principal garaging.
 - b. Liability Coverage
 - (1) Determine the fleet or nonfleet base premiums from the liability base premium schedule on the [rate schedules](#).
 - (2) Multiply the base premium by the combined rating factor.
 - c. Medical Payments Coverage
 - (1) Trucks and Tractors
 - (a) Primary and secondary rating factors do not apply.
 - (b) Determine the premiums from the liability base premium schedule. For premiums not shown, refer to the Increased Limits Rule ([Rule 22](#)).
 - (2) Trailers
 - (a) Determine the base premium from the liability base premium schedule. For premiums not shown, refer to the Increased Limits Rule ([Rule 22](#)).
 - (b) Multiply the base premium by the primary rating factor.
 - (c) Secondary rating factors do not apply.
 - d. Uninsured and Underinsured Motorists Insurance
 - (1) Primary, secondary, and fleet rating factors do not apply.
 - (2) Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.
- 2. For vehicles principally garaged in states other than North Carolina:
 - a. Liability Coverage
 - (1) Determine the fleet or nonfleet base premiums from the liability base premium [schedule](#) from the rate schedules for the state where the vehicle is principally garaged.
 - (2) Multiply the base premium by the combined rating factor.
 - b. Medical Payments Coverage
 - (1) Trucks and Tractors
 - (a) Primary and secondary rating factors do not apply.

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- (b) Determine the premium from the liability base premium [schedule](#). For premiums not shown, refer to the Increased Limits Rule ([Rule 22](#)).
- (2) Trailers
 - (a) Determine the base premium from the liability base premium [schedule](#). For premiums not shown, refer to the Increased Limits Rule ([Rule 22](#)).
 - (b) Multiply the base premium by the primary rating factor.
 - (c) Secondary rating factors do not apply.
- c. Uninsured and Underinsured Motorists Insurance
 - (1) Primary, secondary, and fleet rating factors do not apply.
 - (2) Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.
- b. GCW—The maximum loaded weight for a combination truck-tractor and semitrailer or trailer for which the truck-tractor is designed, as specified by the manufacturer.

2. Size Class

- a. Light Trucks—Trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- b. Medium Trucks
 - (1) Trucks that have a gross vehicle weight (GVW) of 10,001–20,000 pounds.
 - (2) Include crawler type trucks in this class.
- c. Heavy Trucks—Trucks that have a gross vehicle weight (GVW) of 20,001–45,000 pounds.
- d. Extra Heavy Trucks—Trucks that have a gross vehicle weight (GVW) over 45,000 pounds.
- e. Truck-Tractors—A truck-tractor is a motorized auto with or without body for carrying commodities or materials, equipped with fifth wheel coupling device for semitrailers.
 - (1) Heavy Truck-Tractors—Truck-tractors that have a gross combination weight (GCW) of 45,000 pounds or less.
 - (2) Extra Heavy Truck-Tractors—Truck-tractors that have a gross combination weight (GCW) over 45,000 pounds.
- f. Semitrailers—A semitrailer is a trailer equipped with fifth wheel coupling device for use with a truck-tractor with load capacity over 2,000 pounds. This includes bogies used to convert containers into semitrailers.
- g. Trailers—Any trailer with load capacity over 2,000 pounds, other than a semitrailer.
- h. Service or Utility Trailer—Any trailer or semitrailer with load capacity of 2,000 pounds or less.

Rule 33. TRUCKS, TRACTORS, AND TRAILERS CLASSIFICATIONS

Classify trucks, tractors, and trailers for liability coverages as follows:

A. Fleet—Nonfleet Classifications

- 1. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership. Do not include autos owned by allied or subsidiary interests unless the insured holds a majority financial interest.
- 2. Do not include mobile equipment insured on a general liability policy in determining if the risk is a fleet.
- 3. Do not include trailers in determining if the risk is a fleet, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.
- 4. Classify the autos of any other risk as nonfleet.
- 5. Do not change the fleet or nonfleet classification because of midterm changes in the number of owned autos, except at the request of the insured. The policy must be cancelled and rewritten in accordance with the [Cancellation Rule](#).

B. Primary Classifications

- 1. Gross vehicle weight (GVW) and gross combination weight (GCW) mean the following:
 - a. GVW—The maximum loaded weight for which a single auto is designed, as specified by the manufacturer.

3. Business Use Class

- If a truck, tractor, or trailer has more than one use, use the highest rated classification.
- a. Service Use—For transporting the insured's personnel, tools, equipment, and incidental supplies to or from a job location. This classification is confined to autos principally parked at job locations for the majority of the working day or used to transport supervisory personnel between job locations.
 - b. Retail Use—Autos used to pick up property from, or deliver property to, individual households.
 - c. Commercial Use—Autos used for transporting property other than those autos defined as service or retail.

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4. Radius Class

Determine radius on a straight line from the street address of principal garaging.

- a. Local—up to 50 miles—The auto is not operated beyond a radius of 50 miles from the street address where such auto is principally garaged.
- b. Intermediate—51 to 200 miles—The auto is operated beyond a radius of 50 miles but not beyond a radius of 200 miles from the street address where such auto is principally garaged.
- c. Long Distance—over 200 miles—The auto is operated beyond a 200-mile radius from the street address where such auto is principally garaged. Apply zone rates for other than light trucks.

Note: Determine radius for each vehicle based on information from the insured and/or other sources verifying travel within the last 12 months. New radius information obtained during the policy period (inspections, accidents outside of rated radius, etc.) which proves vehicle(s) is operated beyond current radius class, should be used to update the radius at the upcoming renewal.

5. Nonfleet and Fleet Primary Classifications—Rating Factors and Statistical Codes

See the primary classifications—rating factors on the following pages.

C. **Primary Classifications—Rating Factors and Classification Designators**

See the secondary classification rating factor tables for the rating factors and statistical codes.

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FLEET

PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Size Class	Business		Radius Class		
			Local Up to 50 Miles BI and PD	Intermediate 51 to 200 Miles BI and PD	Long Distance Over 200 Miles BI and PD
Light Trucks (0–10,000 lbs. GVW)	Service	Factor CD	1.00 014– –	1.25 015– –	1.30 016– –
	Retail	Factor CD	1.45 024– –	1.80 025– –	1.80 026– –
	Commercial	Factor CD	1.30 034– –	1.60 035– –	1.65 036– –
ZONE RATED					
Medium Trucks (10,001–20,000 lbs. GVW)	Service	Factor CD	1.05 214– –	1.30 215– –	.90 216– –
	Retail	Factor CD	1.55 224– –	1.90 225– –	.90 226– –
	Commercial	Factor CD	1.40 234– –	1.70 235– –	.90 236– –
Heavy Trucks (20,001–45,000 lbs. GVW)	Service	Factor CD	1.10 314– –	1.40 315– –	1.00 316– –
	Retail	Factor CD	1.60 324– –	2.05 325– –	1.00 326– –
	Commercial	Factor CD	1.45 334– –	1.80 335– –	1.00 336– –
Extra Heavy Trucks (Over 45,000 lbs. GVW)		Factor CD	2.15 404– –	2.80 405– –	1.40 406– –
Heavy Truck-Tractors (0–45,000 lbs. GCW)	Service	Factor CD	1.40 344– –	1.75 345– –	1.00 346– –
	Retail	Factor CD	2.00 354– –	2.55 355– –	1.00 356– –
	Commercial	Factor CD	1.80 364– –	2.25 365– –	1.00 366– –
Extra Heavy Truck-Tractors (Over 45,000 lbs. GCW)		Factor CD	2.35 504– –	3.05 505– –	1.40 506– –
Trailer Types					
Semitrailers		Factor CD	.10 674– –	.15 675– –	.15 676– –
Trailers		Factor CD	.10 684– –	.15 685– –	.15 686– –
Service or Utility Trailer (0–2,000 lbs. Load Capacity)		Factor CD	.00 694– –	.00 695– –	.00 696– –

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NONFLEET

PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Size Class	Business Use Class		Radius Class		
			Local Up to 50 Miles BI and PD	Intermediate 51 to 200 Miles BI and PD	Long Distance Over 200 Miles BI and PD
Light Trucks (0–10,000 lbs. GVW)	Service	Factor CD	1.00 011– –	1.25 012– –	1.30 013– –
	Retail	Factor CD	1.45 021– –	1.80 022– –	1.80 023– –
	Commercial	Factor CD	1.30 031– –	1.60 032– –	1.65 033– –
ZONE RATED					
Medium Trucks (10,001–20,000 lbs. GVW)	Service	Factor CD	1.05 211– –	1.30 212– –	.90 213– –
	Retail	Factor CD	1.55 221– –	1.90 222– –	.90 223– –
	Commercial	Factor CD	1.40 231– –	1.70 232– –	.90 233– –
Heavy Trucks (20,001–45,000 lbs. GVW)	Service	Factor CD	1.10 311– –	1.40 312– –	1.00 313– –
	Retail	Factor CD	1.60 321– –	2.05 322– –	1.00 323– –
	Commercial	Factor CD	1.45 331– –	1.80 332– –	1.00 333– –
Extra Heavy Trucks (Over 45,000 lbs. GVW)		Factor CD	2.15 401– –	2.80 402– –	1.40 403– –
Heavy Truck-Tractors (0–45,000 lbs. GCW)	Service	Factor CD	1.40 341– –	1.75 342– –	1.00 343– –
	Retail	Factor CD	2.00 351– –	2.55 352– –	1.00 353– –
	Commercial	Factor CD	1.80 361– –	2.25 362– –	1.00 363– –
Extra Heavy Truck-Tractors (Over 45,000 lbs. GCW)		Factor CD	2.35 501– –	3.05 502– –	1.40 503– –
Trailer Types					
Semitrailers		Factor CD	.10 671– –	.15 672– –	.15 673– –
Trailers		Factor CD	.10 681– –	.15 682– –	.15 683– –
Service or Utility Trailer (0–2,000 lbs. Load Capacity)		Factor CD	.00 691– –	.00 692– –	.00 693– –

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D. Secondary Classification—Special Industry Class

1. These classifications and codes, but not the rating factors, apply to zone rated autos.
2. Where more than one secondary rating factor applies, use the highest rated classification.

Classification		Secondary Factor to Be Combined with Primary Factor		Code to Be Inserted in 4th and 5th Digit of Classification Code	
		Trailer Types and Zone Rated Autos	All Other Autos		
Truckers —Autos used to haul or transport goods, materials, or commodities for another, other than autos used in moving operations					
a.	Common carriers	local	0.00	+0.75	21
		intermediate	0.00	+0.75	21
		long distance	0.00	+0.75	21
b.	Contract carriers (other than chemical or iron and steel haulers)	local	0.00	+0.75	22
		intermediate	0.00	+0.75	22
		long distance	0.00	+0.75	22
c.	Contract carriers hauling chemicals	local	0.00	+0.75	23
		intermediate	0.00	+0.75	23
		long distance	0.00	+0.75	23
d.	Contract carriers hauling iron and steel	local	0.00	+0.75	24
		intermediate	0.00	+0.75	24
		long distance	0.00	+0.75	24
e.	Exempt carriers (other than livestock haulers)	local	0.00	+0.75	25
		intermediate	0.00	+0.75	25
		long distance	0.00	+0.75	25
f.	Exempt carriers hauling livestock	local	0.00	+0.75	26
		intermediate	0.00	+0.75	26
		long distance	0.00	+0.75	26
g.	Carriers engaged in both private carriage and transporting goods, materials, or commodities for others if at least 20% of their total operation is transporting goods, materials, or commodities for others	local	0.00	+0.75	02
		intermediate	0.00	+0.75	02
		long distance	0.00	+0.75	02
h.	Tow trucks for hire	local	0.00	+0.75	03
		intermediate	0.00	+0.75	03
		long distance	0.00	+0.75	03
i.	All other	local	0.00	+0.75	29
		intermediate	0.00	+0.75	29
		long distance	0.00	+0.75	29
Food delivery —Autos used by food manufacturers to transport raw and finished products or used in wholesale distribution of food					
a.	Canneries and packing plants		0.00	+0.45	31
b.	Fish and sea food		0.00	+0.45	32
c.	Frozen food		0.00	+0.45	33
d.	Fruit and vegetable		0.00	+0.45	34
e.	Meat or poultry		0.00	+0.45	35
f.	All other		0.00	+0.45	39

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Classification	Secondary Factor to Be Combined with Primary Factor		Code to Be Inserted in 4th and 5th Digit of Classification Code
	Trailer Types and Zone Rated Autos	All Other Autos	
Specialized delivery —Autos used in deliveries subject to time and similar constraints			
a. Armored cars	0.00	+0.65	41
b. Film delivery	0.00	+0.65	42
c. Magazines or newspapers	0.00	+0.65	43
d. Mail and parcel post	0.00	+0.65	44
e. All other	0.00	+0.65	49
	Trailer Types and Zone Rated Autos	All Other Autos	
Waste disposal —Autos transporting salvage and waste material for disposal or resale			
a. Auto dismantlers	0.00	+0.30	51
b. Building wrecking operators	0.00	+0.30	52
c. Garbage	0.00	+0.30	53
d. Junk dealers	0.00	+0.30	54
e. All other	0.00	+0.30	59
	Trailer Types and Zone Rated Autos	All Other Autos	
Farmers —Autos owned by a farmer, used in connection with the operation of his own farm, and occasionally used to haul commodities for other farmers			
a. Individually owned or family corp. (other than livestock hauling)	0.00	−0.50	61
b. Livestock hauling	0.00	−0.50	62
c. All other	0.00	−0.50	69
	Trailer Types and Zone Rated Autos	All Other Autos	
Dump and transit mix trucks and trailers (Use these factors and codes only when no other secondary classification applies. Refer to Truckers/Motor Carriers Rule.)			
a. Excavating	0.00	−0.10	71
b. Sand and gravel (other than quarry- ing)	0.00	−0.10	72
c. Mining	0.00	−0.10	73
d. Quarrying	0.00	−0.10	74
e. All other	0.00	−0.10	79

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Classification	Secondary Factor to Be Combined with Primary Factor		Code to Be Inserted in 4th and 5th Digit of Classification Code
	Trailer Types and Zone Rated Autos	All Other Autos	
Contractors (Other than dump trucks—Use these factors and codes only when no other secondary classification applies. Refer to Truckers/Motor Carriers Rule.)			
a. Building—commercial	0.00	−0.05	81
b. Building—private dwellings	0.00	−0.05	82
c. Electrical, plumbing, masonry, plastering, and other repair or service	0.00	−0.05	83
d. Excavating	0.00	−0.05	84
e. Street and road	0.00	−0.05	85
f. All other	0.00	−0.05	89
Not otherwise specified			
a. Logging and lumbering	0.00	0.35	91
b. All other	0.00	0.00	99

TRUCKS, TRACTORS, AND TRAILERS

E. Special Provisions for Certain Risks

1. Truckers/Motor Carriers. If the business of the insured involves transporting materials or commodities for another, the Truckers/Motor Carrier Rule ([Rule 34](#)) also applies.
2. Transporters of liquid products. A coverage form that covers an auto used for the bulk transportation of liquid products must exclude accidents resulting from the erroneous delivery of one liquid product for another, or the delivery of any liquid product into the wrong receptacle if the accident occurs after the operations have been completed. Use Wrong Delivery Of Liquid Products Endorsement CA 23 05.
3. Amusement devices (Class Code 7905). A coverage form that covers an auto with an amusement device mounted on it must cover the operation of the amusement device at the additional premium of \$154 for \$30,000/60,000 bodily injury and \$30 for \$25,000 property damage liability. The premium is for the period of coverage and not subject to any return.
4. Rolling stores. A coverage form that covers autos equipped as a rolling store must exclude product liability. Use Rolling Stores Endorsement CA 23 04.
5. Trailers or Semitrailers Used as Showrooms
 - a. To provide liability coverage for trailers or semitrailers used as showrooms or salesrooms, multiply the trailer or semitrailer rating factor by 2.00. The minimum premium per trailer or semitrailer is \$22 for bodily injury, \$30,000/60,000 limits and \$3 property damage, \$25,000 limit. The policy must exclude product liability. Use Rolling Stores Endorsement CA 23 04.
 - b. For medical payments coverage, multiply the private passenger medical payments premiums for the territory in which the risk is located by 3.00.

Rule 34. TRUCKERS/MOTOR CARRIERS

A. Eligibility

1. A trucker is a person or organization in the business of transporting goods, materials, or commodities for another. A motor carrier is a person or organization providing transportation by auto in the furtherance of a commercial enterprise.
2. A risk engaged in trucking operations described in preceding paragraph 1 is assigned to the truckers' classification even though they advertise or describe themselves as a contractor, building contractor, building material dealer, sand and gravel hauler, or some other similar name.
3. Movers are classified as truckers even though they are not subject to the truckers secondary rating factors.
4. For details of coverage refer to the Motor Carrier Coverage Form CA 00 20. Use the Business Auto Coverage Form CA 00 01 when coverage is provided for bobtail operations only.

B. Special Provisions

1. Bobtail Operations (Class Code 7489)
 - a. Coverage may be limited to nontrucking use when the autos are not rented, nor used for business purposes to carry property or to haul someone else's trailers.

Use Truckers—Insurance For Non-Trucking Use Endorsement CA 23 09.
 - b. Premium Computation

Liability coverages. Multiply the truck, tractor, and trailer nonfleet base premium by a rating factor of 1.75 per unit or combined unit. Primary, secondary, and fleet rating factors do not apply.
 - c. Premium Determination

Rate autos transporting exclusively for one concern on the same basis as though owned by such concern for both territory and classification.
 - (1) Specified Car Basis. Truckers may be written on a specified car basis—see the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).
 - (2) Cost of Hire Basis. (Class Code 6613, Minimum Premium Class Code 6619) Truckers may be written on the cost of hire basis to cover their liability because of a contract involving the hire of trucks, tractors, and trailers.
 - (a) Determine the total cost of hiring the autos. If autos are hired without operators, include the actual wages of the operators of such autos.
 - (b) Determine the average specified car rate by
 - (i) computing the premium for all autos owned and leased by the insured that are used in trucking operations;
 - (ii) dividing this by the number of trucks and truck-tractors owned and leased by the insured.
 - (3) The cost of hire rate is determined by multiplying the average specified car rate by .0033.
 - (4) Compute the advance premium by multiplying each \$100 of the total amount estimated for the cost of hire during the policy period by the cost of hire rate.
 - (5) Unless there is a substantial change in exposure during the policy period, the advance premium computed at the beginning of the policy term is the earned premium.
 - (6) Compute the earned premium at the rates in force at the inception of the policy, in the same manner as the advance premium.

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- (7) If the company which insures the owned autos of the risk also insures the hired autos, the minimum premium is \$11 for \$30,000/60,000 bodily injury and \$6 for \$25,000 property damage liability. Otherwise, the minimum premium is the average applicable specified car rate.

Rule 35. PREMIUM DEVELOPMENT—ZONE RATED AUTOS

- A. Except for light trucks and trailers used with light trucks, this Rule applies to trucks, tractors, and trailers operated beyond a 200-mile radius from the street address of principal garaging.

B. Premium Development

1. For vehicles principally garaged in North Carolina that ever operate beyond a 200-mile radius.

When an auto is principally garaged in a regional zone and operates from terminals in that zone and in one or more metropolitan zones, the zone combination is the regional zone and the metropolitan zone farthest away.

In all other situations, the zone combination is the zone of principal garaging and the zone of the terminal (included in the auto's operations) farthest from that point.

A terminal is any point at which an auto regularly loads or unloads. It is not limited to a terminal facility which the insured owns and operates.

EXAMPLES:

The auto is principally garaged in Raleigh, North Carolina (regional zone 47) and its operations include terminals in Sacramento, California (regional zone 40) and Denver, Colorado (metropolitan zone 10). The proper zone combination is 47 and 10.

The auto is principally garaged in Raleigh, North Carolina (regional zone 47) and its operations include a terminal in Asheville, North Carolina (regional zone 47). The proper zone combination is 47.

The auto is principally garaged in Charlotte, North Carolina (metropolitan zone 5) and has terminals in Denver, Colorado (metropolitan zone 10) and Sacramento, California (regional zone 40). The proper zone combination is 5 and 40.

- a. Determine the classification rating factor and class code as follows:

- (1) Determine whether the auto is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).
- (2) Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).
- (3) Determine the secondary classifications code from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).

b. Liability Coverages

- (1) Determine the liability base premiums for the zone combination from the [Zone Rating Table](#)—Garaged in North Carolina.
- (2) For fleets, multiply the base premiums by .70.
- (3) Multiply the base premium by the long distance rating factor from the primary classification table in the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).

c. Medical Payments

(1) Trucks and Tractors

- (a) Determine the \$500 medical payments premium of the zone combination from the [Zone Rating Table](#)—Garaged in North Carolina.
- (b) Primary and secondary rating factors do not apply.
- (c) For limits not shown, refer to the Commercial [Auto Liability Rate schedules](#).

(2) Trailers

- (a) Determine the \$500 medical payments premium of the zone combination from the [Zone Rating Table](#)—Garaged in North Carolina.
- (b) Multiply the medical payments premium by the primary rating factor.
- (c) For limits not shown, refer to the Commercial [Auto Liability Rate schedules](#).

- (3) Secondary rating factors do not apply.

d. Uninsured and Underinsured Motorists Insurance

- (1) Primary and secondary rating factors do not apply.
- (2) For rates, refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

2. For vehicles principally garaged in states other than North Carolina that ever operate beyond a 200-mile radius.

When a vehicle is principally garaged in a state other than North Carolina, only regional zones will be utilized. The zone combination is the regional zone of principal garaging and the regional zone of the terminal (included in the auto's operation) farthest from that point.

A terminal is any point at which an auto regularly loads or unloads. It is not limited to a terminal facility which the insured owns and operates.

EXAMPLE

The auto is principally garaged in Charleston, South Carolina (regional zone 47) and has terminals in Sacramento, California (regional zone 40). The proper zone combination is 47 and 40.

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- a. Determine the classification rating factor and class code as follows:

- (1) Determine whether the auto is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).
- (2) Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).
- (3) Determine the secondary classifications code from the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).

- b. Liability Coverages

- (1) Determine the liability base premiums for the zone combination from the [Zone Rating Table](#)—Garaged in States Other than North Carolina.
- (2) For fleets, multiply the base premiums by .70.
- (3) Multiply the base premium by the long distance rating factor from the primary classification table in the Trucks, Tractors, and Trailers Classifications Rule ([Rule 33](#)).

- c. Medical Payments

- (1) Trucks and Tractors

- (a) Determine the \$500 medical payments premium of the zone combination from the [Zone Rating Table](#)—Garaged in States Other than North Carolina.
- (b) Primary and secondary rating factors do not apply.
- (c) For limits not shown, refer to the Commercial [Auto Liability Rate schedules](#).

- (2) Trailers

- (a) Determine the \$500 medical payments premium of the zone combination from the [Zone Rating Table](#)—Garaged in States Other than North Carolina.
- (b) Multiply the medical payments premium by the primary rating factor.
- (c) For limits not shown, refer to the Commercial [Auto Liability Rate schedules](#).

- (3) Secondary rating factors do not apply.

- d. Uninsured and Underinsured Motorists Insurance

- (1) Primary and secondary rating factors do not apply.
- (2) For rates, refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

C. Long Distance Zone Definitions

Metropolitan Zones

01. ATLANTA Zone includes Clayton and Cobb Counties and Atlanta, Georgia territories.
02. BALTIMORE—WASHINGTON Zone includes Baltimore, Baltimore Suburban, and Outer Suburban, Montgomery County Suburban and Outer Suburban, and Prince Georges County Suburban and Outer Suburban, Maryland territories; the entire District of Columbia; and Alexandria City, Arlington, Falls Church City, and Arlington—Alexandria Suburban, Virginia territories.
03. BOSTON Zone includes all of Essex, Middlesex, Norfolk, and Suffolk, Massachusetts Counties.
04. BUFFALO Zone includes Erie County (Balance), Buffalo, Buffalo Semisuburban, Buffalo Suburban, Niagara Falls, and Niagara Falls Suburban, New York territories.
05. CHARLOTTE Zone includes Charlotte and all of Mecklenburg County, North Carolina territories.
06. CHICAGO Zone includes all of Cook and Du Page County territories, Lake County (Balance), Waukegan—North Chicago and all Chicago, Illinois territories; and East Chicago, Indiana territory.
07. CINCINNATI Zone includes Cincinnati, Dayton, and Hamilton—Middletown, Ohio; and Covington—Newport, Kentucky territories.
08. CLEVELAND Zone includes all of Geauga, Lorain, and Medina County territories, Portage County (excluding the village of Mogadore), all Cleveland and Painesville, Ohio territories.
09. DALLAS—FORT WORTH Zone includes all of Dallas and Tarrant, Texas Counties.
10. DENVER Zone includes Denver and North Central, Colorado territories.
11. DETROIT Zone includes all Detroit, Dearborn, and Pontiac, Michigan territories.
12. HARTFORD Zone includes all of Hartford and New Haven Counties and Bridgeport and Fairfield—Stratford, Connecticut territories.
13. HOUSTON Zone includes all of Chambers, Galveston, and Harris, Texas Counties.
14. INDIANAPOLIS Zone includes all of Marion County, Indiana territory.
15. JACKSONVILLE Zone includes all of Jacksonville, Florida territory.
16. KANSAS CITY Zone includes all of Kansas City, Kansas; and Independence and all Kansas City, Missouri territories.
17. LITTLE ROCK Zone includes all of Pulaski County, Arkansas territory.
18. LOS ANGELES Zone includes all of Los Angeles and Orange Counties and also Riverside and San Bernardino, California territories.
19. LOUISVILLE Zone includes all of Jefferson County, Kentucky; and New Albany and Jeffersonville, Indiana territories.

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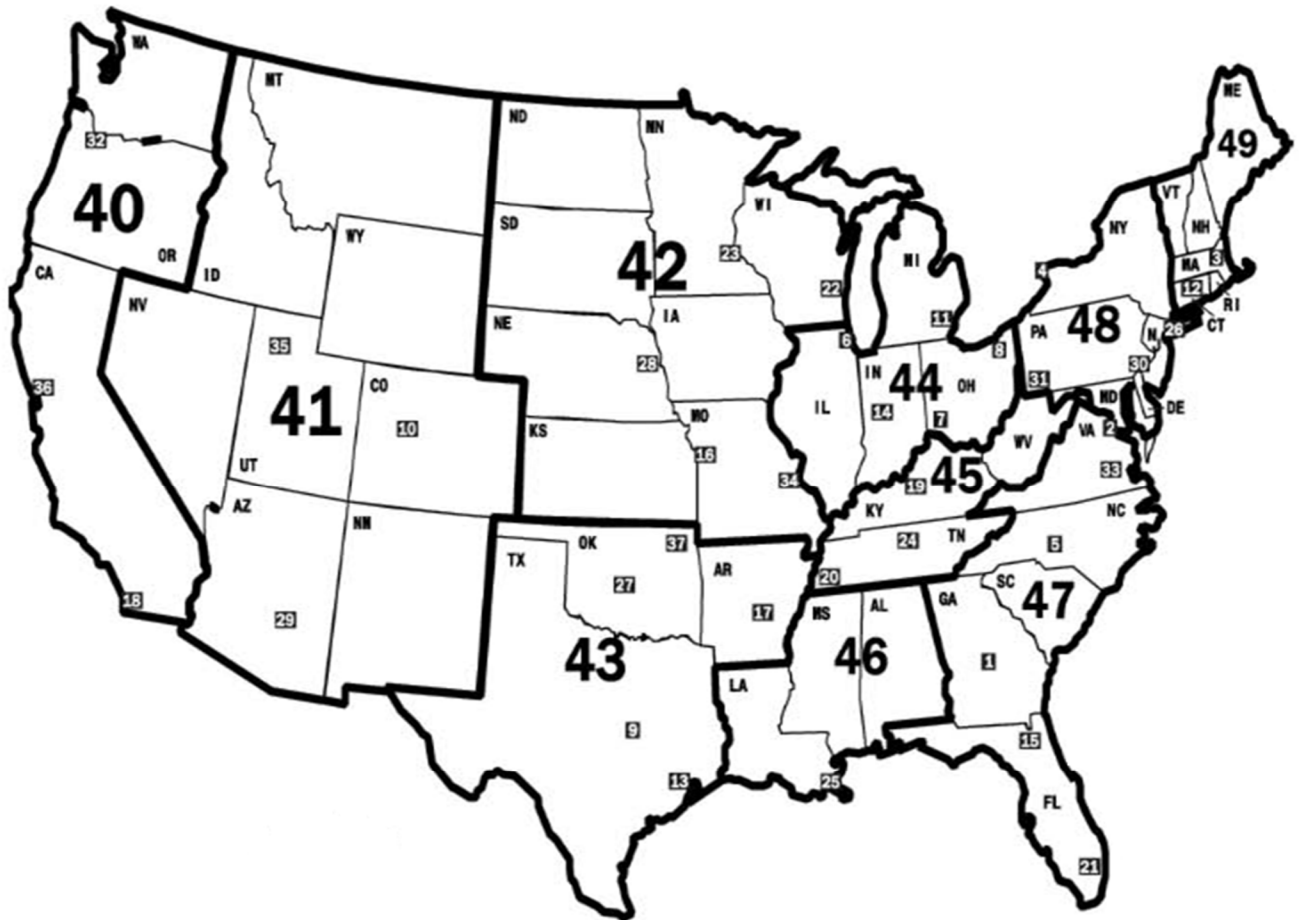
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20. MEMPHIS Zone includes all of Shelby County, Tennessee territory.
 21. MIAMI Zone includes Miami and Miami Beach, Florida territories.
 22. MILWAUKEE Zone includes Kenosha, Milwaukee Metropolitan, Semisuburban, and Suburban, and Racine, Wisconsin territories.
 23. MINNEAPOLIS—ST. PAUL Zone includes Minneapolis Metropolitan and Suburban; and St. Paul Metropolitan and Suburban, Minnesota territories.
 24. NASHVILLE Zone includes all of Davidson County, Tennessee territory.
 25. NEW ORLEANS Zone includes all of New Orleans, Louisiana territory.
 26. NEW YORK CITY Zone includes all of New York City, Nassau, and Westchester, New York Counties; all of Bergen, Essex, and Hudson Counties, Elizabeth, New Brunswick, Perth Amboy, and Plainfield, New Jersey territories; and Darien—Greenwich and Stamford, Connecticut territories.
 27. OKLAHOMA CITY Zone includes all of Oklahoma County, Oklahoma territory.
 28. OMAHA Zone includes all of Douglas and Sarpy, Nebraska Counties; and Council Bluffs, Iowa territory.
 29. PHOENIX Zone includes Mesa—Tempe and Phoenix, Arizona territories.
 30. PHILADELPHIA Zone includes Bucks County (Balance), Chester County (Balance), Delaware County (Balance), Montgomery County (Balance), Allentown—Bethlehem, and all Philadelphia, Pennsylvania territories; Wilmington, Delaware; and Camden, Camden Suburban, and Trenton, New Jersey territories.
 31. PITTSBURGH Zone includes all of Allegheny and Beaver Counties, Pennsylvania territories.
 32. PORTLAND Zone includes all of Portland, Portland Semisuburban, and Portland Suburban, Oregon; and Vancouver, Washington territories.
 33. RICHMOND Zone includes all of Richmond, Virginia territory.
 34. ST. LOUIS Zone includes all of St. Louis County, Missouri; and East St. Louis, Illinois territories.
 35. SALT LAKE CITY Zone includes all of Salt Lake City County, Utah territory.
 36. SAN FRANCISCO Zone includes all of Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara, California Counties.
 37. TULSA Zone includes all of Tulsa, Oklahoma territory.
 41. MOUNTAIN Zone includes the states of Arizona, (excluding Phoenix Zone), Colorado (excluding Denver Zone), Idaho, Montana, Nevada, New Mexico, Utah (excluding Salt Lake City Zone), and Wyoming.
 42. MIDWEST Zone includes the states of Iowa (excluding Omaha Zone), Kansas (excluding Kansas City Zone), Missouri (excluding Kansas City and St. Louis Zones), Minnesota (excluding Minneapolis—St. Paul Zone), Nebraska (excluding Omaha Zone), North Dakota, South Dakota, and Wisconsin (excluding Milwaukee Zone).
 43. SOUTHWEST Zone includes the states of Arkansas (excluding Little Rock Zone), Oklahoma (excluding Oklahoma City and Tulsa Zones), and Texas (excluding Dallas—Fort Worth and Houston Zones).
 44. NORTH CENTRAL Zone includes the states of Illinois (excluding Chicago and St. Louis Zones), Indiana (excluding Chicago, Indianapolis, and Louisville Zones), Ohio (excluding Cincinnati and Cleveland Zones), and Michigan (excluding Detroit Zone).
 45. MIDEAST Zone includes the states of Kentucky (excluding Cincinnati and Louisville Zones), Tennessee (excluding Memphis and Nashville Zones), and West Virginia.
 46. GULF Zone includes the states of Alabama, Louisiana (excluding New Orleans Zone), and Mississippi.
 47. SOUTHEAST Zone includes the states of Florida (excluding Jacksonville and Miami Zones), Georgia (excluding Atlanta Zone), North Carolina (excluding Charlotte Zone), South Carolina, and Virginia (excluding Baltimore—Washington and Richmond Zones).
 48. EASTERN Zone includes the states of Delaware (excluding Philadelphia Zone), Maryland (excluding Baltimore—Washington Zone), New York (excluding Buffalo and New York City Zones), New Jersey (excluding New York City and Philadelphia Zones), and Pennsylvania (excluding Philadelphia and Pittsburgh Zones).
 49. NEW ENGLAND Zone includes the states of Connecticut (excluding Hartford and New York City Zones), Maine, Massachusetts (excluding Boston Zone), New Hampshire, Rhode Island, and Vermont.
- D. Zone Rating Tables Are Located in the Commercial Automobile Liability Rates Section**
- For liability the following tables include the zone or combination zone base premiums.
- Regional Zones**
40. PACIFIC COAST Zone includes the states of California (excluding Los Angeles and San Francisco Zones), Oregon (excluding Portland Zone), and Washington (excluding Portland Zone).

KEY TO ZONE RATING TABLES	
The liability premiums are displayed as follows:	
\$30,000/60,000 Bodily Injury \$25,000 Property Damage \$500 Medical Payments	Liability
	\$400 BI
	300 PD
	70 MP

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This map is for reference purposes only.



Rules 36–40. RESERVED FOR FUTURE USE

NOTES

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NOTES

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PUBLIC TRANSPORTATION SECTION

Rule 41. ELIGIBILITY

This Section applies to autos registered or used for the transportation of members of the public.

When the coverage form insures public autos, use Public Transportation Autos Endorsement CA 24 02 to amend the care, custody, or control exclusion.

**Rule 42. PREMIUM DEVELOPMENT—
OTHER THAN ZONE RATED
AUTOS**

A. This Rule applies to

1. all taxis, limousines, school, church, and urban buses, and van pools;
2. all other public autos which operate solely within a 200-mile radius from the street address of principal garaging. For those autos operated beyond a 200-mile radius, refer to the Premium Development—Zone Rated Autos Rule ([Rule 44](#)).

B. Determine the classification rating factor and class code as follows:

1. Determine whether the risk is classified as fleet or nonfleet according to the Public Auto Classifications Rule ([Rule 43](#)).
2. Determine the primary rating factor from the Public Auto Classifications Rule ([Rule 43](#)) based on use class and radius class. For van pools, the rating factor is based on seating capacity.
3. Except for taxicabs, van pools, and limousines (other than airport limousines), determine the secondary rating factor, if any, from the Public Auto Classifications Rule ([Rule 43](#)) based on the seating capacity.
4. Determine the combined rating factor by adding the secondary rating factor to, or subtracting it from, the primary rating factor.

C. Premium Computation

1. For public autos operated the greatest percentage of time in North Carolina:
 - a. Determine the rating territory for each public auto from the territory definitions based on the territory where the public auto is operated the greatest percentage of the time.
 - b. Liability and Medical Payments Coverages
 - (1) Determine the fleet or nonfleet base premiums on the state [rate schedules](#).
 - (2) Multiply the base premium by the combined rating factor.
 - c. Uninsured and Underinsured Motorists Coverage
 - (1) Primary and secondary rating factors do not apply.
 - (2) Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

d. Special Provisions

- (1) If a truck, tractor, or trailer is rated as public auto, determine the seating capacity from the size class as follows:

Size Class	Seating Capacity
Light	1–8
Medium	9–20
Heavy	21–60
Extra Heavy	Over 60

- (2) If a bus is rated at truck, tractor, or trailer rates, determine the size class from the seating capacity:

Seating Capacity	Size Class
1–8	Light
9–20	Medium
21–60	Heavy
Over 60	Extra Heavy

- (3) For a unit that combines a motorized auto with one or more trailers or semitrailers, charge according to the gross combined vehicle weight rating and refer to paragraph d.(1) above.

2. For public autos operated the greatest percentage of the time in states other than North Carolina:

a. Liability and Medical Payments Coverages

- (1) Determine the fleet or nonfleet base premiums on the [state rate schedules](#) for the state in which the public auto is operated the greatest percentage of the time.
- (2) Multiply the base premium by the combined rating factor.

b. Uninsured and Underinsured Motorists Insurance

- (1) Primary and secondary rating factors do not apply.
- (2) Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

c. Special Provisions

- (1) If a truck, tractor, or trailer is rated as public auto, determine the seating capacity from the size as follows:

Size Class	Seating Capacity
Light	1–8
Medium	9–20
Heavy	21–60
Extra Heavy	Over 60

- (2) If a bus is rated at truck, tractor, or trailer rates, determine the size class from the seating capacity:

Seating Capacity	Size Class
1–8	Light
9–20	Medium
21–60	Heavy
Over 60	Extra Heavy

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- (3) For a unit that combines a motorized auto with one or more trailers or semitrailers, charge according to the gross combined vehicle weight rating and refer to paragraph c.(1) above.

Rule 43. PUBLIC AUTO CLASSIFICATIONS

Classify public autos as follows:

- A. If an auto has more than one use, use the highest rated classification.

B. Fleet—Nonfleet Classification

1. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership. Do not include autos owned by allied or subsidiary interests unless the insured holds a majority financial interest.
2. Do not include mobile equipment insured on a general liability policy in determining if the risk is a fleet.
3. Do not include trailers in determining if the risk is a fleet, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.
4. Classify the autos of any other risk as nonfleet.
5. Do not change the fleet or nonfleet classification because of midterm changes in the number of owned autos except at the request of the insured. The policy must be cancelled and rewritten in accordance with the Cancellation Rule ([Rule 10](#)).

C. Seating Capacity

1. Use the seating capacity specified by the manufacturer of the auto unless a public authority rules otherwise.
2. Do not include the driver's seat when determining seating capacity.

D. Primary Classifications

1. Radius Class—Determine radius on a straight line from the street address of principal garaging.
 - a. Local—up to 50 miles—The auto is not operated beyond a radius of 50 miles from the street address where such auto is principally garaged.
 - b. Intermediate—51 to 200 miles—The auto is operated beyond a radius of 50 miles but not beyond a radius of 200 miles from the street address where such auto is principally garaged.
 - c. Long distance—over 200 miles—The auto is operated beyond a 200-mile radius from the street address where such auto is principally garaged. Apply zone rates for all autos other than taxis, limousines, school, church, and urban buses, and van pools.

Note: Determine radius for each vehicle based on information from the insured and/or other sources verifying travel within the last 12 months. New radius information obtained during the policy period (inspections, accidents outside of rated radius, etc.) which proves vehicle(s) is operated beyond current radius class, should be used to update the radius at the upcoming renewal.

2. Use Class

- a. Taxicab or Similar Passenger Carrying Service—A metered or unmetered auto with a seating capacity of eight or less that is operated for hire by the named insured or an employee, but does not pick up, transport, or discharge passengers along a route.
- b. Limousine—An unmarked auto with a seating capacity of eight or less that is operated for hire by the named insured or an employee and used on a prearranged basis for special or business functions, weddings, funerals, or similar purposes. For autos with a seating capacity of nine or more, refer to public autos not otherwise classified.
- c. School Bus—An auto that carries students or other persons to and from school, or in any school activity including games, outings, and similar school trips.
 - (1) Separate codes and rating factors apply to the following:
 - (a) School buses owned by political subdivisions or school districts
 - (b) All others including independent contractors, private schools, and church owned buses
 - (2) A policy covering a school bus may be written on an annual term for liability coverages with premium prorated to reflect the actual school term. However, do not give credit for Saturdays, Sundays, or holidays or for any other periods of lay-up during the school term.
 - (3) If a publicly owned school bus is used for special trips unrelated to school activities, refer to company for the additional charge.
- d. Church Bus—An auto used by a church to transport persons to or from services and other church related activities. This classification does not apply to public autos used primarily for daily school activities.
- e. Intercity Bus—An auto that picks up and transports passengers on a published schedule of stops between stations located in two or more towns or cities.
- f. Urban Bus—An auto that picks up, transports, and discharges passengers at frequent local stops along a prescribed route. This classification applies only to vehicles operated principally within the limits of a city or town and communities contiguous to such city or town, and includes scheduled express service between points on that route.
- g. Airport Bus or Airport Limousine—An auto for hire that transports passengers between airports and other passenger stations or motels.
- h. Charter Bus—An auto chartered for special trips, touring, picnics, outings, games, and similar uses.
- i. Sightseeing Bus—An auto accepting individual passengers for a fare for sightseeing or guided

PUBLIC TRANSPORTATION

- tours, making occasional stops at certain points of interest and returning the passengers to the point of origin.
- j. **Transportation of Athletes and Entertainers**—An auto owned by a group, firm, or organization that transports its own professional athletes, musicians, or other entertainers.
- (1) If it is used to transport other professional athletes or entertainers, rate as a charter bus.
 - (2) An auto owned by a group, firm, or organization to transport its own nonprofessional athletes, musicians, or entertainers, rate as a public auto not otherwise classified.
- k. **Van Pools**—An auto of the station wagon, van truck, or bus type used to provide prearranged commuter transportation for employees to and from work and is not otherwise used to transport passengers for a charge.
- (1) **Employer Furnished Transportation.** Transportation is held out by the employer as an inducement to employment, a condition of employment, or is incident to employment.
 - (a) **Employer Owned Autos**—Autos owned, or leased for one year or more, by an employer and used to provide transportation only for his employees.
 - (b) **Employee Owned Autos**—Autos owned, or leased for one year or more, by an individual employee and used to provide transportation only for fellow employees of his employer.
 - (2) **All Other.** Autos which do not meet the eligibility requirements of paragraph (1) above.
- l. **Transportation of Employees—Other than Van Pools**—Autos of any type used to transport employees other than in van pools.
- (1) Autos owned, or leased for one year or more, by an employer and used to transport only his own employees.
 - (a) **Private Passenger Autos**—Charge rates shown on the state [rate](#) schedules for private passenger types (Class Code 5851).
 - (b) **All Other Autos**—Rate as a van pool—all other (Class Code 5851).
 - (2) Autos owned, or leased for one year or more, by a person or organization who is in the business of transporting employees of one or more employers. Rate as public auto not otherwise classified.
- m. **Social Service Agency Auto**
- An auto used by a government entity, civic, charitable, or social service organization to provide transportation to clients incident to the social services sponsored by the organization, including special trips and outings.
- (1) This classification includes, for example, autos used to transport the following:
 - (a) Senior citizens or other clients to congregate meal centers, medical facilities, social functions, shopping centers
 - (b) Handicapped persons to work or rehabilitative programs
 - (c) Children to day care centers, Head Start programs
 - (d) Boy Scout or Girl Scout groups to planned activities.
 - (2) The following autos are eligible for this classification:
 - (a) Autos owned, or leased for one year or more, by the social service agency
 - (b) Autos donated to the social service agency, without a driver
 - (c) Autos hired under contract by the social service agency. This does not apply to a subcontractor or any individual that has not executed a contract with a social service agency.
 - (3) If an auto has more than one use, use the highest rated classification.
 - (4) Separate codes and rating factors apply to the following:
 - (a) **Employee-Operated Autos**—Autos operated by employees of the social service agency. If a social service auto is also operated by volunteer drivers or other nonagency employees, use the all other classification.
 - (b) **All Other**—Autos which do not meet the requirements of paragraph (a).
 - (5) Excess liability coverage may be provided to cover autos not owned or licensed by the agency while being used in its social service transportation activities. This coverage may be extended to cover the agency's liability only or the liability of both the agency and, on a blanket basis, the individual liability of agency employees or volunteer donors or owners of the autos. For autos hired, loaned, leased, or furnished, refer to the Hired Autos Rule ([Rule 17](#)). For all other nonowned autos, refer to the Nonownership Rule ([Rule 16](#)).
- n. **Public Auto not Otherwise Classified**—This classification includes, but is not limited to, autos such as country club buses, cemetery buses, real estate development buses, courtesy buses run by hotels, day care facility buses, and limos with a seating capacity of nine or more.
- o. **See Primary Classifications—Rating Factors and Classification Designators tables.**

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E. Secondary Classifications

These classifications do not apply to taxicabs, limousines (except airport limousines), van pools, and zone rated autos.

	Secondary Factor to Be Combined with Primary Factor		Code to Be Inserted in 4th Digit of Classification Code
	School Buses and Church Buses	Other Buses	
Seating Capacity of 1 to 8	.00	-.20	1
Seating Capacity of 9 to 20	+.10	-.15	2
Seating Capacity of 21 to 60	+.25	+.15	3
Seating Capacity of over 60	+.50	+.40	4
All Other—not Secondary Rated			9

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FLEET
PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Taxicabs and Limousines		Radius		
		Local Up to 50 Miles	Intermediate 51 to 200 Miles	Long Distance Over 200 Miles
		Liability	Liability	Liability
Taxicab or Similar Passenger Carrying Service	Factor Code	1.00 4189	1.15 4199	1.25 4109
Limousine	Factor Code	.40 4289	.45 4299	.50 4209

School Buses and Church Buses				
School Bus Owned by Political Subdivision or School District	Factor Code	1.20 618—	1.40 619—	1.50 610—
Other School Bus	Factor Code	1.50 628—	1.75 629—	1.90 620—
Church Bus	Factor Code	1.00 638—	1.15 639—	1.25 630—

Other Buses			
Urban Bus	Factor Code	.80 518—	.90 519—

ZONE RATED

Airport Bus or Airport Limousine	Factor Code	.70 528—	.80 529—	1.10 5209
Intercity Bus	Factor Code	1.05 538—	1.20 539—	1.85 5309
Charter Bus	Factor Code	1.00 548—	1.15 549—	1.85 5409
Sightseeing Bus	Factor Code	.75 558—	.85 559—	1.65 5509
Trans. of Athletes and Entertainers	Factor Code	.45 568—	.50 569—	1.00 5609
Social Service Auto Employee-Operated	Factor Code	.55 648—	.65 649—	.95 6409
Social Service Auto All Other	Factor Code	.50 658—	.60 659—	.95 6509
Bus NOC	Factor Code	.55 588—	.65 589—	.95 5809

Van Pools		Seating Capacity			
		1 to 8	9 to 20	21 to 60	Over 60
		Liability	Liability	Liability	Liability
Employer Furnished	Factor Code	1.00 4111	1.05 4112	1.10 4113	1.50 4114
All Other	Factor Code	1.10 4121	1.15 4122	1.35 4123	1.75 4124

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NONFLEET

PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Taxicabs and Limousines		Radius		
		Local Up to 50 Miles	Intermediate 51 to 200 Miles	Long Distance Over 200 Miles
		Liability	Liability	Liability
Taxicab or Similar Passenger Carrying Service	Factor Code	1.00 4159	1.15 4169	1.25 4179
Limousine	Factor Code	.40 4259	.45 4269	.50 4279

School Buses and Church Buses				
School Bus Owned by Political Subdivision or School District	Factor Code	1.20 615—	1.40 616—	1.50 617—
Other School Bus	Factor Code	1.50 625—	1.75 626—	1.90 627—
Church Bus	Factor Code	1.00 635—	1.15 636—	1.25 637—

Other Buses			
Urban Bus	Factor Code	.80 515—	.90 516—

ZONE RATED

Airport Bus or Airport Limousine	Factor Code	.70 525—	.80 526—	1.10 5279
Intercity Bus	Factor Code	1.05 535—	1.20 536—	1.85 5379
Charter Bus	Factor Code	1.00 545—	1.15 546—	1.85 5479
Sightseeing Bus	Factor Code	.75 555—	.85 556—	1.65 5579
Trans. of Athletes and Entertainers	Factor Code	.45 565—	.50 566—	1.00 5679
Social Service Auto Employee-Operated	Factor Code	.55 645—	.65 646—	.95 6479
Social Service Auto All Other	Factor Code	.50 655—	.60 656—	.95 6579
Bus NOC	Factor Code	.55 585—	.65 586—	.95 5879

Van Pools		Seating Capacity			
		1 to 8	9 to 20	21 to 60	Over 60
		Liability	Liability	Liability	Liability
Employer Furnished	Factor Code	1.00 4111	1.05 4112	1.10 4113	1.50 4114
All Other	Factor Code	1.10 4121	1.15 4122	1.35 4123	1.75 4124

**Rule 44. PREMIUM DEVELOPMENT—ZONE
RATED AUTOS**

- A. This Rule applies to all public autos, other than taxis, limousines, school, church, and urban buses, or van pools, which regularly operate beyond a 200-mile radius from the street address of principal garaging.

B. Premium Development

1. For vehicles principally garaged in North Carolina that ever operate beyond a 200-mile radius.

Use the long distance zone definitions in the Trucks, Tractors, and Trailers Section.

When an auto is principally garaged in a regional zone and operates in that zone and in one or more metropolitan zones, the zone combination is the regional zone and the metropolitan zone farthest away.

In all other situations, the zone combination is the zone of principal garaging and the zone included in the auto's operations farthest from that point.

EXAMPLES:

The auto is principally garaged in Raleigh, North Carolina (regional zone 47) and operates in Sacramento, California (regional zone 40) and Denver, Colorado (metropolitan zone 10). The proper zone combination is 47 and 10.

The auto is principally garaged in Raleigh, North Carolina (regional zone 47) and operates in Asheville, North Carolina (regional zone 47). The proper zone combination is 47.

The auto is principally garaged in Charlotte, North Carolina (metropolitan zone 5) and operates in Denver, Colorado (metropolitan zone 10) and Sacramento, California (regional zone 40). The proper zone combination is 5 and 40.

- a. Determine the classification rating factor and class code as follows:
- (1) Determine whether the auto is classified as fleet or nonfleet according to the Public Auto Classifications Rule ([Rule 43](#)).
 - (2) Determine the primary rating factor from the Public Auto Classifications Rule ([Rule 43](#)).
 - (3) Secondary rating factors do not apply.
- b. Liability and Medical Payments Coverages
- (1) Determine the liability base premiums for the zone combination from the trucks, tractors, and trailers [Zone Rating Table](#)—Garaged in North Carolina.
 - (2) Multiply the base premium by the primary rating factor.
- c. Uninsured and Underinsured Motorists Insurance
- (1) Primary and secondary rating factors do not apply.
 - (2) Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the

Common Coverages Section of this Manual.

2. For vehicles principally garaged in states other than North Carolina that ever operate beyond a 200-mile radius.

Use the long distance zone definitions in the Trucks, Tractors, and Trailers Section.

When an auto is principally garaged in a state other than North Carolina, only regional zones will be utilized. The zone combination is the regional zone of principal garaging and the regional zone (included in the auto's operation) farthest from that point.

EXAMPLE:

The auto is principally garaged in Charleston, South Carolina (regional zone 47) and operates in Sacramento, California (regional zone 40). The proper zone combination is 47 and 40.

- a. Determine the classification rating factor and class code as follows:
- (1) Determine whether the auto is classified as fleet or nonfleet according to the Public Autos Classifications Rule ([Rule 43](#)).
 - (2) Determine the primary rating factor from the Public Auto Classifications Rule ([Rule 43](#)).
 - (3) Secondary rating factors do not apply.
- b. Liability Coverages and Medical Payments Coverage
- (1) Determine the base premiums for the zone combination from the trucks, tractors, and trailers [Zone Rating Table](#)—Garaged in States Other than North Carolina.
 - (2) Multiply the base premium by the primary rating factor.
- c. Uninsured and Underinsured Motorists Insurance
- (1) Primary and secondary rating factors do not apply.
 - (2) Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

**Rule 45. TRANSPORTATION OF SEASONAL
OR MIGRANT FARM WORKERS BY
FARM LABOR CONTRACTORS**

- A. This Rule applies only to autos of a farm labor contractor required to be registered in accordance with the Migrant And Seasonal Agricultural Worker Protection Act, 29 U.S.C.A. Section 1801 et. seq., because of the transportation of migrant workers. Use Transportation of Seasonal or Migrant Agricultural Workers Endorsement CA 24 01.

B. Passenger Hazard Included (Class Code 5926)

Multiply the nonfleet intercity bus liability base premium for the highest rated territory in which or through which

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the auto will be customarily operated for the transportation of migrant workers by .50.

C. Passenger Hazard Excluded (Class Code 5927)

Coverage for the passenger hazard may be excluded if the farm labor contractor can furnish proof to the Department of Labor that he has other means of protection for migrant workers.

Multiply the nonfleet intercity bus liability base premium by .375.

- D.** If a vehicle insured under this Rule is of a truck type, rate as a vehicle of 21–60 seating capacity in accordance with this Rule.

Rules 46–50. RESERVED FOR FUTURE USE

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Rule 51. AUTO DEALERS—ELIGIBILITY

A. This Section applies to franchised and nonfranchised auto dealers and trailer dealers.

B. Classifications and Codes

Only one classification and code apply to a risk.

Classification	Limited Customer Coverage	Unlimited Customer Coverage
Franchised private passenger auto dealer (with or without any other type of franchise)	7301	7302
Franchised truck or truck-tractor dealer (with or without any other type of franchise except private passenger auto franchise)	7311	7312
Franchised motorcycle dealer including all two-wheeled cycle vehicles (no private passenger or truck franchise)	7321	7322
Franchised recreational vehicle dealer (no private passenger, snowmobile, or residence type mobile home trailer franchise)	7331	7332
Other franchised self-propelled land motor vehicle dealer	7341	7342
Nonfranchised dealer (any risk described above that is not a franchised dealer)	7351	7352
Franchised and nonfranchised residence trailer dealers	7344	7345
Franchised and nonfranchised commercial trailer dealers	7354	7355
Equipment and implement dealer (no other franchise)	Refer to rules for general liability Insurance.	

Rule 52. AUTO DEALERS—PREMIUM DEVELOPMENT

For each location, determine the rating territory from the territory definitions based on the street address.

Compute the advance premium at inception and the earned premium as developed by audit separately for each location according to the following procedures:

A. Limited Liability Coverage for Customers

1. All Risks Other than Franchised and Nonfranchised Trailer Dealers

Multiply the rates on the state [rate schedules](#) by the total rating units determined as follows:

- a. Class I—Employees Including Part-Time Employees

Multiply the number of Class I employees working an average of less than 20 hours a week for the number of weeks worked by .50 before determining the number of rating units.

- (1) Determine the number of rating units by multiplying the number of these employees by 1.00:

- (a) Proprietors, partners, and officers active in the business
- (b) Sales persons, general managers, service managers
- (c) Any employee whose principal duty involves the operation of autos or who is furnished a garage auto

- (2) For all other employees, determine the number of rating units by multiplying the number of these employees by .40.

- b. Class II—Nonemployees

Any individual other than a person described in Class I who is regularly furnished with a dealer's auto. If more than one person has use of the same furnished auto, count as only one operator in determining rating units. Determine the number of rating units by multiplying the number of these persons by .55.

2. Franchised and Nonfranchised Trailer Dealers

Multiply the rates in the state [rate schedules](#) by the total number of employees, then multiply the result by .45.

3. Minimum Premium

The minimum policy premium is the dealer's rate shown on the state [rate schedules](#) for the highest rated location multiplied by 2.00.

B. Unlimited Liability Coverage for Customers

1. Liability coverage may be extended to provide unlimited customer coverage.
2. Multiply the total premium developed for the limited liability by 1.25.

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C. Autos Furnished for Regular Use

Autos furnished for regular use to other than Class I or Class II operators, for example welcome wagons, or autos furnished to driver training programs. Compute the premiums for all coverages for each owned auto as follows:

1. Private passenger autos (Class Code 7877).
Charge private passenger type premiums.
2. Trucks, tractors, and trailers (Class Code 7878).
Charge the premiums developed by the applicable trucks, tractors, or trailers classification.

D. Pick Up or Delivery of Autos (Class Code 7070)

1. If the exposure for nonfranchised dealer includes the pick up or delivery of autos beyond a 50-mile radius of the limits of the city or town where operations are conducted, rate each driver per trip for such pick up or delivery operations as follows:

Per Driver Trip Rates

Mileage	Bodily Injury \$30/60	Property Damage \$25
51–200 miles	\$3	\$1
Over 200 miles	5	2

2. The minimum premium is the private passenger types premium for the rating territory where the dealer is located.

E. Medical Payments

Use Auto Medical Payments Coverage Endorsement CA 99 03 to provide auto medical payments insurance.

Use Garage Locations And Operations Medical Payments Coverage Endorsement CA 25 05 to provide garage locations and operations medical payments insurance.

1. Proprietors and executive officers. When auto dealers are insured for liability but not auto medical payments, the following provisions apply:
 - a. A proprietor or executive officer may be afforded medical payments provided that person is included in the total number of rating units that determines the liability premium. Multiply the private passenger types medical payments [premium](#) by 2.00 for each person. Use the rating territory where the dealer is located.
 - b. Medical payments may also be afforded to the spouse of a proprietor or executive officer or relatives of either if residents of the same household. Charge the private passenger types medical payments [premium](#) for each person. Use the rating territory where the dealer is located.
2. Individual proprietors. Provide drive other car medical payments insurance at no additional charge if the dealer has auto medical payments coverage.

Use Individual Named Insured—Dealers Only Endorsement CA 99 18.

3. Auto Exposure, Garage Operations, or Combined Garage Operations and Auto Exposure

- a. Multiply the \$30,000/60,000 bodily injury liability premium by the factors from the applicable table.

- (1) Medical payments with unlimited liability coverage

Limit Codes	Medical Payments Limit per Person			
	\$500 (1)	\$750 (2)	\$1,000 (3)	\$2,000 (4)
Auto (a)	.094	.100	.108	.127
Gar. Operations (b)	.023	.025	.027	.029
Combined (c)	.117	.125	.136	.157

- (2) Medical payments with limited liability coverage

Limit Codes	Medical Payments Limit per Person			
	\$500 (1)	\$750 (2)	\$1,000 (3)	\$2,000 (4)
Auto (a)	.098	.105	.115	.134
Gar. Operations (b)	.025	.027	.029	.031
Combined (c)	.124	.131	.144	.165

For the purpose of paragraphs 3.a.(1) and 3.a.(2) above, the rating categories are as follows:

- (a) Auto medical payments only
- (b) Garage operations medical payments only
- (c) Combined garage operations and auto medical payments
 - b. When the bodily injury liability limits are other than \$30,000/60,000, compute the medical payments factor as follows:

Medical payments percentage for \$30,000/60,000 limit	÷	Applicable fac- tor for in- creased limit
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F. Uninsured Motorists Insurance

Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

Rule 53. AUTO DEALERS—ADDITIONAL PROVISIONS

A. \$100 Deductible for Completed Operations (Class code 7072)

To eliminate the \$100 deductible that applies to property damage to autos arising out of work completed by the named insured, charge an additional .10 of the property damage liability premium.

Use \$100 Dollar Deductible For Completed Operations Does Not Apply Endorsement CA 03 03.

The minimum premium is \$20 (Class Code 7072).

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B. Broad Form Products (Class Code 7070)

The exclusion relating to property damage to the named insured's products may be eliminated subject to a \$250 deductible per accident. Multiply the property damage liability premium by .10.

Use Broad Form Products Coverage Endorsement CA 25 01.

C. Pollution Exclusion—Garages

A Garage Policy may be endorsed to exclude bodily injury or property damage arising out of any discharge of

pollutants with the exception of bodily injury or property damage arising out of the ownership, maintenance, or use of covered autos and certain off-premises discharges.

When Endorsement CA 25 16 is attached, document company files showing that the Endorsement is needed for the particular risk. Give the insured written notice of coverage change at least 15 days prior to the effective date of the renewal, with a copy to the agent. Do not attach the Endorsement midterm.

AUTO DEALERS SECTION

Rule 54. AUTO DEALERS—ELIGIBILITY

A. Eligibility

1. This Rule applies to franchised and nonfranchised auto dealers and trailer dealers. For details of coverage, refer to Auto Dealers Coverage Form CA 00 25.
2. You must attach the following endorsements to the policy:
 - a. Exclusion—Damage To Rented Premises Endorsement **CA 25 50**
 - b. Exclusion—Newly Acquired Or Formed Auto Dealership Endorsement **CA 25 53**
 - c. Exclusion—Personal And Advertising Injury Liability Coverage Endorsement **CA 25 54**
3. Acts, errors or omissions liability coverages premiums cannot be ceded to the North Carolina Reinsurance Facility.

B. Classifications and Codes

Only one classification and code applies to a risk:

Classification	Full Covered Autos Liability Limit for Customers Coverage	Without Full Covered Autos Liability Limit for Customers Coverage
Franchised private passenger auto dealer (with or without any other type of franchise)	7304	7305
Franchised truck or truck-tractor dealer (with or without any other type of franchise except private passenger auto franchise)	7314	7315
Franchised motorcycle dealer including all two-wheeled cycle vehicles (no private passenger or truck franchise)	7324	7325

Classification	Full Covered Autos Liability Limit for Customers Coverage	Without Full Covered Autos Liability Limit for Customers Coverage
Franchised recreational vehicle dealer (no private passenger, snowmobile, or residence type mobile home trailer franchise)	7334	7335
Other franchised self-propelled land motor vehicle dealer	7347	7348
Nonfranchised dealer (any risk described above that is not a franchised dealer)	7357	7358
Franchised and non-franchised residence trailer dealers	7361	7362
Franchised and non-franchised commercial trailer dealers	7363	7364
Equipment and implement dealer (no other franchise)	7365	7366

Rule 55. AUTO DEALERS—PREMIUM DEVELOPMENT FOR COMMON COVERAGES

Determine the rating territory from the territory definitions based on the street address for each location.

Compute the advance premium at inception and the earned premium as developed by audit separately for each location according to the following rating procedures applicable to coverage offered under the Auto Dealers Coverage Form CA 00 25.

Where the rules applicable to auto dealers refer to base premiums, this consists of the rates shown on the state rate

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[schedules](#) as modified by the rating procedures described in the following paragraphs.

A. Rating Unit Determination

1. All Risks Other than Franchised and Nonfranchised Trailer Dealers

Add the results of paragraphs A.1.a and A.1.b to determine the total number of rating units.

a. Class I—Employees

Class I rating units include individuals employed by the auto dealership. Do not include any employees whose principal duty is regularly operating tow trucks which are rated on a specified auto basis.

- (1) Determine the number of the following employees:

- (a) Proprietors, partners, and officers active in the business
- (b) Salespersons, general managers, service managers
- (c) Any employee whose principal duty involves the operation of autos or who is furnished a covered auto

- (2) Multiply the number of these employees working an average of at least 20 hours or more a week by the following factor:

Factor

1.00

- (3) Multiply the number of these employees working an average of less than 20 hours a week by the following factor:

Factor

.50

- (4) Determine the number of all other employees not included in paragraph (1).

- (5) Multiply the number of these employees working an average of at least 20 hours a week by the following factor:

Factor

.40

- (6) Multiply the number of all other employees working an average of less than 20 hours a week by the following factor:

Factor

.20

- (7) Add the result of paragraphs A.1.a.(2) through (6) to determine the number of Class I risks.

b. Class II—Nonemployees

- (1) Class II rating units include any of the following persons who are regularly furnished with a covered auto:

- (a) Proprietors, partners, and officers who are not active in the business
- (b) Family members of an employee
- (c) Family members of an inactive proprietor, partner, and officer

- (2) Multiply each individual by the factor in the following table and add the results. If more than one person has use of the same furnished auto, count as only one operator in determining rating units.

Factor

.55

2. Franchised and Nonfranchised Trailer Dealers

Determine the number of rating units by multiplying the total number of employees by the following factor:

Factor

.45

B. Specified Auto Basis

All Coverages

1. Autos Regularly Operated By Class I or Class II Operators

Noninventory vehicles, including tow trucks, regularly operated by Class I or Class II operators may be classified and rated on a specified auto basis. If an employee is furnished an auto for regular use, that employee should also be included in the rating units unless otherwise specified.

2. Autos Furnished for Regular Use to Other than Class I or Class II Operators

Autos furnished for regular use to other than Class I or Class II operators may be classified and rated on a specified auto basis. Such autos may include autos furnished to driver training programs or autos exclusively loaned to customers, without charge, on a temporary basis while the customers' autos are being serviced or repaired.

3. Specified Auto Basis Premium Development

Compute the premiums for all coverages for each specified auto as follows:

- a. Private Passenger Autos (Class Code 7877)

Charge private passenger type premiums.

- b. Trucks, Tractors, and Trailers (Class Code 7878)

Charge the premiums developed by the applicable trucks, tractors, and trailers classification.

C. Liability Coverage

1. Base Premium Computation

- a. Determine the applicable [base rate](#).
- b. Multiply the base rate by the applicable factor in the following table:

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Factor	
Franchised and Nonfranchised Auto Dealers	1.00
Franchised and Nonfranchised Trailer Dealers	1.00
Equipment and Implement Dealers	.70

- c. Apply the procedures in [Rule 22](#) for increased liability limits. Apply the procedures in [Rule 23](#) for liability deductibles.
- d. Auto Dealers Coverage Form CA 00 25 provides coverage for customers up to the compulsory or financial responsibility law limits under certain conditions. Liability coverage may be extended to provide the full covered autos liability limit for customers by attaching Full Covered Autos Liability Limit For Customers Endorsement CA 25 15. Multiply the liability premium developed in the preceding paragraph by the following factor:

Factor
1.25

2. Minimum Premium

The liability minimum premium is the auto dealers liability rate shown on the [rate schedules](#) for the highest rated location multiplied by the following factor:

Factor
2.00

D. Pick Up or Delivery of Autos (Class Code 7070)

1. If the exposure for nonfranchised dealer includes the pick up or delivery of autos beyond a 50-mile radius of the limits of the city or town where operations are conducted, rate each driver per trip for such pick up or delivery operations as follows:

Liability Rate per Driver, per Trip

Mileage	Bodily Injury \$30/60	Property Damage \$25
51–200 Miles	\$3	\$1
Over 200 Miles	5	2

2. The minimum premium is the private passenger type premium for the rating territory where the auto dealer is located.

E. Medical Payments

1. Coverage Options

- a. The Auto Dealers Coverage Form includes auto dealers locations and operations medical payments coverage. To exclude auto dealers locations and operations medical payments coverage, use Exclusion—Locations And Operations Medical Payments Endorsement CA 25 52.
- b. Use Auto Medical Payments Coverage Endorsement CA 99 03 to provide auto medical payments coverage.

2. Premium Development

- a. For each of the coverages described in paragraph E.1 that are provided, multiply the liability rate shown on the [rate schedules](#) by the applicable factor from the following table:

	Medical Payments Limit per Person			
	\$500	\$1,000	\$2,000	\$5,000
Auto	.098	.105	.115	.134
Locations and Operations	.025	.027	.029	.031

- b. Multiply the result by the applicable factor in the following table:

Factor	
Franchised and Nonfranchised Auto Dealers	1.00
Franchised and Nonfranchised Trailer Dealers	1.00
Equipment and Implement Dealers	.70

F. Uninsured Motorists Insurance

Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in the Common Coverages Section of this Manual.

G. Pollution Exclusions—Auto Dealers

An Auto Dealers policy may be endorsed to exclude bodily injury or property damage arising out of any discharge of pollutants with the exception of bodily injury or property damage arising out of the ownership, maintenance, or use of covered autos and certain off-premises discharges.

When Auto Dealers Coverage Form—General Liability Coverages—Total Pollution Exclusion Endorsement CA 25 16 is attached, document company files showing that the endorsement is needed for the particular risk. Give the insured written notice of coverage change at least 15 days prior to the effective date of the renewal, with a copy to the agent. Do not attach the endorsement midterm.

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Rule 56. ELIGIBILITY

This Section applies to all autos that are not classified and rated in the other Sections.

Rule 57. PREMIUM DEVELOPMENT

A. Rating Territory

Determine the rating territory from the territory definitions based on the street address of principal garaging unless otherwise provided in this Section.

B. Liability

See specific rating instructions for each classification in this Section.

C. Medical Payments

1. Refer to specific rules in this Section. If no premium or procedures to determine medical payments are shown, determine premiums as follows:
2. If liability premiums are developed from truck, tractor, and trailer premiums, charge truck, tractor, and trailer medical payments premiums.
3. If liability premiums are developed from private passenger types premiums, charge private passenger medical payments premiums.

D. Uninsured and Underinsured Motorists Insurance

Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in this Manual.

E. Trucks, Tractors, and Trailers Base Premiums

Where the rules in this Section refer to trucks, tractors, and trailers base premiums it means the \$30,000/60,000 bodily injury and \$25,000 property damage fleet and non-fleet base premiums on the rate schedules. For limits higher than \$30,000/60,000 bodily injury and \$25,000 property damage, use the increased liability limits table that applies to all other risks.

Rule 58. AMBULANCE SERVICES

A. Eligibility

1. This Rule applies to autos used for rescue or ambulance corps operations.
2. One of the following endorsements must be attached to the policy:
 - a. Emergency Services—Volunteer Firefighters' And Workers' Injuries Excluded Endorsement CA 20 30 which excludes coverage for bodily injury to any fellow volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations; or
 - b. Emergency Services—Volunteer Firefighters' And Workers' Injuries Limited Exclusion Endorsement CA 20 07 which
 - (1) excludes coverage for bodily injury to any volunteer workers of the insured while such

volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations; and

- (2) provides coverage for bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations.

3. The policy must exclude coverage for bodily injury or property damage which results from providing or failing to provide any professional services. Use Professional Services Not Covered Endorsement CA 20 18.

B. Premium Computation (Class Code 7913)

1. Multiply the fleet or nonfleet trucks, tractors, and trailers base premium by 2.50.
2. When Endorsement CA 20 07 is attached, determine the additional premium by multiplying the liability premium developed in paragraph B.1 for each auto which is owned by the named insured and used by volunteer workers engaged in volunteer firefighting, rescue squad, or ambulance corps operations by .25.

Rule 59. AMPHIBIOUS EQUIPMENT

A. Application

For autos designed to operate on both land and water, rate as land autos according to their use. The policy must exclude coverage while the auto is being launched into, used on, or beached from the water. Use Amphibious Vehicles Endorsement CA 23 97.

B. Premium Determination

Classify and rate each amphibious vehicle according to its land use.

Rule 60. ANTIQUE AUTOS (CLASS CODE 9620)

A. Eligibility

This Rule applies to autos that are 25 years old or more; and maintained primarily for use in exhibitions, club activities, parades, and other functions of public interest; and occasionally used for other purposes.

B. Premium Computation

Liability: Multiply the private passenger types rates by .25 regardless of the type of auto.

Rule 61. AUTO BODY MANUFACTURERS AND INSTALLERS (CLASS CODE 7924)

A. Application

An auto body or trailer manufacturer may be insured for the testing or delivery of autos it manufactures, assembles, rebuilds, or repairs.

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B. Premium Computation

1. Compute the premium for owned autos, hired autos, and employers nonownership liability in the usual manner.
2. Compute the premium for the factory testing hazard by multiplying the appropriate fleet or nonfleet trucks, tractors, or trailers base premium for each employee engaged in these operations by 2.00.

**Rule 62. DRIVER TRAINING PROGRAMS
(EDUCATIONAL INSTITUTIONS
AND COMMERCIAL DRIVING
SCHOOLS) AND AUTO REPAIR
TRAINING**

**A. Driver Training Programs—Educational Institutions
(Class Code 7926)**

1. Eligibility
This Rule applies to private passenger autos used for driver training as part of a school curriculum.
2. Premium Computation
 - a. Liability Coverages
 - (1) For autos equipped with dual controls, multiply the private passenger types rates by .75. There must be dual brakes to qualify as dual control.
 - (2) For autos not equipped with dual controls, multiply the private passenger types rates by 1.50.
 - b. All Other Coverages. Charge private passenger types rates.
3. A policy covering autos used by schools in driver training programs may be written on an annual term for liability coverages with premium prorated to reflect the actual school term. However, do not give credit for Saturdays, Sundays, or holidays or for any other periods of lay-up during the school term.

B. Commercial Driving Schools (Class Code 7927)

1. Eligibility
This Section applies to autos used by driving schools to give driving instruction. Use Driving Schools Endorsement CA 20 06.
2. Premium Computation
 - a. Owned Private Passenger Autos
 - (1) Liability Coverages
 - (a) For autos equipped with dual controls, charge the private passenger types rates. There must be dual brakes to qualify as dual controls.
 - (b) For autos not equipped with dual controls, multiply the private passenger types rates by 2.00.
 - (2) All Other Coverages. Charge private passenger types rates.

b. Owned Trucks, Tractors, and Trailers

- (1) Liability Coverages
 - (a) For autos equipped with dual controls, multiply the truck, tractor, and trailer rates by 2.00. There must be dual brakes to qualify as dual controls.
 - (b) For autos not equipped with dual controls, multiply the truck, tractor, and trailer rates by 4.00.
- (2) All Other Coverages. Charge the truck, tractor, and trailer rates.

c. All Other Types of Owned Autos.

Refer to company for rating.

C. Nonowned Autos

1. The policy must cover the driving instructors and their students.
2. Premium Computation
Charge the private passenger types or the truck, tractor, and trailer rates for each instructor in excess of the number of owned autos.

D. Autos Repair Training

For autos used by schools in auto repair training, the rules and rates for owned autos, hired autos, and employers nonownership liability apply.

**Rule 63. DRIVE-AWAY CONTRACTORS
(CLASS CODE 7923)**

A. Application

A person, firm, or corporation which drives away autos under their own power for factories or auto dealers may be insured for the operation of such autos. Use Drive-Away Contractors Endorsement CA 20 05.

B. Premium Computation

1. For each set of registration plates not issued for attachment to a specific auto, multiply the private passenger types premium in the highest rated territory in which or through which each auto is driven by 2.00.
2. Exception: Each set of plates assigned by the insured for exclusive use with a specific auto shall be rated in accordance with the regular use of the auto.

Rule 64. FIRE DEPARTMENTS

A. Eligibility

1. This Rule applies to autos used for firefighting purposes.
2. One of the following endorsements must be attached to the policy:
 - a. Emergency Services—Volunteer Firefighters' And Workers' Injuries Excluded Endorsement CA 20 30 which excludes coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers

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of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations; or

- b. **Emergency Services—Volunteer Firefighters' And Workers' Injuries Limited Exclusion Endorsement CA 20 07** which

(1) excludes coverage for bodily injury to any volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations; and

(2) provides coverage for bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations.

3. The policy must exclude coverage for bodily injury or property damage which results from providing or failing to provide any professional services. Use **Professional Services Not Covered Endorsement CA 20 18**.

B. Premium Computation (Class Code 7913)

1. Multiply the fleet or nonfleet trucks, tractors, and trailers base premium by 1.60.
2. For private passenger autos, charge the private passenger types rates.
3. For trailer types, classify and rate according to the **Trucks, Tractors, and Trailers Classifications Rule (Rule 33)**.
4. When Endorsement CA 20 07 is attached, determine the additional premium by multiplying the liability premium developed in paragraphs B.1 and B.2 for each auto which is owned by the named insured and used by volunteer workers engaged in volunteer firefighting, rescue squad, or ambulance corps operations by .25.

Rule 65. FUNERAL DIRECTORS

A. Eligibility

1. This Rule applies to autos owned or used by a funeral director.
2. The policy must exclude coverage for bodily injury or property damage which results from providing or failing to provide any professional service. Use **Professional Services Not Covered Endorsement CA 20 18**.

B. Premium Computation

1. **Limousines (Class Code 7915)**
Liability and Medical Payments Coverages. Multiply the private passenger types rates by .90.
2. **Hearses and Flower Cars (Class Code 7922)**
Liability and Medical Payments Coverages. Multiply the fleet or nonfleet trucks, tractors, and trailers base premiums by .90.

3. **Combination Hearses and Ambulances**

Classify and rate the auto according to the **Ambulance Services Rule (Rule 58)**.

4. **Autos Used for Other Purposes**

Classify and rate the auto according to its regular use.

C. Medical Payments Coverage for Hired and Nonowned Autos

1. Medical payments coverage may be provided for hired and nonowned autos.
2. **Premium Computation**

Multiply the total medical payments premium for all owned autos (whether or not all owned autos are insured for medical payments) by .50.

Rule 66. LAW ENFORCEMENT AGENCIES

A. Eligibility

1. This Rule applies to autos used by government law enforcement agencies or police departments.
2. One of the following endorsements must be attached to the policy:
 - a. **Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded Endorsement CA 20 30** which excludes coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations; or
 - b. **Emergency Services—Volunteer Firefighters' And Workers' Injuries Limited Exclusion Endorsement CA 20 07** which
 - (1) excludes coverage for bodily injury to any volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations; and
 - (2) provides coverage for bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations.
3. The policy must exclude coverage for bodily injury or property damage which results from providing or failing to provide any professional services. Use **Professional Services Not Covered Endorsement CA 20 18**.

B. Premium Computation (Class Code 7913)

1. Multiply the private passenger autos base premium by 1.60.
2. For motorcycles, charge according to the motorcycles rule **(Rule 69)** in this Section.
3. For trailer types, classify and rate according to the **Trucks, Tractors, and Trailers Classifications Rule (Rule 33)**.

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4. When Endorsement CA 20 07 is attached, determine the additional premium by multiplying the liability premium developed in paragraphs B.1, B.2, and B.3 for each auto which is owned by the named insured and used by volunteer workers engaged in volunteer firefighting, rescue squad, or ambulance corps operations by .25.

Rule 67. LEASING OR RENTAL CONCERNS

A. Eligibility

1. This Rule applies to risks which lease or rent autos to others without drivers. For autos leased or rented with drivers, refer to the Truckers/Motor Carriers Rule ([Rule 34](#)) or the Public Auto Classifications Rule ([Rule 43](#)).
2. Trucks, tractors, or trailers leased or rented by the concern to truckers and buses leased or rented by the concern to bus risks. In rating such vehicles, consideration must be given to insurance required to be provided by truckers and public passenger carriers and the exposure to be developed by the leasing or rental concern which will not be covered by such insurance.

B. Premium Computation

1. When computing the premiums, use the territory where the auto is principally garaged.
2. Specified Car Basis
 - a. Long Term—Autos Leased for Six Months or More
 - (1) Full Coverage for Owner and Lessee
Rate the auto at the classification rates in this Manual that apply to the lessee.
 - (2) Contingent Coverage (Class Code 7219)
Use Leasing Or Rental Concerns—Contingent Coverage Endorsement CA 20 09 to provide liability coverage if insurance covering the leasing concern on a direct primary basis is provided by the lessee. Multiply the classification rates in this Manual that apply to the lessee by .05.
 - b. Short Term and Irregular Term—Autos Rented By the Hour, Day, Week, or Month But Less than a Year
 - (1) Trucks, Tractors, or Trailers
Multiply the trucks, tractors, and trailers base premiums by the following factors:

	Liability	Code
Trucks	4.00	7211
Tractors	5.00	7212
Trailers, Semitrailers, and Service Trailers	.25	7213
 - (2) Private Passenger Autos (Class Code 7214)
For liability, multiply the private passenger types rates by 3.00.

- (3) Special Types (Class Code 7216).

- (a) For motorcycles, motorbikes, and other similar motor vehicles, multiply the rates developed in the Motorcycles Rule ([Rule 69](#)) by 4.00.
- (b) For snowmobiles and other similar vehicles designed for travel over ice and snow and used primarily off public roads, multiply the rates developed in the Motorcycles Rule ([Rule 69](#)) by 4.00.

- (4) Nondealers Garage Risks—Customer Rental (Class Code 7216)

For private passenger autos rented to customers while their autos are temporarily left with named insured for service, repair or sale, charge the private passenger types rates.

- (5) Motor Homes (Class Code 7215)

Multiply the rates developed in the Mobile Homes Rule ([Rule 68](#)) by 2.00.

- (6) Rent-It-There/Leave-It-Here Autos

Use Leasing Or Rental Concerns—Rent-It-There/Leave-It-Here Autos Endorsement CA 20 12 to exclude coverage for the owner or rentee of any rent-it-there/leave-it-here auto not owned by the named insured.

Rule 68. MOBILE HOMES

A. Trailers (Class Code 7963)

1. Mobile home trailers equipped as living quarters (including cooking, dining, plumbing, or refrigeration facilities), other than recreational or camper types designed for use with a private passenger auto.
 - a. Liability. Multiply the appropriate fleet or non-fleet trucks, tractors, and trailers base premium by .40.
 - b. Medical payments. Charge the trucks, tractors, and trailers premiums.
2. Mobile home trailers designed for use with a private passenger auto if used with another type auto.
 - a. Liability. Multiply the appropriate fleet or non-fleet trucks, tractors, and trailers base premium by .40.
 - b. Medical payments. Charge the trucks, tractors, and trailers premiums.

B. Motor Homes (Class Code 7957)

1. Self-propelled autos equipped as living quarters (including cooking, dining, plumbing, or refrigeration facilities).
2. Bodily Injury and Property Damage Liability—Charge 65% of the rates for private passenger types.
3. Medical Payments—Use rates for private passenger types.

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C. Toter Homes (Class Code 7973)

1. A toter home is a motor home built around a semi-truck chassis with the ability to tow or carry a vehicle, boat, trailer, etc. and has a GCW greater than 20,001 lbs.
2. Bodily Injury and Property Damage Liability—Based upon the GCW, multiply the appropriate heavy or extra heavy Trucks, Tractors, Trailers base rate from the state rate pages by the appropriate increased limits factor. Then multiply the result by 2.6. After determining the otherwise applicable rate, multiply the result by .75.
3. Medical Payments—Use the rates for trucks, tractors, and trailers.

D. Camper Bodies

1. Pickup trucks used solely in connection with and to transport a camper body or other similar living quarters.

All coverages—Rate as a motor home.
2. Pickups used to transport a portable camper body or similar living quarters but also used for other purposes.

Bodily Injury and Property Damage Liability and Medical Payments—Rate according to the otherwise regular use of the pickup truck.

Rule 69. MOTORCYCLES, GOLFMOBILES, AND SNOWMOBILES

A. Eligibility

1. This Rule applies to fleet motorcycles, motorscooters, motorbikes, and any other similar autos used for commercial purposes. Refer to paragraph B below for rating.

For nonfleet motorcycles, refer to the Personal Auto Manual.
2. This Rule also applies to fleet golfmobiles and snowmobiles. It also applies to nonfleet golfmobiles and snowmobiles used for commercial purposes, including electric powered versions of these vehicles, that are licensed for road use. Refer to paragraph C below for rating.
3. All premiums apply for the period of coverage. If the insured cancels, do not return premium.

B. Motorcycle Premium Computation (Class Code 7942)

1. Liability Factors

Based on the size of the engine in cubic centimeters, multiply the private passenger types rates by the following factors:

Size of Engine In cubic centimeters	Factor
0–100cc	.29
101–200	.38
201–360	.59
361–500	.65
501–800	.76
Over 800cc	.85

2. Uninsured and Underinsured Motorists

Refer to the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)) in this Manual.

C. Golfmobiles and Snowmobiles

1. Golfmobiles (Class Code 9460)

Liability and Medical Payments Coverages: Multiply the private passenger types rates by a factor of 0.29.

2. Snowmobiles (Class Code 7964). Use Snowmobiles Endorsement CA 20 21.

a. Bodily Injury Liability

- (1) Bodily Injury (excluding the passenger hazard): Multiply the private passenger types rates by a factor of 0.29.
- (2) Bodily Injury (including the passenger hazard): Multiply the excluding the passenger hazard rates determined in paragraph C.2.a.(1) above by a factor of 3.00.

b. Property Damage Liability: Multiply the private passenger types rates by a factor of 0.29.

c. Uninsured and Underinsured Motorists Coverage: Charge rates as shown in the Uninsured and Underinsured Motorists Insurance Rule ([Rule 20](#)).

d. Medical Payments: Charge \$10, \$500 limit per person.

e. For (1) vehicles of this type which are used as a public or livery conveyance for passengers, and (2) for propeller-driven equipment, refer to company for rating.

Rule 70. REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTO (CLASS CODE 7929)

A. Eligibility

1. This Rule applies to risks other than auto dealers which possess registration plates not issued for attachment to a specific auto. Use Registration Plates Not Issued For A Specific Auto Endorsement CA 20 27.
2. A set of plates is the number of plates required to legally operate an auto on public roads.

B. Premium Computation

1. For each set of plates, multiply the private passenger types rates by 2.00.
2. Rate each set of plates assigned by the insured for exclusive use with a specific auto according to the regular use of the auto.

SPECIAL TYPES AND OPERATIONS

**Rule 71. REPOSSESSED AUTOS—
FINANCE COMPANIES AND
BANKS (CLASS CODE 7925)**

A. Eligibility

1. This Rule does not apply to autos that finance companies and banks own or operate for their own business or pleasure purposes. Insure such autos according to the regular use of the auto.
2. If a finance company is owned and operated by an auto sales agency, refer to Garage Section.
3. In all other cases, auto finance companies and banks may be insured for the repossession and use in connection with reselling financed autos. Use Repossessed Autos Endorsement CA 20 19.

B. Premium Computation

The premium for this coverage shall be determined as follows:

1. The rate per car repossessed shall be the rate shown on the rate schedules for private passenger types for the territory in which the principal office of the risk is located, divided by 200.
2. The advance premium shall be determined by applying the rate per car repossessed to the estimated number of cars repossessed annually.
3. The earned premium shall be determined at the rates in force at the inception of the policy on the basis of the total number of cars repossessed during the policy period.
4. The minimum premium shall be 25% of the private passenger types rates shown on the rate schedules for the territory in which the principal office of the risk is located. For banks, if the same company insures all owned autos, all repossessed autos, hired autos, and the employers nonownership liability of such risks, a minimum premium of \$14 bodily injury, \$30,000/60,000 limits, and \$6 property damage, \$25,000 limit, applies on a combined basis for the repossessed autos, hired autos, and employers nonownership liability exposures.

Rule 72. SPECIAL OR MOBILE EQUIPMENT

A. Eligibility

This Rule applies to vehicles fitting into any of the following categories:

1. Specialized equipment such as bulldozers, power shovels, road rollers, graders or scrapers, cranes, street sweepers or other cleaners, diggers, forklifts, pumps, generators, air compressors, drills, and other similar equipment.
2. Vehicles maintained solely to provide mobility for permanently attached specialized equipment.
3. Vehicles not required to be licensed.
4. Autos used solely on the named insured's premises or that part of the roads or other accesses that adjoin the premises.

B. Premium Computation

1. Refer to manuals of general liability insurance.
2. For land motor vehicles (Class Code 7906) other than farm equipment not eligible for general liability insurance, charge the appropriate fleet or nonfleet trucks, tractors, and trailers base premiums.

**Rule 73. AUTOS HELD FOR SALE BY
SERVICE OPERATIONS**

Liability

Refer to the Nonownership Liability Rule ([Rule 16](#)).

Rules 74–90. RESERVED FOR FUTURE USE

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**Rule 91. RETROSPECTIVE RATING PLAN
D—REINSURANCE FACILITY
RISKS**

Retrospective Rating Plan D is not to be used in rating risks ceded to the North Carolina Reinsurance Facility.

**Rule 92. RATING PROCEDURES—
REINSURANCE FACILITY RISKS**

Gross receipts and mileage basis rating procedures and the Composite Rating Plan are not to be used in rating risks ceded to the North Carolina Reinsurance Facility.

Rule 93. RESERVED FOR FUTURE USE

**Rule 94. RULE FOR RATING SINGLE LIMIT
COVERAGES**

The premium for a single limit per occurrence shall be calculated as follows:

- A. Apply a single discount of 3% to both the bodily injury and the property damage normal factors for separate limits equal to the desired single limit.
- B. Calculate the separate bodily injury and property damage premiums, the sum of which is the combined premium.

Example: Single Limit of \$50,000

(1)	(2)	(3)	(4)	(5)	(6)
Coverage	Basic Limits Premium (Rate)	Normal Factors For Separate Limits	Discount Factor	Factor (3) x [100 - (4)]	Increased Premium (2) x (5)
BI	\$620	1.48	3.0%	$1.48 \times .97 = 1.44$	\$ 892.80
PD	380	1.25	3.0	$1.25 \times .97 = 1.21$	459.80
					<u>\$1,352.60</u>

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(State Code 32)

ZIP CODES 27006 – 27228

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27006	ADVANCE	124	27101	WINSTON SALEM	118
27007	ARARAT	124	27102	WINSTON SALEM	118
27009	BELEWS CREEK	124	27103	WINSTON SALEM	118
27010	BETHANIA	118	27104	WINSTON SALEM	118
27011	BOONVILLE	124	27105	WINSTON SALEM	118
27012	CLEMMONS	122	27106	WINSTON SALEM	118
27013	CLEVELAND	124	27107	WINSTON SALEM	124
27014	COOLEEMEE	124	27108	WINSTON SALEM	118
27016	DANBURY	124	27109	WINSTON SALEM	118
27017	DOBSON	124	27110	WINSTON SALEM	118
27018	EAST BEND	124	27111	WINSTON SALEM	118
27019	GERMANTON	124	27113	WINSTON SALEM	118
27020	HAMPTONVILLE	124	27114	WINSTON SALEM	118
27021	KING	124	27115	WINSTON SALEM	118
27022	LAWSONVILLE	124	27116	WINSTON SALEM	118
27023	LEWISVILLE	122	27117	WINSTON SALEM	124
27024	LOWGAP	124	27120	WINSTON SALEM	118
27025	MADISON	124	27127	WINSTON SALEM	124
27027	MAYODAN	124	27130	WINSTON SALEM	118
27028	MOCKSVILLE	124	27150	WINSTON SALEM	118
27030	MOUNT AIRY	124	27152	WINSTON SALEM	118
27031	MOUNT AIRY	124	27155	WINSTON SALEM	118
27040	PFAFFTOWN	122	27157	WINSTON SALEM	118
27041	PILOT MOUNTAIN	124	27198	WINSTON SALEM	118
27042	PINE HALL	124	27199	WINSTON SALEM	118
27043	PINNACLE	124	27201	ALAMANCE	124
27045	RURAL HALL	124	27202	ALTAMAHAW	124
27046	SANDY RIDGE	124	27203	ASHEBORO	124
27047	SILLOAM	124	27204	ASHEBORO	124
27048	STONEVILLE	124	27205	ASHEBORO	124
27049	TOAST	124	27207	BEAR CREEK	124
27050	TOBACCOVILLE	122	27208	BENNETT	124
27051	WALKERTOWN	118	27209	BISCOE	124
27052	WALNUT COVE	124	27212	BLANCH	124
27053	WESTFIELD	124	27213	BONLEE	124
27054	WOODLEAF	124	27214	BROWNS SUMMIT	122
27055	YADKINVILLE	124	27215	BURLINGTON	124
27094	RURAL HALL	124	27216	BURLINGTON	124
27098	RURAL HALL	124	27217	BURLINGTON	122
27099	RURAL HALL	124	27228	BYNUM	124

Table #1(T) ZIP Codes 27006 – 27228

Note: Refer to an atlas or map for places not listed.

ZIP CODES 27229 – 27376

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27229	CANDOR	124	27301	MC LEANSVILLE	122
27230	CEDAR FALLS	124	27302	MEBANE	124
27231	CEDAR GROVE	124	27305	MILTON	124
27233	CLIMAX	124	27306	MOUNT GILEAD	124
27235	COLFAX	115	27310	OAK RIDGE	122
27237	CUMNOCK	124	27311	PELHAM	124
27239	DENTON	124	27312	PITTSBORO	124
27242	EAGLE SPRINGS	124	27313	PLEASANT GARDEN	122
27243	EFLAND	124	27314	PROSPECT HILL	124
27244	ELON	124	27315	PROVIDENCE	124
27247	ETHER	124	27316	RAMSEUR	124
27248	FRANKLINVILLE	124	27317	RANDLEMAN	124
27249	GIBSONVILLE	124	27320	REIDSVILLE	124
27252	GOLDSTON	124	27323	REIDSVILLE	124
27253	GRAHAM	124	27325	ROBBINS	124
27256	GULF	124	27326	RUFFIN	124
27258	HAW RIVER	122	27330	SANFORD	124
27259	HIGHFALLS	124	27331	SANFORD	124
27260	HIGH POINT	115	27332	SANFORD	124
27261	HIGH POINT	115	27340	SAXAPAHAW	124
27262	HIGH POINT	115	27341	SEAGROVE	124
27263	HIGH POINT	115	27342	SEDALIA	124
27264	HIGH POINT	115	27343	SEMORA	124
27265	HIGH POINT	115	27344	SILER CITY	124
27268	HIGH POINT	115	27349	SNOW CAMP	124
27278	HILLSBOROUGH	124	27350	SOPHIA	124
27281	JACKSON SPRINGS	124	27351	SOUTHMONT	122
27282	JAMESTOWN	115	27355	STALEY	124
27283	JULIAN	122	27356	STAR	124
27284	KERNERSVILLE	122	27357	STOKESDALE	124
27285	KERNERSVILLE	122	27358	SUMMERFIELD	124
27288	EDEN	124	27359	SWEPSONVILLE	124
27289	EDEN	124	27360	THOMASVILLE	122
27291	LEASBURG	124	27361	THOMASVILLE	122
27292	LEXINGTON	122	27370	TRINITY	122
27293	LEXINGTON	122	27371	TROY	124
27294	LEXINGTON	122	27373	WALLBURG	124
27295	LEXINGTON	124	27374	WELCOME	124
27298	LIBERTY	124	27375	WENTWORTH	124
27299	LINWOOD	124	27376	WEST END	124

Table #2(T) ZIP Codes 27229 – 27376

Note: Refer to an atlas or map for places not listed.

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ZIP CODES 27377 – 27556

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27377	WHITSETT	122	27511	CARY	121
27379	YANCEYVILLE	124	27512	CARY	121
27401	GREENSBORO	114	27513	CARY	121
27402	GREENSBORO	114	27514	CHAPEL HILL	124
27403	GREENSBORO	114	27515	CHAPEL HILL	124
27404	GREENSBORO	114	27516	CHAPEL HILL	124
27405	GREENSBORO	114	27517	CHAPEL HILL	124
27406	GREENSBORO	114	27518	CARY	121
27407	GREENSBORO	114	27519	CARY	121
27408	GREENSBORO	114	27520	CLAYTON	123
27409	GREENSBORO	114	27521	COATS	123
27410	GREENSBORO	115	27522	CREEDMOOR	124
27411	GREENSBORO	114	27523	APEX	121
27412	GREENSBORO	114	27524	FOUR OAKS	123
27413	GREENSBORO	114	27525	FRANKLINTON	123
27415	GREENSBORO	114	27526	FUQUAY VARINA	121
27416	GREENSBORO	114	27527	CLAYTON	123
27417	GREENSBORO	114	27528	CLAYTON	123
27419	GREENSBORO	114	27529	GARNER	116
27420	GREENSBORO	114	27530	GOLDSBORO	121
27425	GREENSBORO	114	27531	GOLDSBORO	123
27427	GREENSBORO	114	27532	GOLDSBORO	123
27429	GREENSBORO	114	27533	GOLDSBORO	121
27435	GREENSBORO	114	27534	GOLDSBORO	123
27438	GREENSBORO	114	27536	HENDERSON	123
27455	GREENSBORO	114	27537	HENDERSON	123
27495	GREENSBORO	114	27539	APEX	121
27497	GREENSBORO	114	27540	HOLLY SPRINGS	121
27498	GREENSBORO	114	27541	HURDLE MILLS	124
27499	GREENSBORO	114	27542	KENLY	123
27501	ANGIER	123	27543	KIPLING	121
27502	APEX	121	27544	KITTRELL	123
27503	BAHAMA	122	27545	KNIGHTDALE	116
27504	BENSON	123	27546	LILLINGTON	123
27505	BROADWAY	124	27549	LOUISBURG	123
27506	BUIES CREEK	123	27551	MACON	123
27507	BULLOCK	124	27552	MAMERS	123
27508	BUNN	123	27553	MANSON	123
27509	BUTNER	124	27555	MICRO	123
27510	CARRBORO	124	27556	MIDDLEBURG	123

Table #3(T) ZIP Codes 27377 – 27556

Note: Refer to an atlas or map for places not listed.

ZIP CODES 27557 – 27706

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27557	MIDDLESEX	123	27611	RALEIGH	116
27559	MONCURE	124	27612	RALEIGH	116
27560	MORRISVILLE	121	27613	RALEIGH	116
27562	NEW HILL	121	27614	RALEIGH	116
27563	NORLINA	123	27615	RALEIGH	116
27565	OXFORD	124	27616	RALEIGH	116
27568	PINE LEVEL	123	27617	RALEIGH	116
27569	PRINCETON	123	27619	RALEIGH	116
27570	RIDGEWAY	123	27620	RALEIGH	116
27571	ROLESVILLE	121	27621	RALEIGH	116
27572	ROUGEMONT	122	27622	RALEIGH	116
27573	ROXBORO	124	27623	RALEIGH	116
27574	ROXBORO	124	27624	RALEIGH	116
27576	SELMA	123	27625	RALEIGH	116
27577	SMITHFIELD	123	27626	RALEIGH	116
27581	STEM	124	27627	RALEIGH	116
27582	STOVALL	124	27628	RALEIGH	116
27583	TIMBERLAKE	124	27629	RALEIGH	116
27584	TOWNSVILLE	123	27634	RALEIGH	116
27586	VAUGHAN	123	27635	RALEIGH	116
27587	WAKE FOREST	123	27636	RALEIGH	116
27588	WAKE FOREST	123	27640	RALEIGH	116
27589	WARRENTON	123	27650	RALEIGH	116
27591	WENDELL	123	27656	RALEIGH	116
27592	WILLOW SPRING	121	27658	RALEIGH	116
27593	WILSONS MILLS	123	27661	RALEIGH	116
27594	WISE	123	27668	RALEIGH	116
27596	YOUNGSVILLE	123	27675	RALEIGH	116
27597	ZEBULON	121	27676	RALEIGH	116
27599	CHAPEL HILL	124	27690	RALEIGH	116
27601	RALEIGH	116	27695	RALEIGH	116
27602	RALEIGH	116	27697	RALEIGH	116
27603	RALEIGH	116	27698	RALEIGH	116
27604	RALEIGH	116	27699	RALEIGH	116
27605	RALEIGH	116	27701	DURHAM	113
27606	RALEIGH	116	27702	DURHAM	113
27607	RALEIGH	116	27703	DURHAM	113
27608	RALEIGH	116	27704	DURHAM	122
27609	RALEIGH	116	27705	DURHAM	113
27610	RALEIGH	116	27706	DURHAM	113

Table #4(T) ZIP Codes 27557 – 27706

Note: Refer to an atlas or map for places not listed.

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ZIP CODES 27707 – 27874

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27707	DURHAM	113	27831	GARYSBURG	123
27708	DURHAM	113	27832	GASTON	123
27709	DURHAM	122	27833	GREENVILLE	121
27710	DURHAM	113	27834	GREENVILLE	121
27711	DURHAM	113	27835	GREENVILLE	121
27712	DURHAM	124	27836	GREENVILLE	123
27713	DURHAM	113	27837	GRIMESLAND	123
27715	DURHAM	113	27839	HALIFAX	123
27717	DURHAM	113	27840	HAMILTON	123
27722	DURHAM	124	27841	HASSELL	123
27801	ROCKY MOUNT	123	27842	HENRICO	123
27802	ROCKY MOUNT	123	27843	HOBGOOD	123
27803	ROCKY MOUNT	123	27844	HOLLISTER	123
27804	ROCKY MOUNT	123	27845	JACKSON	123
27805	AULANDER	123	27846	JAMESVILLE	123
27806	AURORA	123	27847	KELFORD	123
27807	BAILEY	123	27849	LEWISTON WOODVILLE	123
27808	BATH	123	27850	LITTLETON	123
27809	BATTLEBORO	123	27851	LUCAMA	123
27810	BELHAVEN	123	27852	MACCLESFIELD	123
27811	BELLARTHUR	121	27853	MARGARETTSVILLE	123
27812	BETHEL	123	27855	MURFREESBORO	123
27813	BLACK CREEK	123	27856	NASHVILLE	123
27814	BLOUNTS CREEK	123	27857	OAK CITY	123
27815	ROCKY MOUNT	123	27858	GREENVILLE	123
27816	CASTALIA	123	27860	PANTEGO	123
27817	CHOCOWINITY	123	27861	PARMELE	123
27818	COMO	123	27862	PENDLETON	123
27819	CONETOE	123	27863	PIKEVILLE	123
27820	CONWAY	123	27864	PINETOPS	123
27821	EDWARD	123	27865	PINETOWN	123
27822	ELM CITY	123	27866	PLEASANT HILL	123
27823	ENFIELD	123	27867	POTECASI	123
27824	ENGELHARD	123	27868	RED OAK	123
27825	EVERETTS	123	27869	RICH SQUARE	123
27826	FAIRFIELD	123	27870	ROANOKE RAPIDS	123
27827	FALKLAND	123	27871	ROBERSONVILLE	123
27828	FARMVILLE	123	27872	ROXOBEL	123
27829	FOUNTAIN	123	27873	SARATOGA	123
27830	FREMONT	123	27874	SCOTLAND NECK	123

Table #5(T) ZIP Codes 27707 – 27874

Note: Refer to an atlas or map for places not listed.

ZIP CODES 27875 – 27981

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27875	SCRANTON	123	27929	CURRITUCK	123
27876	SEABOARD	123	27930	HERTFORD	123
27877	SEVERN	123	27932	EDENTON	123
27878	SHARPSBURG	123	27935	EURE	123
27879	SIMPSON	123	27936	FRISCO	123
27880	SIMS	123	27937	GATES	123
27881	SPEED	123	27938	GATESVILLE	123
27882	SPRING HOPE	123	27939	GRANDY	123
27883	STANTONSBURG	123	27941	HARBINGER	123
27884	STOKES	123	27942	HARRELLSVILLE	123
27885	SWANQUARTER	123	27943	HATTERAS	123
27886	TARBORO	123	27944	HERTFORD	123
27887	TILLERY	123	27946	HOBBSVILLE	123
27888	WALSTONBURG	123	27947	JARVISBURG	123
27889	WASHINGTON	123	27948	KILL DEVIL HILLS	123
27890	WELDON	123	27949	KITTY HAWK	123
27891	WHITAKERS	123	27950	KNOTTS ISLAND	123
27892	WILLIAMSTON	123	27953	MANNS HARBOR	123
27893	WILSON	123	27954	MANTEO	123
27894	WILSON	123	27956	MAPLE	123
27895	WILSON	123	27957	MERRY HILL	123
27896	WILSON	121	27958	MOYOCK	123
27897	WOODLAND	123	27959	NAGS HEAD	123
27906	ELIZABETH CITY	123	27960	OCRACOKE	123
27907	ELIZABETH CITY	123	27962	PLYMOUTH	123
27909	ELIZABETH CITY	123	27964	POINT HARBOR	123
27910	AHOSKIE	123	27965	POPLAR BRANCH	123
27915	AVON	123	27966	POWELLS POINT	123
27916	AYDLETT	123	27967	POWELLSVILLE	123
27917	BARCO	123	27968	RODANTHE	123
27919	BELVIDERE	123	27969	RODUKO	123
27920	BUXTON	123	27970	ROPER	123
27921	CAMDEN	123	27972	SALVO	123
27922	COFIELD	123	27973	SHAWBORO	123
27923	COINJOCK	123	27974	SHILOH	123
27924	COLERAIN	123	27976	SOUTH MILLS	123
27925	COLUMBIA	123	27978	STUMPY POINT	123
27926	CORAPEAKE	123	27979	SUNBURY	123
27927	COROLLA	123	27980	TYNER	123
27928	CRESWELL	123	27981	WANCHESE	123

Table #6(T) ZIP Codes 27875 – 27981

Note: Refer to an atlas or map for places not listed.

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ZIP CODES 27982 – 28120

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
27982	WAVES	123	28070	HUNTERSVILLE	124
27983	WINDSOR	123	28071	GOLD HILL	124
27985	WINFALL	123	28072	GRANITE QUARRY	122
27986	WINTON	123	28073	GROVER	124
28001	ALBEMARLE	124	28074	HARRIS	124
28002	ALBEMARLE	124	28075	HARRISBURG	124
28006	ALEXIS	122	28076	HENRIETTA	124
28007	ANSONVILLE	124	28077	HIGH SHOALS	124
28009	BADIN	124	28078	HUNTERSVILLE	124
28010	BARIUM SPRINGS	124	28079	INDIAN TRAIL	124
28012	BELMONT	122	28080	IRON STATION	124
28016	BESSEMER CITY	124	28081	KANNAPOLIS	122
28017	BOILING SPRINGS	124	28082	KANNAPOLIS	122
28018	BOSTIC	124	28083	KANNAPOLIS	122
28019	CAROLEEN	124	28086	KINGS MOUNTAIN	124
28020	CASAR	124	28088	LANDIS	122
28021	CHERRYVILLE	124	28089	LATTIMORE	124
28023	CHINA GROVE	122	28090	LAWNDALE	124
28024	CLIFFSIDE	124	28091	LILESVILLE	124
28025	CONCORD	124	28092	LINCOLNTON	124
28026	CONCORD	124	28093	LINCOLNTON	124
28027	CONCORD	122	28097	LOCUST	124
28031	CORNELIUS	122	28098	LOWELL	122
28032	CRAMERTON	122	28101	MC ADENVILLE	122
28033	CROUSE	124	28102	MC FARLAN	124
28034	DALLAS	124	28103	MARSHVILLE	124
28035	DAVIDSON	122	28104	MATTHEWS	124
28036	DAVIDSON	122	28105	MATTHEWS	122
28037	DENVER	124	28106	MATTHEWS	122
28038	EARL	124	28107	MIDLAND	124
28039	EAST SPENCER	124	28108	MINERAL SPRINGS	124
28040	ELLENBORO	124	28109	MISENHEIMER	124
28041	FAITH	122	28110	MONROE	124
28042	FALLSTON	124	28111	MONROE	124
28043	FOREST CITY	124	28112	MONROE	124
28052	GASTONIA	122	28114	MOORESBOBO	124
28053	GASTONIA	122	28115	MOORESVILLE	124
28054	GASTONIA	122	28117	MOORESVILLE	124
28055	GASTONIA	122	28119	MORVEN	124
28056	GASTONIA	122	28120	MOUNT HOLLY	122

Table #7(T) ZIP Codes 27982 – 28120

Note: Refer to an atlas or map for places not listed.

ZIP CODES 28123 – 28258

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28123	MOUNT MOURNE	124	28208	CHARLOTTE	112
28124	MOUNT PLEASANT	124	28209	CHARLOTTE	112
28125	MOUNT ULLA	124	28210	CHARLOTTE	112
28126	NEWELL	112	28211	CHARLOTTE	112
28127	NEW LONDON	124	28212	CHARLOTTE	112
28128	NORWOOD	124	28213	CHARLOTTE	112
28129	OAKBORO	124	28214	CHARLOTTE	112
28130	PAW CREEK	112	28215	CHARLOTTE	112
28133	PEACHLAND	124	28216	CHARLOTTE	112
28134	PINEVILLE	122	28217	CHARLOTTE	112
28135	POLKTON	124	28218	CHARLOTTE	112
28136	POLKVILLE	124	28219	CHARLOTTE	112
28137	RICHFIELD	124	28220	CHARLOTTE	112
28138	ROCKWELL	124	28221	CHARLOTTE	112
28139	RUTHERFORDTON	124	28222	CHARLOTTE	112
28144	SALISBURY	124	28223	CHARLOTTE	112
28145	SALISBURY	124	28224	CHARLOTTE	112
28146	SALISBURY	122	28226	CHARLOTTE	112
28147	SALISBURY	124	28227	CHARLOTTE	122
28150	SHELBY	124	28228	CHARLOTTE	112
28151	SHELBY	124	28229	CHARLOTTE	112
28152	SHELBY	124	28230	CHARLOTTE	112
28159	SPENCER	122	28231	CHARLOTTE	112
28160	SPINDALE	124	28232	CHARLOTTE	112
28163	STANFIELD	124	28233	CHARLOTTE	112
28164	STANLEY	124	28234	CHARLOTTE	112
28166	TROUTMAN	124	28235	CHARLOTTE	112
28167	UNION MILLS	124	28236	CHARLOTTE	112
28168	VALE	124	28237	CHARLOTTE	112
28169	WACO	124	28241	CHARLOTTE	112
28170	WADESBORO	124	28242	CHARLOTTE	112
28173	WAXHAW	124	28243	CHARLOTTE	112
28174	WINGATE	124	28244	CHARLOTTE	112
28201	CHARLOTTE	112	28246	CHARLOTTE	112
28202	CHARLOTTE	112	28247	CHARLOTTE	112
28203	CHARLOTTE	112	28253	CHARLOTTE	112
28204	CHARLOTTE	112	28254	CHARLOTTE	112
28205	CHARLOTTE	112	28255	CHARLOTTE	112
28206	CHARLOTTE	112	28256	CHARLOTTE	112
28207	CHARLOTTE	112	28258	CHARLOTTE	112

Table #8(T) ZIP Codes 28123 – 28258

Note: Refer to an atlas or map for places not listed.

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ZIP CODES 28260 – 28364

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28260	CHARLOTTE	112	28318	AUTRYVILLE	123
28262	CHARLOTTE	112	28319	BARNESVILLE	123
28263	CHARLOTTE	112	28320	BLADENBORO	123
28265	CHARLOTTE	112	28323	BUNNLEVEL	123
28266	CHARLOTTE	112	28325	CALYPSO	123
28269	CHARLOTTE	112	28326	CAMERON	123
28270	CHARLOTTE	112	28327	CARTHAGE	124
28271	CHARLOTTE	122	28328	CLINTON	123
28272	CHARLOTTE	112	28329	CLINTON	123
28273	CHARLOTTE	112	28330	CORDOVA	124
28274	CHARLOTTE	112	28331	CUMBERLAND	120
28275	CHARLOTTE	112	28332	DUBLIN	123
28277	CHARLOTTE	122	28333	DUDLEY	123
28278	CHARLOTTE	112	28334	DUNN	123
28280	CHARLOTTE	112	28335	DUNN	123
28281	CHARLOTTE	112	28337	ELIZABETHTOWN	123
28282	CHARLOTTE	112	28338	ELLERBE	124
28284	CHARLOTTE	112	28339	ERWIN	123
28285	CHARLOTTE	112	28340	FAIRMONT	123
28287	CHARLOTTE	112	28341	FAISON	123
28288	CHARLOTTE	112	28342	FALCON	123
28289	CHARLOTTE	112	28343	GIBSON	123
28290	CHARLOTTE	112	28344	GODWIN	123
28296	CHARLOTTE	112	28345	HAMLET	124
28297	CHARLOTTE	112	28347	HOFFMAN	124
28299	CHARLOTTE	112	28348	HOPE MILLS	123
28301	FAYETTEVILLE	120	28349	KENANSVILLE	123
28302	FAYETTEVILLE	120	28350	LAKEVIEW	124
28303	FAYETTEVILLE	120	28351	LAUREL HILL	123
28304	FAYETTEVILLE	123	28352	LAURINBURG	123
28305	FAYETTEVILLE	120	28353	LAURINBURG	123
28306	FAYETTEVILLE	120	28355	LEMON SPRINGS	124
28307	FORT BRAGG	119	28356	LINDEN	120
28308	POPE ARMY AIRFIELD	120	28357	LUMBER BRIDGE	123
28309	FAYETTEVILLE	120	28358	LUMBERTON	123
28310	FORT BRAGG	119	28359	LUMBERTON	123
28311	FAYETTEVILLE	120	28360	LUMBERTON	123
28312	FAYETTEVILLE	123	28362	MARIETTA	123
28314	FAYETTEVILLE	120	28363	MARSTON	123
28315	ABERDEEN	124	28364	MAXTON	123

Table #9(T) ZIP Codes 28260 – 28364

Note: Refer to an atlas or map for places not listed.

ZIP CODES 28365 – 28460

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28365	MOUNT OLIVE	123	28409	WILMINGTON	117
28366	NEWTON GROVE	123	28410	WILMINGTON	117
28367	NORMAN	124	28411	WILMINGTON	123
28368	OLIVIA	124	28412	WILMINGTON	117
28369	ORRUM	123	28420	ASH	123
28370	PINEHURST	124	28421	ATKINSON	123
28371	PARKTON	123	28422	BOLIVIA	123
28372	PEMBROKE	123	28423	BOLTON	123
28373	PINEBLUFF	124	28424	BRUNSWICK	123
28374	PINEHURST	124	28425	BURGAW	123
28375	PROCTORVILLE	123	28428	CAROLINA BEACH	117
28376	RAEFORD	123	28429	CASTLE HAYNE	117
28377	RED SPRINGS	123	28430	CERRO GORDO	123
28378	REX	123	28431	CHADBOURN	123
28379	ROCKINGHAM	124	28432	CLARENDON	123
28380	ROCKINGHAM	124	28433	CLARKTON	123
28382	ROSEBORO	123	28434	COUNCIL	123
28383	ROWLAND	123	28435	CURRIE	123
28384	SAINT PAULS	123	28436	DELCO	123
28385	SALEMBURG	123	28438	EVERGREEN	123
28386	SHANNON	123	28439	FAIR BLUFF	123
28387	SOUTHERN PINES	119	28441	GARLAND	123
28388	SOUTHERN PINES	119	28442	HALLSBORO	123
28390	SPRING LAKE	123	28443	HAMPSTEAD	123
28391	STEDMAN	123	28444	HARRELLS	123
28392	TAR HEEL	123	28445	HOLLY RIDGE	123
28393	TURKEY	123	28447	IVANHOE	123
28394	VASS	124	28448	KELLY	123
28395	WADE	123	28449	KURE BEACH	117
28396	WAGRAM	123	28450	LAKE WACCAMAW	123
28398	WARSAW	123	28451	LELAND	123
28399	WHITE OAK	123	28452	LONGWOOD	123
28401	WILMINGTON	117	28453	MAGNOLIA	123
28402	WILMINGTON	117	28454	MAPLE HILL	123
28403	WILMINGTON	117	28455	NAKINA	123
28404	WILMINGTON	123	28456	RIEGELWOOD	123
28405	WILMINGTON	117	28457	ROCKY POINT	123
28406	WILMINGTON	117	28458	ROSE HILL	123
28407	WILMINGTON	117	28459	SHALLOTTE	123
28408	WILMINGTON	117	28460	SNEADS FERRY	123

Table #10(T) ZIP Codes 28365 – 28460

Note: Refer to an atlas or map for places not listed.

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ZIP CODES 28461 – 28585

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28461	SOUTHPORT	123	28532	HAVELOCK	123
28462	SUPPLY	123	28533	CHERRY POINT	123
28463	TABOR CITY	123	28537	HOBUCKEN	123
28464	TEACHEY	123	28538	HOOKERTON	123
28465	OAK ISLAND	123	28539	HUBERT	123
28466	WALLACE	123	28540	JACKSONVILLE	123
28467	CALABASH	123	28541	JACKSONVILLE	123
28468	SUNSET BEACH	123	28542	CAMP LEJEUNE	119
28469	OCEAN ISLE BEACH	123	28543	TARAWA TERRACE	119
28470	SHALLOTTE	123	28544	MIDWAY PARK	123
28472	WHITEVILLE	123	28545	MCCUTCHEON FIELD	123
28478	WILLARD	123	28546	JACKSONVILLE	123
28479	WINNABOW	123	28547	CAMP LEJEUNE	119
28480	WRIGHTSVILLE BEACH	117	28551	LA GRANGE	123
28501	KINSTON	123	28552	LOWLAND	123
28502	KINSTON	123	28553	MARSHALLBERG	123
28503	KINSTON	123	28554	MAURY	123
28504	KINSTON	121	28555	MAYSVILLE	123
28508	ALBERTSON	123	28556	MERRITT	123
28509	ALLIANCE	123	28557	MOREHEAD CITY	123
28510	ARAPAHOE	123	28560	NEW BERN	123
28511	ATLANTIC	123	28561	NEW BERN	123
28512	ATLANTIC BEACH	123	28562	NEW BERN	123
28513	AYDEN	123	28563	NEW BERN	123
28515	BAYBORO	123	28564	NEW BERN	123
28516	BEAUFORT	123	28570	NEWPORT	123
28518	BEULAVILLE	123	28571	ORIENTAL	123
28519	BRIDGETON	123	28572	PINK HILL	123
28520	CEDAR ISLAND	123	28573	POLLOCKSVILLE	123
28521	CHINQUAPIN	123	28574	RICHLANDS	123
28522	COMFORT	123	28575	SALTER PATH	123
28523	COVE CITY	123	28577	SEALEVEL	123
28524	DAVIS	123	28578	SEVEN SPRINGS	123
28525	DEEP RUN	123	28579	SMYRNA	123
28526	DOVER	123	28580	SNOW HILL	123
28527	ERNUL	123	28581	STACY	123
28528	GLOUCESTER	123	28582	STELLA	123
28529	GRANTSBORO	123	28583	STONEWALL	123
28530	GRIFTON	123	28584	SWANSBORO	123
28531	HARKERS ISLAND	123	28585	TRENTON	123

Table #11(T) ZIP Codes 28461 – 28585

Note: Refer to an atlas or map for places not listed.

ZIP CODES 28586 – 28681

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28586	VANCEBORO	123	28640	JEFFERSON	124
28587	VANDEMERE	123	28641	JONAS RIDGE	124
28589	WILLISTON	123	28642	JONESVILLE	124
28590	WINTERVILLE	123	28643	LANSING	124
28594	EMERALD ISLE	123	28644	LAUREL SPRINGS	124
28601	HICKORY	124	28645	LENOIR	124
28602	HICKORY	124	28646	LINVILLE	124
28603	HICKORY	124	28647	LINVILLE FALLS	124
28604	BANNER ELK	124	28649	MC GRADY	124
28605	BLOWING ROCK	124	28650	MAIDEN	124
28606	BOOMER	124	28651	MILLERS CREEK	124
28607	BOONE	124	28652	MINNEAPOLIS	124
28608	BOONE	124	28653	MONTEZUMA	124
28609	CATAWBA	124	28654	MORAVIAN FALLS	124
28610	CLAREMONT	124	28655	MORGANTON	124
28611	COLLETTSVILLE	124	28656	NORTH WILKESBORO	124
28612	CONNELLY SPRINGS	124	28657	NEWLAND	124
28613	CONOVER	124	28658	NEWTON	124
28615	CRESTON	124	28659	NORTH WILKESBORO	124
28616	CROSSNORE	124	28660	OLIN	124
28617	CRUMPLER	124	28661	PATTERSON	124
28618	DEEP GAP	124	28662	PINEOLA	124
28619	DREXEL	124	28663	PINEY CREEK	124
28621	ELKIN	124	28664	PLUMTREE	124
28622	ELK PARK	124	28665	PURLEAR	124
28623	ENNICE	124	28666	ICARD	124
28624	FERGUSON	124	28667	RHODHISS	124
28625	STATESVILLE	124	28668	ROARING GAP	124
28626	FLEETWOOD	124	28669	ROARING RIVER	124
28627	GLADE VALLEY	124	28670	RONDA	124
28628	GLEN ALPINE	124	28671	RUTHERFORD COLLEGE	124
28629	GLENDALE SPRINGS	124	28672	SCOTTVILLE	124
28630	GRANITE FALLS	124	28673	SHERRILLS FORD	124
28631	GRASSY CREEK	124	28675	SPARTA	124
28633	LENOIR	124	28676	STATE ROAD	124
28634	HARMONY	124	28677	STATESVILLE	124
28635	HAYS	124	28678	STONY POINT	124
28636	HIDDENITE	124	28679	SUGAR GROVE	124
28637	HILDEBRAN	124	28680	MORGANTON	124
28638	HUDSON	124	28681	TAYLORSVILLE	124

Table #12(T) ZIP Codes 28586 – 28681

Note: Refer to an atlas or map for places not listed.

NORTH CAROLINA REINSURANCE FACILITY
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(State Code 32)

ZIP CODES 28682 – 28770

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28682	TERRELL	124	28728	ENKA	111
28683	THURMOND	124	28729	ETOWAH	124
28684	TODD	124	28730	FAIRVIEW	122
28685	TRAPHILL	124	28731	FLAT ROCK	124
28687	STATESVILLE	124	28732	FLETCHER	124
28688	TURNERSBURG	124	28733	FONTANA DAM	124
28689	UNION GROVE	124	28734	FRANKLIN	124
28690	VALDESE	124	28735	GERTON	124
28691	VALLE CRUCIS	124	28736	GLENVILLE	124
28692	VILAS	124	28737	GLENWOOD	124
28693	WARRENSVILLE	124	28738	HAZELWOOD	124
28694	WEST JEFFERSON	124	28739	HENDERSONVILLE	124
28697	WILKESBORO	124	28740	GREEN MOUNTAIN	124
28698	ZIONVILLE	124	28741	HIGHLANDS	124
28699	SCOTTS	124	28742	HORSE SHOE	124
28701	ALEXANDER	122	28743	HOT SPRINGS	124
28702	ALMOND	124	28744	FRANKLIN	124
28704	ARDEN	111	28745	LAKE JUNALUSKA	124
28705	BAKERSVILLE	124	28746	LAKE LURE	124
28707	BALSAM	124	28747	LAKE TOXAWAY	124
28708	BALSAM GROVE	124	28748	LEICESTER	122
28709	BARNARDSVILLE	122	28749	LITTLE SWITZERLAND	124
28710	BAT CAVE	124	28750	LYNN	124
28711	BLACK MOUNTAIN	122	28751	MAGGIE VALLEY	124
28712	BREVARD	124	28752	MARION	124
28713	BRYSON CITY	124	28753	MARSHALL	124
28714	BURNSVILLE	124	28754	MARS HILL	124
28715	CANDLER	111	28755	MICAVILLE	124
28716	CANTON	124	28756	MILL SPRING	124
28717	CASHIERS	124	28757	MONTREAT	122
28718	CEDAR MOUNTAIN	124	28758	MOUNTAIN HOME	124
28719	CHEROKEE	124	28759	MILLS RIVER	124
28720	CHIMNEY ROCK	124	28760	NAPLES	124
28721	CLYDE	124	28761	NEBO	124
28722	COLUMBUS	124	28762	OLD FORT	124
28723	CULLOWHEE	124	28763	OTTO	124
28724	DANA	124	28765	PENLAND	124
28725	DILLSBORO	124	28766	PENROSE	124
28726	EAST FLAT ROCK	124	28768	PISGAH FOREST	124
28727	EDNEYVILLE	124	28770	RIDGECREST	122

Table #13(T) ZIP Codes 28682 – 28770

Note: Refer to an atlas or map for places not listed.

ZIP CODES 28771 – 28909

ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Territory	ZIP Code	USPS ZIP Code Name	Territory
28771	ROBBINSVILLE	124	28792	HENDERSONVILLE	124
28772	ROSMAN	124	28793	HENDERSONVILLE	124
28773	SALUDA	124	28801	ASHEVILLE	111
28774	SAPPHIRE	124	28802	ASHEVILLE	111
28775	SCALY MOUNTAIN	124	28803	ASHEVILLE	111
28776	SKYLAND	111	28804	ASHEVILLE	111
28777	SPRUCE PINE	124	28805	ASHEVILLE	111
28778	SWANNANOA	122	28806	ASHEVILLE	111
28779	SYLVA	124	28810	ASHEVILLE	111
28781	TOPTON	124	28813	ASHEVILLE	111
28782	TRYON	124	28814	ASHEVILLE	111
28783	TUCKASEGEE	124	28815	ASHEVILLE	111
28784	TUXEDO	124	28816	ASHEVILLE	111
28785	WAYNESVILLE	124	28901	ANDREWS	124
28786	WAYNESVILLE	124	28902	BRASSTOWN	124
28787	WEAVERVILLE	122	28903	CULBERSON	124
28788	WEBSTER	124	28904	HAYESVILLE	124
28789	WHITTIER	124	28905	MARBLE	124
28790	ZIRCONIA	124	28906	MURPHY	124
28791	HENDERSONVILLE	124	28909	WARNE	124

Table #14(T) ZIP Codes 28771 – 28909

Note: Refer to an atlas or map for places not listed.

**NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL
COMMERCIAL AUTOMOBILE LIABILITY RATES SECTION**

NOTES

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

(State Code 32)

COMMERCIAL AUTOMOBILE LIABILITY RATES

BODILY INJURY FACTORS

Limits Identifier Code (3)

Limit of Liability (1000's)	Limit Code	1. Light and Medium Trucks	2. Heavy Trucks and Truck- Tractors	3. Extra Heavy Trucks and Truck- Tractors	4. Trucks, Tractors, and Trailers Zone Rated	5. All Other Risks
\$ 30/60	49	1.00	1.00	1.00	1.00	1.00
85/85	52	1.43	1.55	1.62	1.97	1.43
50/100	49	1.32	1.38	1.43	1.73	1.38
100/100	52	1.59	1.74	1.92	2.27	1.60
100/300	52	2.11	2.31	2.55	3.33	2.16
100/500	55	2.27	2.68	2.87	3.90	2.36
300/300	64	2.76	3.18	3.52	4.83	2.76
250/500	61	2.87	3.49	3.77	5.26	2.96
400/400	68	3.07	3.71	4.10	5.75	3.14
500/500	68	3.37	4.10	4.55	6.54	3.49
750/750	73	4.02	4.94	5.62	8.12	4.15
1,000/1,000	73	4.56	5.67	6.49	9.53	4.68
1,500/1,500	74	5.32	6.81	7.87	11.64	5.43
2,000/2,000	75	6.00	7.77	9.04	13.50	6.14
2,500/2,500	76	6.49	8.63	10.13	15.07	6.75
5,000/5,000	79	8.52	11.64	13.96	21.10	8.77
7,500/7,500	82	9.94	13.75	16.64	25.32	10.18
10,000/10,000	85	10.86	15.12	18.38	28.06	11.10
12,500/12,500	86	11.41	15.94	19.42	29.70	11.65
15,000/15,000	86	11.71	16.39	19.99	30.60	11.95

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

(State Code 32)

PROPERTY DAMAGE FACTORS

Limits Identifier Code (3)

Limit of Liability (1000's)	Limit Code	1. Light and Medium Trucks	2. Heavy Trucks and Truck- Tractors	3. Extra Heavy Trucks and Truck- Tractors	4. Trucks, Tractors, and Trailers Zone Rated	5. All Other Risks
\$ 25	5	1.00	1.00	1.00	1.00	1.00
30	6	1.03	1.03	1.03	1.03	1.02
50	8	1.07	1.08	1.08	1.12	1.07
85	9	1.14	1.14	1.14	1.21	1.14
100	10	1.16	1.16	1.16	1.23	1.16
300	14	1.23	1.24	1.23	1.40	1.23
400	15	1.26	1.27	1.26	1.44	1.26
500	16	1.28	1.29	1.28	1.47	1.28
750	17	1.30	1.32	1.31	1.52	1.30
1,000	18	1.32	1.34	1.34	1.57	1.32
1,500	19	1.35	1.37	1.39	1.67	1.35
2,000	20	1.37	1.39	1.44	1.74	1.38
2,500	21	1.38	1.41	1.48	1.76	1.40
5,000	23	1.43	1.48	1.53	1.86	1.43
7,500	24	1.47	1.53	1.57	1.93	1.45
10,000	25	1.50	1.56	1.60	1.98	1.46
12,500	26	1.52	1.58	1.62	2.01	1.47
15,000	26	1.53	1.59	1.63	2.03	1.48

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

(State Code 32)

COMMERCIAL AUTOMOBILE LIABILITY RATES

LIGHT AND MEDIUM TRUCKS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$334	\$441	\$ 705	\$441	\$472	\$ 98	\$117	\$128
	Fleet	367	484	774	485	519			
112	Nonfleet	588	776	1,241	777	831	172	206	226
	Fleet	647	854	1,365	855	915			
113	Nonfleet	438	578	924	579	620	128	153	168
	Fleet	482	636	1,017	637	682			
114	Nonfleet	409	540	863	540	578	119	143	157
	Fleet	450	594	950	594	636			
115	Nonfleet	344	454	726	455	487	100	120	132
	Fleet	378	499	798	501	536			
116	Nonfleet	495	653	1,044	654	700	145	173	190
	Fleet	545	719	1,150	719	769			
117	Nonfleet	385	508	812	508	544	112	135	148
	Fleet	424	560	895	559	598			
118	Nonfleet	383	506	808	506	541	112	134	147
	Fleet	421	556	888	557	596			
119	Nonfleet	315	416	665	416	445	92	110	121
	Fleet	347	458	732	458	490			
120	Nonfleet	438	578	924	579	620	128	153	168
	Fleet	482	636	1,017	637	682			
121	Nonfleet	392	517	827	518	554	114	137	151
	Fleet	431	569	909	570	610			
122	Nonfleet	399	527	842	527	564	117	140	153
	Fleet	439	579	926	580	621			
123	Nonfleet	328	433	692	434	464	96	115	126
	Fleet	361	477	762	477	510			
124	Nonfleet	342	451	722	451	483	100	120	131
	Fleet	376	496	793	496	531			

HIRED CAR	Bodily Injury \$30/60	Property Damage \$25
All Territories	\$0.56	\$0.81

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

(State Code 32)

COMMERCIAL AUTOMOBILE LIABILITY RATES

HEAVY TRUCKS AND TRUCK-TRACTORS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$334	\$461	\$ 772	\$441	\$476	\$ 98	\$117	\$128
	Fleet	367	506	848	485	524			
112	Nonfleet	588	811	1,358	777	839	172	206	226
	Fleet	647	893	1,495	855	923			
113	Nonfleet	438	604	1,012	579	625	128	153	168
	Fleet	482	665	1,113	637	688			
114	Nonfleet	409	564	945	540	583	119	143	157
	Fleet	450	621	1,040	594	642			
115	Nonfleet	344	475	795	455	491	100	120	132
	Fleet	378	522	873	501	541			
116	Nonfleet	495	683	1,143	654	706	145	173	190
	Fleet	545	752	1,259	719	777			
117	Nonfleet	385	531	889	508	549	112	135	148
	Fleet	424	585	979	559	604			
118	Nonfleet	383	529	885	506	546	112	134	147
	Fleet	421	581	973	557	602			
119	Nonfleet	315	435	728	416	449	92	110	121
	Fleet	347	479	802	458	495			
120	Nonfleet	438	604	1,012	579	625	128	153	168
	Fleet	482	665	1,113	637	688			
121	Nonfleet	392	541	906	518	559	114	137	151
	Fleet	431	595	996	570	616			
122	Nonfleet	399	551	922	527	569	117	140	153
	Fleet	439	606	1,014	580	626			
123	Nonfleet	328	453	758	434	469	96	115	126
	Fleet	361	498	834	477	515			
124	Nonfleet	342	472	790	451	487	100	120	131
	Fleet	376	519	869	496	536			

NORTH CAROLINA REINSURANCE FACILITY
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COMMERCIAL AUTOMOBILE LIABILITY RATES

EXTRA HEAVY TRUCKS AND TRUCK-TRACTORS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$334	\$478	\$ 852	\$441	\$476	\$ 98	\$117	\$128
	Fleet	367	525	936	485	524			
112	Nonfleet	588	841	1,499	777	839	172	206	226
	Fleet	647	925	1,650	855	923			
113	Nonfleet	438	626	1,117	579	625	128	153	168
	Fleet	482	689	1,229	637	688			
114	Nonfleet	409	585	1,043	540	583	119	143	157
	Fleet	450	644	1,148	594	642			
115	Nonfleet	344	492	877	455	491	100	120	132
	Fleet	378	541	964	501	541			
116	Nonfleet	495	708	1,262	654	706	145	173	190
	Fleet	545	779	1,390	719	777			
117	Nonfleet	385	551	982	508	549	112	135	148
	Fleet	424	606	1,081	559	604			
118	Nonfleet	383	548	977	506	546	112	134	147
	Fleet	421	602	1,074	557	602			
119	Nonfleet	315	450	803	416	449	92	110	121
	Fleet	347	496	885	458	495			
120	Nonfleet	438	626	1,117	579	625	128	153	168
	Fleet	482	689	1,229	637	688			
121	Nonfleet	392	561	1,000	518	559	114	137	151
	Fleet	431	616	1,099	570	616			
122	Nonfleet	399	571	1,017	527	569	117	140	153
	Fleet	439	628	1,119	580	626			
123	Nonfleet	328	469	836	434	469	96	115	126
	Fleet	361	516	921	477	515			
124	Nonfleet	342	489	872	451	487	100	120	131
	Fleet	376	538	959	496	536			

NORTH CAROLINA REINSURANCE FACILITY
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COMMERCIAL AUTOMOBILE LIABILITY RATES

PRIVATE PASSENGER TYPES

	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
	\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
Territory								
111	\$606	\$ 836	\$1,309	\$ 816	\$ 873	\$59	\$ 76	\$ 86
112	876	1,209	1,892	1,178	1,260	85	110	124
113	690	952	1,490	928	993	67	86	98
114	561	774	1,212	755	808	54	70	80
115	642	886	1,387	863	923	62	80	91
116	699	965	1,510	940	1,006	68	87	99
117	790	1,090	1,706	1,063	1,137	77	99	112
118	654	903	1,413	880	942	63	82	93
119	593	818	1,281	798	854	58	74	84
120	767	1,058	1,657	1,032	1,104	74	96	109
121	679	937	1,467	913	977	66	85	96
122	644	889	1,391	866	927	62	81	91
123	606	836	1,309	816	873	59	76	86
124	586	809	1,266	789	844	57	73	83

NORTH CAROLINA REINSURANCE FACILITY
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COMMERCIAL AUTOMOBILE LIABILITY RATES

TAXIS AND LIMOUSINES

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$1,733	\$2,392	\$3,743	\$1,446	\$1,547	\$319	\$374	\$428
	Fleet	1,906	2,630	4,117	1,591	1,702			
112	Nonfleet	3,052	4,212	6,592	2,549	2,727	562	659	754
	Fleet	3,357	4,633	7,251	2,804	3,000			
113	Nonfleet	2,273	3,137	4,910	1,899	2,032	418	491	561
	Fleet	2,500	3,450	5,400	2,089	2,235			
114	Nonfleet	2,123	2,930	4,586	1,771	1,895	391	459	524
	Fleet	2,335	3,222	5,044	1,948	2,084			
115	Nonfleet	1,785	2,463	3,856	1,492	1,596	328	386	441
	Fleet	1,964	2,710	4,242	1,641	1,756			
116	Nonfleet	2,569	3,545	5,549	2,145	2,295	473	555	635
	Fleet	2,826	3,900	6,104	2,360	2,525			
117	Nonfleet	1,998	2,757	4,316	1,666	1,783	368	432	494
	Fleet	2,198	3,033	4,748	1,833	1,961			
118	Nonfleet	1,988	2,743	4,294	1,660	1,776	366	429	491
	Fleet	2,187	3,018	4,724	1,826	1,954			
119	Nonfleet	1,635	2,256	3,532	1,364	1,459	301	353	404
	Fleet	1,799	2,483	3,886	1,500	1,605			
120	Nonfleet	2,273	3,137	4,910	1,899	2,032	418	491	561
	Fleet	2,500	3,450	5,400	2,089	2,235			
121	Nonfleet	2,034	2,807	4,393	1,699	1,818	374	439	502
	Fleet	2,237	3,087	4,832	1,869	2,000			
122	Nonfleet	2,071	2,858	4,473	1,729	1,850	381	447	512
	Fleet	2,278	3,144	4,920	1,902	2,035			
123	Nonfleet	1,702	2,349	3,676	1,424	1,524	313	368	420
	Fleet	1,872	2,583	4,044	1,566	1,676			
124	Nonfleet	1,775	2,450	3,834	1,479	1,583	327	383	438
	Fleet	1,953	2,695	4,218	1,627	1,741			

NORTH CAROLINA REINSURANCE FACILITY
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COMMERCIAL AUTOMOBILE LIABILITY RATES

SCHOOL AND CHURCH BUSES

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$331	\$457	\$ 715	\$198	\$212	\$ 74	\$ 88	\$101
	Fleet	364	502	786	218	233			
112	Nonfleet	582	803	1,257	350	375	131	155	178
	Fleet	640	883	1,382	385	412			
113	Nonfleet	434	599	937	261	279	98	115	133
	Fleet	477	658	1,030	287	307			
114	Nonfleet	405	559	875	243	260	91	108	124
	Fleet	446	615	963	267	286			
115	Nonfleet	341	471	737	205	219	77	91	104
	Fleet	375	518	810	226	242			
116	Nonfleet	490	676	1,058	294	315	110	130	150
	Fleet	539	744	1,164	323	346			
117	Nonfleet	381	526	823	229	245	86	101	117
	Fleet	419	578	905	252	270			
118	Nonfleet	379	523	819	228	244	85	101	116
	Fleet	417	575	901	251	269			
119	Nonfleet	312	431	674	187	200	70	83	95
	Fleet	343	473	741	206	220			
120	Nonfleet	434	599	937	261	279	98	115	133
	Fleet	477	658	1,030	287	307			
121	Nonfleet	388	535	838	233	249	87	103	119
	Fleet	427	589	922	256	274			
122	Nonfleet	395	545	853	237	254	89	105	121
	Fleet	435	600	940	261	279			
123	Nonfleet	325	449	702	195	209	73	86	99
	Fleet	358	494	773	215	230			
124	Nonfleet	339	468	732	203	217	76	90	104
	Fleet	373	515	806	223	239			

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

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COMMERCIAL AUTOMOBILE LIABILITY RATES

ALL OTHER BUSES

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$2,047	\$2,825	\$4,422	\$1,252	\$1,340	\$272	\$317	\$358
	Fleet	2,252	3,108	4,864	1,377	1,473			
112	Nonfleet	3,604	4,974	7,785	2,207	2,361	479	559	631
	Fleet	3,964	5,470	8,562	2,428	2,598			
113	Nonfleet	2,685	3,705	5,800	1,644	1,759	357	416	470
	Fleet	2,954	4,077	6,381	1,808	1,935			
114	Nonfleet	2,507	3,460	5,415	1,534	1,641	333	389	439
	Fleet	2,758	3,806	5,957	1,687	1,805			
115	Nonfleet	2,109	2,910	4,555	1,292	1,382	280	327	369
	Fleet	2,320	3,202	5,011	1,421	1,520			
116	Nonfleet	3,034	4,187	6,553	1,857	1,987	404	470	531
	Fleet	3,337	4,605	7,208	2,043	2,186			
117	Nonfleet	2,360	3,257	5,098	1,443	1,544	314	366	413
	Fleet	2,596	3,582	5,607	1,587	1,698			
118	Nonfleet	2,348	3,240	5,072	1,437	1,538	312	364	411
	Fleet	2,583	3,565	5,579	1,581	1,692			
119	Nonfleet	1,931	2,665	4,171	1,181	1,264	257	299	338
	Fleet	2,124	2,931	4,588	1,299	1,390			
120	Nonfleet	2,685	3,705	5,800	1,644	1,759	357	416	470
	Fleet	2,954	4,077	6,381	1,808	1,935			
121	Nonfleet	2,403	3,316	5,190	1,471	1,574	320	372	421
	Fleet	2,643	3,647	5,709	1,618	1,731			
122	Nonfleet	2,446	3,375	5,283	1,497	1,602	325	379	428
	Fleet	2,691	3,714	5,813	1,647	1,762			
123	Nonfleet	2,011	2,775	4,344	1,233	1,319	267	312	352
	Fleet	2,212	3,053	4,778	1,356	1,451			
124	Nonfleet	2,096	2,892	4,527	1,281	1,371	279	325	367
	Fleet	2,306	3,182	4,981	1,409	1,508			

NORTH CAROLINA REINSURANCE FACILITY
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COMMERCIAL AUTOMOBILE LIABILITY RATES

VAN POOLS

Territory	Class	Bodily Injury Limit			Property Damage Limit		Medical Payments Limit		
		\$30/60	\$50/100	\$100/300	\$25	\$50	\$500	\$1,000	\$2,000
111	Nonfleet	\$274	\$378	\$ 592	\$362	\$387	\$ 80	\$ 96	\$105
	Fleet	301	415	650	398	426			
112	Nonfleet	482	665	1,041	637	682	141	169	185
	Fleet	530	731	1,145	701	750			
113	Nonfleet	359	495	775	475	508	105	126	138
	Fleet	395	545	853	523	560			
114	Nonfleet	335	462	724	443	474	98	117	129
	Fleet	369	509	797	487	521			
115	Nonfleet	282	389	609	373	399	82	99	108
	Fleet	310	428	670	410	439			
116	Nonfleet	406	560	877	536	574	119	142	156
	Fleet	447	617	966	590	631			
117	Nonfleet	316	436	683	417	446	92	111	121
	Fleet	348	480	752	459	491			
118	Nonfleet	314	433	678	415	444	92	110	121
	Fleet	345	476	745	457	489			
119	Nonfleet	258	356	557	341	365	75	90	99
	Fleet	284	392	613	375	401			
120	Nonfleet	359	495	775	475	508	105	126	138
	Fleet	395	545	853	523	560			
121	Nonfleet	321	443	693	425	455	94	112	123
	Fleet	353	487	762	468	501			
122	Nonfleet	327	451	706	432	462	95	114	126
	Fleet	360	497	778	475	508			
123	Nonfleet	269	371	581	356	381	79	94	103
	Fleet	296	408	639	392	419			
124	Nonfleet	280	386	605	370	396	82	98	108
	Fleet	308	425	665	407	435			

NORTH CAROLINA REINSURANCE FACILITY
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COMMERCIAL AUTOMOBILE LIABILITY RATES

AUTO DEALERS

		Bodily Injury Limit			Property Damage Limit	
		\$30/60	\$50/100	\$100/300	\$25	\$50
Territory	Class					
111	Dealers	\$437	\$ 603	\$ 944	\$520	\$556
112	Dealers	756	1,043	1,633	899	962
113	Dealers	573	791	1,238	681	729
114	Dealers	523	722	1,130	622	666
115	Dealers	445	614	961	530	567
116	Dealers	632	872	1,365	752	805
117	Dealers	487	672	1,052	580	621
118	Dealers	500	690	1,080	595	637
119	Dealers	383	529	827	456	488
120	Dealers	575	794	1,242	685	733
121	Dealers	510	704	1,102	607	649
122	Dealers	513	708	1,108	610	653
123	Dealers	437	603	944	520	556
124	Dealers	444	613	959	528	565

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COMMERCIAL AUTOMOBILE LIABILITY RATES

STATE RATE SCHEDULES

TRUCKS, TRACTORS, AND TRAILERS

State	Class	Bodily Injury Limit \$30/60	Property Damage Limit \$25	Medical Payments Limit		
				\$500	\$1,000	\$2,000
Georgia	Nonfleet	\$1,922	\$ 718	\$ 561	\$ 673	\$ 738
	Fleet	2,114	790			
Florida	Nonfleet	3,065	658	895	1,073	1,177
	Fleet	3,372	724			
New Jersey	Nonfleet	2,828	1,542	826	990	1,086
	Fleet	3,111	1,696			
New York	Nonfleet	4,029	1,110	1,176	1,410	1,547
	Fleet	4,432	1,221			
South Carolina	Nonfleet	1,267	691	370	443	487
	Fleet	1,394	760			
Tennessee	Nonfleet	828	564	242	290	318
	Fleet	911	620			
Virginia	Nonfleet	1,819	1,037	531	637	698
	Fleet	2,001	1,141			
All Other States	Nonfleet	1,748	713	510	612	671
	Fleet	1,923	784			

OTHER BUSES

State	Class	Bodily Injury Limit \$30/60	Property Damage Limit \$25	Medical Payments Limit		
				\$500	\$1,000	\$2,000
Georgia	Nonfleet	\$ 7,195	\$2,692	\$ 957	\$1,115	\$1,259
	Fleet	7,915	2,961			
Florida	Nonfleet	11,739	2,515	1,561	1,820	2,054
	Fleet	12,913	2,767			
New Jersey	Nonfleet	16,565	9,035	2,203	2,568	2,899
	Fleet	18,222	9,939			
New York	Nonfleet	17,627	4,790	2,344	2,732	3,085
	Fleet	19,390	5,269			
South Carolina	Nonfleet	2,419	1,320	322	375	423
	Fleet	2,661	1,452			
Tennessee	Nonfleet	3,186	2,169	424	494	558
	Fleet	3,505	2,386			
Virginia	Nonfleet	14,006	7,982	1,863	2,171	2,451
	Fleet	15,407	8,780			
All Other States	Nonfleet	6,733	2,888	895	1,044	1,178
	Fleet	7,406	3,177			

NORTH CAROLINA REINSURANCE FACILITY
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ZONE RATING TABLE—GARAGED IN NORTH CAROLINA
ZONE 05 (CHARLOTTE) COMBINATIONS

Zone	Liability Non Fleet	Zone	Liability Non Fleet	Zone	Liability Non Fleet	Zone	Liability Non Fleet
01 Atlanta	\$1,707 BI 2,229 PD 329 MP **201	13 Houston	\$1,709 BI 2,231 PD 330 MP **213	25 New Orleans	\$1,729 BI 2,257 PD 334 MP **225	37 Tulsa	\$1,709 BI 2,231 PD 330 MP **237
02 Balt.-Wash.	1,683 BI 2,197 PD 325 MP **202	14 Indianapolis	1,480 BI 1,932 PD 286 MP **214	26 N.Y. City	1,683 BI 2,197 PD 325 MP **226	40 Pacific	1,957 BI 2,555 PD 378 MP **240
03 Boston	1,799 BI 2,349 PD 347 MP **203	15 Jack-sonville	1,707 BI 2,229 PD 329 MP **215	27 Okla.-City	1,709 BI 2,231 PD 330 MP **227	41 Moun-tain	2,170 BI 2,834 PD 419 MP **241
04 Buffalo	1,683 BI 2,197 PD 325 MP **204	16 Kansas City	1,760 BI 2,298 PD 340 MP **216	28 Omaha	1,760 BI 2,298 PD 340 MP **228	42 Mid-west	1,807 BI 2,359 PD 349 MP **242
05 Char-lotte	1,707 BI 2,229 PD 329 MP **205	17 Little Rock	1,709 BI 2,231 PD 330 MP **217	29 Phoenix	2,115 BI 2,762 PD 408 MP **229	43 South-west	1,754 BI 2,289 PD 339 MP **243
06 Chicago	1,480 BI 1,932 PD 286 MP **206	18 Los Angeles	1,907 BI 2,489 PD 368 MP **218	30 Phila-delphia	1,683 BI 2,197 PD 325 MP **230	44 North-Central	1,519 BI 1,983 PD 293 MP **244
07 Cincin-nati	1,480 BI 1,932 PD 286 MP **207	19 Louis-ville	1,649 BI 2,153 PD 318 MP **219	31 Pitts-burgh	1,683 BI 2,197 PD 325 MP **231	45 Mid-east	1,693 BI 2,209 PD 327 MP **245
08 Cleve-land	1,480 BI 1,932 PD 286 MP **208	20 Mem-phus	1,649 BI 2,153 PD 318 MP **220	32 Portland	1,907 BI 2,489 PD 368 MP **232	46 Gulf	1,775 BI 2,317 PD 343 MP **246
09 Dallas Ft. Worth	1,709 BI 2,231 PD 330 MP **209	21 Miami	1,707 BI 2,229 PD 329 MP **221	33 Rich-mond	1,707 BI 2,229 PD 329 MP **233	47 South-east	1,752 BI 2,287 PD 338 MP **247
10 Denver	2,115 BI 2,762 PD 408 MP **210	22 Mil-waukee	1,760 BI 2,298 PD 340 MP **222	34 St. Louis	1,760 BI 2,298 PD 340 MP **234	48 Northeast	1,728 BI 2,255 PD 334 MP **248
11 Detroit	1,480 BI 1,932 PD 286 MP **211	23 Minn.-St. Paul	1,760 BI 2,298 PD 340 MP **223	35 Salt Lake City	2,115 BI 2,762 PD 408 MP **235	49 New England	1,847 BI 2,411 PD 356 MP **249
12 Hart-ford	1,799 BI 2,349 PD 347 MP **212	24 Nash-ville	1,649 BI 2,153 PD 318 MP **224	36 San Fran.	1,907 BI 2,489 PD 368 MP **236		

NORTH CAROLINA REINSURANCE FACILITY
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ZONE RATING TABLE—GARAGED IN NORTH CAROLINA
ZONE 47 (SOUTHEAST) COMBINATIONS

Zone	Liability Non Fleet	Zone	Liability Non Fleet	Zone	Liability Non Fleet	Zone	Liability Non Fleet
01 Atlanta	\$1,752 BI 2,287 PD 338 MP **901	13 Houston	\$1,754 BI 2,289 PD 339 MP **913	25 New Orleans	\$1,775 BI 2,317 PD 343 MP **925	37 Tulsa	\$1,754 BI 2,289 PD 339 MP **937
02 Balt.-Wash.	1,728 BI 2,255 PD 334 MP **902	14 Indianapolis	1,519 BI 1,983 PD 293 MP **914	26 N.Y. City	1,728 BI 2,255 PD 334 MP **926	40 Pacific	2,007 BI 2,620 PD 387 MP **940
03 Boston	1,847 BI 2,411 PD 356 MP **903	15 Jack-sonville	1,752 BI 2,287 PD 338 MP **915	27 Okla.-City	1,754 BI 2,289 PD 339 MP **927	41 Moun-tain	2,226 BI 2,907 PD 430 MP **941
04 Buffalo	1,728 BI 2,255 PD 334 MP **904	16 Kansas City	1,807 BI 2,359 PD 349 MP **916	28 Omaha	1,807 BI 2,359 PD 349 MP **928	42 Mid-west	1,853 BI 2,419 PD 358 MP **942
05 Char-lotte	1,752 BI 2,287 PD 338 MP **905	17 Little Rock	1,754 BI 2,289 PD 339 MP **917	29 Phoenix	2,170 BI 2,834 PD 419 MP **929	43 South-west	1,799 BI 2,348 PD 347 MP **943
06 Chicago	1,519 BI 1,983 PD 293 MP **906	18 Los Angeles	1,957 BI 2,555 PD 378 MP **918	30 Phila-delphia	1,728 BI 2,255 PD 334 MP **930	44 North-Central	1,558 BI 2,034 PD 301 MP **944
07 Cincin-nati	1,519 BI 1,983 PD 293 MP **907	19 Louis-ville	1,693 BI 2,209 PD 327 MP **919	31 Pitts-burgh	1,728 BI 2,255 PD 334 MP **931	45 Mid-east	1,736 BI 2,266 PD 335 MP **945
08 Cleve-land	1,519 BI 1,983 PD 293 MP **908	20 Mem-phus	1,693 BI 2,209 PD 327 MP **920	32 Portland	1,957 BI 2,555 PD 378 MP **932	46 Gulf	1,820 BI 2,376 PD 351 MP **946
09 Dallas Ft.	1,754 BI 2,289 PD 339 MP **909	21 Miami	1,752 BI 2,287 PD 338 MP **921	33 Rich-mond	1,752 BI 2,287 PD 338 MP **933	47 South-east	1,797 BI 2,346 PD 347 MP **947
10 Denver	2,170 BI 2,834 PD 419 MP **910	22 Mil-waukee	1,807 BI 2,359 PD 349 MP **922	34 St. Louis	1,807 BI 2,359 PD 349 MP **934	48 Northeast	1,772 BI 2,313 PD 342 MP **948
11 Detroit	1,519 BI 1,983 PD 293 MP **911	23 Minn.-St. Paul	1,807 BI 2,359 PD 349 MP **923	35 Salt Lake City	2,170 BI 2,834 PD 419 MP **935	49 New England	1,894 BI 2,473 PD 366 MP **949
12 Hart-ford	1,847 BI 2,411 PD 356 MP **912	24 Nash-ville	1,693 BI 2,209 PD 327 MP **924	36 San Fran.	1,957 BI 2,555 PD 378 MP **936		

NORTH CAROLINA REINSURANCE FACILITY
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ZONE RATING TABLE—GARAGED IN STATES OTHER THAN NORTH CAROLINA

REGION

Zone		40	41	42	43	44	45	46	47	48	49
40 Pacific	BI	\$2,632	\$2,864	\$1,936	\$2,801	\$2,250	\$2,132	\$2,679	\$2,647	\$3,275	\$2,142
	PD	3,564	3,878	2,622	3,793	3,046	2,887	3,626	3,585	4,433	2,899
	MP	581	632	427	618	496	470	591	584	722	472
41 Moun- tain	BI	2,864	1,557	2,113	2,155	2,504	2,391	2,869	3,176	2,691	2,086
	PD	3,878	2,110	2,862	2,918	3,391	3,237	3,884	4,301	3,642	2,824
	MP	632	344	466	475	552	527	633	701	593	460
42 Mid- West	BI	1,936	2,113	1,455	1,698	1,886	2,001	2,411	2,545	2,336	2,632
	PD	2,622	2,862	1,968	2,299	2,554	2,708	3,263	3,445	3,163	3,564
	MP	427	466	321	375	416	441	532	561	515	581
43 South- West	BI	2,801	2,155	1,698	1,832	2,285	2,028	2,678	2,504	3,234	1,798
	PD	3,793	2,918	2,299	2,480	3,093	2,745	3,625	3,391	4,378	2,435
	MP	618	475	375	404	504	447	591	552	713	397
44 North Central	BI	2,250	2,504	1,886	2,285	1,848	2,144	2,276	2,139	2,129	2,361
	PD	3,046	3,391	2,554	3,093	2,503	2,904	3,080	2,897	2,883	3,195
	MP	496	552	416	504	408	473	502	472	470	521
45 Mid- East	BI	2,132	2,391	2,001	2,028	2,144	2,436	2,315	2,423	2,328	2,054
	PD	2,887	3,237	2,708	2,745	2,904	3,299	3,134	3,279	3,152	2,781
	MP	470	527	441	447	473	537	511	534	513	453
46 Gulf	BI	2,679	2,869	2,411	2,678	2,276	2,315	2,839	2,612	2,813	2,465
	PD	3,626	3,884	3,263	3,625	3,080	3,134	3,845	3,537	3,808	3,337
	MP	591	633	532	591	502	511	626	576	620	544
47 South- East	BI	2,647	3,176	2,545	2,504	2,139	2,423	2,612	2,428	2,495	2,580
	PD	3,585	4,301	3,445	3,391	2,897	3,279	3,537	3,288	3,377	3,493
	MP	584	701	561	552	472	534	576	536	550	569
48 Eastern	BI	3,275	2,691	2,336	3,234	2,129	2,328	2,813	2,495	2,389	2,220
	PD	4,433	3,642	3,163	4,378	2,883	3,152	3,808	3,377	3,234	3,006
	MP	722	593	515	713	470	513	620	550	527	490
49 New England	BI	2,142	2,086	2,632	1,798	2,361	2,054	2,465	2,580	2,220	2,223
	PD	2,899	2,824	3,564	2,435	3,195	2,781	3,337	3,493	3,006	3,010
	MP	472	460	581	397	521	453	544	569	490	490

NORTH CAROLINA REINSURANCE FACILITY
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EFFECTIVE DATES

STANDARD PRACTICES SECTION

A	October 26, 2016
B	October 26, 2016
C	October 26, 2016
D	October 26, 2016
E	October 26, 2016
F	October 26, 2016
G	October 26, 2016
H	April 1, 2020

GENERAL RULES SECTION

Rule 1.	June 1, 2010
Rule 2.	April 1, 2020
Rule 3.	June 1, 2010
Rule 4.	April 1, 2020
Rule 5.	June 1, 2010
Rule 6.	June 1, 2010
Rule 7.	June 1, 2010
Rule 8.	April 20, 2016
Rule 9.	June 1, 2010
Rule 10.	June 1, 2010

COMMON COVERAGES SECTION

Rule 11.	October 1, 2024
Rule 12.	April 1, 2024
Rule 13.	June 1, 2010
Rule 14.	June 1, 2010
Rule 15.	June 1, 2010
Rule 16.	June 1, 2010
Rule 17.	June 1, 2010
Rule 18.	June 1, 2010
Rule 19.	April 1, 2020
Rule 20.	July 1, 2025
Rule 21.	June 1, 2010
Rule 22.	June 1, 2010
Rule 23.	June 1, 2010
Rule 24.	June 1, 2010
Rule 25.	Reserved for Future Use
Rule 26.	Reserved for Future Use
Rule 27.	Reserved for Future Use
Rule 28.	Reserved for Future Use
Rule 29.	Reserved for Future Use
Rule 30.	Reserved for Future Use

TRUCKS, TRACTORS, AND TRAILERS SECTION

Rule 31.	December 1, 2010
Rule 32.	October 1, 2024
Rule 33.	October 1, 2024
Rule 34.	December 1, 2010
Rule 35.	October 1, 2024
Rule 36.	Reserved for Future Use
Rule 37.	Reserved for Future Use
Rule 38.	Reserved for Future Use
Rule 39.	Reserved for Future Use
Rule 40.	Reserved for Future Use

PUBLIC TRANSPORTATION SECTION

Rule 41.	June 1, 2010
Rule 42.	October 1, 2024
Rule 43.	October 1, 2024

Rule 44.	October 1, 2024
Rule 45.	December 1, 2010
Rule 46.	Reserved for Future Use
Rule 47.	Reserved for Future Use
Rule 48.	Reserved for Future Use
Rule 49.	Reserved for Future Use
Rule 50.	Reserved for Future Use

GARAGE AND AUTO DEALERS SECTION

Garage Dealers Section

Rule 51.	June 1, 2010
Rule 52.	June 1, 2010
Rule 53.	June 1, 2010

Auto Dealers Section

Rule 54.	October 1, 2013
Rule 55.	October 1, 2013

SPECIAL TYPES AND OPERATIONS SECTION

Rule 56.	June 1, 2010
Rule 57.	June 1, 2010
Rule 58.	December 1, 2010
Rule 59.	December 1, 2010
Rule 60.	June 1, 2010
Rule 61.	June 1, 2010
Rule 62.	June 1, 2010
Rule 63.	June 1, 2010
Rule 64.	December 1, 2010
Rule 65.	June 1, 2010
Rule 66.	December 1, 2010
Rule 67.	June 1, 2010
Rule 68.	April 1, 2019
Rule 69.	June 1, 2010
Rule 70.	June 1, 2010
Rule 71.	June 1, 2010
Rule 72.	June 1, 2010
Rule 73.	June 1, 2010
Rule 74.	Reserved for Future Use
Rule 75.	Reserved for Future Use
Rule 76.	Reserved for Future Use
Rule 77.	Reserved for Future Use
Rule 78.	Reserved for Future Use
Rule 79.	Reserved for Future Use
Rule 80.	Reserved for Future Use
Rule 81.	Reserved for Future Use
Rule 82.	Reserved for Future Use
Rule 83.	Reserved for Future Use
Rule 84.	Reserved for Future Use
Rule 85.	Reserved for Future Use
Rule 86.	Reserved for Future Use
Rule 87.	Reserved for Future Use
Rule 88.	Reserved for Future Use
Rule 89.	Reserved for Future Use
Rule 90.	Reserved for Future Use

SUPPLEMENTARY RATING PROCEDURES SECTION

Rule 91.	June 1, 2010
Rule 92.	June 1, 2010
Rule 93.	Reserved for Future Use
Rule 94.	June 1, 2010

NORTH CAROLINA REINSURANCE FACILITY
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TERRITORIES SECTION

October 1, 2022

COMMERCIAL AUTOMOBILE LIABILITY RATES SECTION

State Rates
Zone Rates

April 1, 2025
April 1, 2019
April 1, 2025

**PRE-FILED TESTIMONY
of
JOANNA BILIOURIS**

OCTOBER 2025

**2025 COMMERCIAL AUTOMOBILE INSURANCE RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY**

- Q. Would you state your full name and business address?
- A. My name is Joanna Biliouris. My business address is 4140 Parklake Ave, Suite 320, Raleigh, North Carolina 27612.
- Q. Are you employed by the North Carolina Reinsurance Facility ("Facility")?
- A. Yes.
- Q. In what capacity?
- A. I am the General Manager.
- Q. What is the Facility's function with respect to rates for commercial automobile insurance?
- A. The Facility promulgates rates for commercial automobile liability insurance written in North Carolina that is ceded to the Facility.
- Q. Can you identify the document (Exhibit RF-1) dated October 14, 2025?
- A. Yes. This is a portion of a filing ("Filing") that is dated October 14, 2025, submitted by the Facility to the Honorable Mike Causey, Commissioner of Insurance, with respect to revised commercial automobile liability insurance rates in North Carolina for ceded business. The entire Filing is comprised of Exhibits RF-1 through RF-5.
- Q. Do you know how the expense data underlying the Filing were compiled?
- A. Yes. The underwriting expense provisions included in the Filing were derived on the basis of a special call for expense experience that is issued on an annual basis to all member companies of the Facility. The responses received from that special call were compiled, checked, and furnished to Insurance Services Office ("ISO") for incorporation into the Filing.

- Q. Do you know how the exposure and loss data underlying the Filing were compiled?
- A. Yes. The exposure and loss data used in the Filing were collected by Facility staff pursuant to a special call for detailed exposure and loss experience for ceded commercial auto business. The special call was issued to companies identified as having ceded commercial auto business to the Facility during the experience period. Facility staff collected and reviewed the information reported pursuant to that data call, and staff worked with the individual companies to resolve any questions arising from their review of the responses. Facility staff then furnished the results of that data call to ISO, and ISO also reviewed the data call results for reasonableness.
- Q. Was the information from the special call for expense experience and the special call for exposure and loss experience that was furnished to ISO and utilized in the Filing correct and accurate to the best of your knowledge, information, and belief?
- A. Yes.
- Q. Can you identify the document (Exhibit RF-2) entitled the North Carolina Reinsurance Facility Commercial Automobile Manual of Rules and Rates?
- A. Yes. The North Carolina Reinsurance Facility Commercial Automobile Manual of Rules and Rates is a manual of the rules, rates, and classifications used to write commercial automobile liability insurance ceded to the Facility. This manual and any approved amendments are on file with the North Carolina Department of Insurance, and a copy is maintained at the offices of the Facility.
- Q. To the extent that actuarial expertise was necessary in the preparation of this Filing, where did the Facility obtain that expertise?
- A. Actuarial expertise was obtained from ISO. ISO is retained by the Facility to provide actuarial services to the Facility for, among numerous other things, preparation of this Filing. The Facility's Rating Committee reviewed the data underlying the Filing and made recommendations to the Board of Governors of the Facility as to the items contained in the Filing.
- Q. What is the proposed effective date of the rates in the Filing?
- A. The rate review was prepared with the assumption that the effective date would be April 1, 2026 and that the new rates will apply to all policies becoming effective on or after April 1, 2026.
- Q. Does the Filing include, to the extent available, the information to be furnished in connection with the filings under Article 37 of Chapter 58 of the General Statutes?

A. Yes. Those data that were available have been submitted to the Commissioner as part of the Filing.

Q. Does that complete your pre-filed testimony?

A. Yes.

PRE-FILED TESTIMONY

OF

JAMES DAVIDSON

COMMERCIAL AUTOMOBILE INSURANCE RATE FILING

BY THE NORTH CAROLINA REINSURANCE FACILITY

October, 2025

Q. Please state your name and business address.

A. My name is James Davidson. My business address is Insurance Services Office, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310.

Q. By whom are you employed?

A. I am employed by Insurance Services Office ("ISO") and have been employed by ISO since May 27, 2003.

Q. What are your responsibilities at ISO?

A. I am the Senior Actuarial Director for Commercial Casualty Lines (including Automobile) at ISO. My responsibilities include the management of ISO's total ratemaking operation as it pertains to commercial automobile insurance. We are generally responsible for doing everything that pertains to ratemaking for the commercial automobile coverages, including reviewing experience, making filings, analysis of classification plans, etc.

ISO is involved in ratemaking for the commercial automobile coverages in general in virtually all states plus the District of Columbia and Puerto Rico.

Q. What is your employment background?

A. When I was first employed by ISO, I was an Analyst in ISO's Increased Limits and Rating Plans Division, where I was involved in conducting increased limit reviews for various lines of business, both Personal and Commercial. I was promoted to various positions through the years, including Actuarial Manager in 2013, when I became responsible for Increased Limit reviews for both Personal and Commercial Auto. In 2015, I was promoted to Actuarial Director for Commercial Auto, and in 2019 was promoted to my current position as Senior Actuarial Director for Commercial Casualty Lines.

Q. What is your background in actuarial science and your educational background?

A. I have a Bachelor of Arts degree in Mathematics from the University of Connecticut. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries, and I am in good standing with both organizations.

Q. Are you familiar with automobile experience review procedures in other states?

A. Yes. As part of my duties at ISO, I am familiar with data collection and experience review procedures in use in other states as well as in North Carolina. I have participated in reviews for Commercial Automobile for many states. I am responsible at the present time for supervising the preparation of loss cost filings for all jurisdictions where ISO acts as an advisory organization.

Q. What work have you performed with respect to the Reinsurance Facility Commercial Automobile rate filing in North Carolina?

A. Through ISO, I have been involved in the preparation of the Commercial Automobile rate filing for the Reinsurance Facility in two respects. First, Reinsurance Facility staff collected rate-related data pursuant to a data call issued to companies identified as having ceded Commercial Automobile liability insurance to the North Carolina Reinsurance Facility (NCRF) during the experience period. ISO reviewed the data for reasonableness and then compiled all of the data and put them in proper format to determine whether loss costs are adequate or inadequate. Second, we provide consulting actuarial services directly to the Reinsurance Facility. My staff

and I worked closely with the North Carolina Reinsurance Facility staff and the NCRF Rating Committee with respect to the ratemaking procedures and trends that are utilized in the filing. The Rating Committee is comprised of several member companies of the Facility plus one of the agent members of the Facility's Board of Governors.

Q. What is the nature of this filing labeled Exhibits RF-1 through RF-5?

A. The Reinsurance Facility's filing is identified as Exhibits RF-1 through RF-5. The ratemaking experience is reflected in Exhibit RF-1 and is, in general, supplied by the individual companies. The data are submitted to the NCRF, and are subject to a series of verification edits and then consolidated into a format and detail necessary for ratemaking.

This filing revises the North Carolina Reinsurance Facility basic limits rates and increased limits factors for Commercial Automobile bodily injury liability, property damage liability and medical payments. Separate filed amounts are determined for Trucks, Tractors, & Trailers, Private Passenger Types, Auto Dealers, Zone Rated Risks, and Publics. The filed amounts by coverage, as shown on page "a" of Exhibit RF-1, are:

Major Class	Basic Limits	Increased Limits	
	Filed Change	Filed Change	Combined
Trucks, Tractors, & Trailers			
Bodily Injury	+4.5%	+0.7%	+5.2%
Property Damage	-7.2%	+5.5%	-2.1%
Combined	+1.1%	+2.1%	+3.2%
Private Passenger Types			
Bodily Injury	+33.7%	+0.5%	+34.4%
Property Damage	+4.0%	+3.1%	+7.2%
Combined	+22.2%	+1.5%	+24.0%

Auto Dealers

Bodily Injury	+6.8%	+0.5%	+7.3%
Property Damage	+11.2%	+2.4%	+13.9%
Combined	+8.5%	+1.2%	+9.8%

Zone Rated Risks

Bodily Injury	+21.2%	+0.9%	+22.3%
Property Damage	+13.4%	+11.9%	+26.9%
Combined	+19.8%	+2.9%	+23.3%

Publics

Bodily Injury	-7.5%	+0.7%	-6.8%
Property Damage	-3.0%	+5.5%	+2.3%
Combined	-6.6%	+1.7%	-5.0%

Grand Total

Bodily Injury	+6.1%	+0.7%	+6.8%
Property Damage	-4.7%	+6.6%	+1.6%
Combined	+3.1%	+2.3%	+5.4%

- Q. Mr. Davidson, what is the assumed effective date that was used in the preparation of the present filing?
- A. The actuarial calculations assume an effective date of April 1, 2026. This is the effective date proposed for the filing.
- Q. What data are utilized in Exhibit RF-1, Section B?
- A. With respect to Exhibit RF-1, the supporting data for the basic limits rate level changes for bodily injury liability and property damage liability are contained in Section B. Five years of premium and loss experience are used for each of the Trucks, Tractors, & Trailers, Private Passenger Types, Auto Dealers, and Zone Rated coverages in Section B. The years are the latest available.

For all classes, the loss experience used in the filing is what we call "accident year" experience. The five years of experience used in the filing are the accident years ending December 31, 2020 to December 31, 2024. For example, the losses for the accident year ended December 31, 2020 consist of all losses caused by accidents that occurred during the one-year period ended December 31, 2020. If an accident occurred December 31, 2020 and resulted in either a loss being paid or reserve being established, that loss would be a part of the accident year losses for the period ended December 31, 2020. The test for assigning losses to accident years is the date the accident occurred.

Q. How is Exhibit RF-1 arranged?

A. Exhibit RF-1 is divided into eight sections. Sections A and B display the exhibits where the rate level changes are determined. Exhibit 1 of Section A shows the overall calculation of the basic limits rate level changes by major class and coverage. Exhibits 1, 2, 3 and 4 of Section B display the adjustment of the losses and calculation of the rate level loss ratios for Trucks, Tractors, & Trailers, Private Passenger Types, Auto Dealers and Zone Rated Risks respectively. Section C presents the exhibits of revised rates. Section D provides the supporting exhibits for loss development, trend, expenses, credibility, contingency, and investment income. Sections E, F, and G contain the analysis of Increased Limits Factors. Section H contains the analysis of the Publics relativities.

Q. Mr. Davidson, please turn to the exhibit labeled Section B, Exhibit 1 of Exhibit RF-1. Would you explain what that exhibit is?

A. This exhibit consists of two sheets - 1&2 - which display the loss and premium data for the Trucks, Tractors, & Trailers liability coverages for the North Carolina Reinsurance Facility. Sheet 1 displays the calculation of the rate level loss ratio for bodily injury and property damage coverages for the Trucks, Tractors, & Trailers classes. Sheet 2 displays the adjustment of the experience period incurred losses and loss adjustment expenses used on Section B, Exhibit 1, Sheet 1. The data shown are for ceded business; they are the experience on policies that are placed in the Reinsurance Facility.

My testimony will concentrate on the calculations underlying the Trucks, Tractors, & Trailers bodily injury coverage on this exhibit. This is done to simplify the explanations and to provide examples of the calculations in the filing. Although I will be focusing my testimony on the Trucks, Tractors, & Trailers bodily injury coverage, the concepts and explanations apply to the other classes and coverages unless stated otherwise.

Q. Column (1) on Section B, Exhibit 1, Sheet 1 for bodily injury contains a reference to "30/60/25". What does that mean?

A. These are the bodily injury and property damage liability policy limits (in thousands) that we refer to in this filing as the "basic limits". While this rate review is not dependent on the minimum limits required under North Carolina financial responsibility laws, it contains increased limit factors which allow carriers to adjust limits as needed. What we are doing in this section of the filing is calculating the rate change that is needed for this "basic limits" coverage. For the purpose of the filing, we assume that losses are "capped" at these basic limits and that the premium that is charged is the premium for the basic limits coverage at existing rates. This means the indicated rate change we get from the calculation is the actuarially sound rate assuming all the ceded risks purchased basic limits coverage. The use of the "basic limits" premiums and losses for the purpose of determining statewide average rates is a proper procedure to be followed and is widely accepted. To illustrate how it works, assume that a risk bought a policy with 100/300 bodily injury policy limits and had an accident that caused the risk's insurer to make a payment to a claimant of \$75,000. The premium that is shown in column 1 is the premium that the policy would have cost the risk at today's rates assuming that the risk had bought only the 30/60 basic limits. The unadjusted losses that are shown in row 1 of this exhibit, sheet 2 would include only \$30,000 as opposed to the \$75,000 total loss.

Q. Referring again to column 1, Section B, Exhibit 1, Sheet 1 entitled "Earned Premium at Present Rates," what does the figure \$29,803,491 represent and how was it determined?

A. It represents the total amount of premium that would have been paid by Facility policyholders for basic limits Trucks, Tractors, & Trailers bodily injury coverage for accident year ending 12/31/2024 if current Facility rates had been in effect. It is calculated by extending the exposures at the current Facility rates.

- Q. Are the earned premium at present rates for the other classes and coverages calculated in the same manner?
- A. Yes. The earned premiums at present rates for the other classes are calculated in the same manner.
- Q. Turning to row 1 on Sheet 2 of this exhibit under the bodily injury column, what are "incurred losses and allocated loss adjustment expenses"?
- A. The incurred losses in row 1 are the losses resulting from accidents that occurred during the one-year period ending December 31, 2024 or one of the preceding one-year periods, as noted. These figures include both losses that have already been paid as well as losses that are not yet paid and are represented by outstanding claim reserves. The figure also includes allocated loss adjustment expenses. Allocated loss adjustment expenses are expenses that relate to a specific claim. For example, the fees that an insurance company pays to attorneys to defend a claim or to outside adjusters to investigate that claim would be classified as allocated loss adjustment expenses. On the other hand, adjustment-related expenses that cannot be identified to a specific claim are called unallocated loss adjustment expenses. An example of this would be the salaries and overhead associated with operating a company's in-house claims department. Allocated loss adjustment expenses are included in the row 1 figures; unallocated loss adjustment expenses are not.
- Q. Have the losses and allocated loss adjustment expenses as reported by the companies been adjusted in any way?
- A. Yes, there are several adjustments. First, as I mentioned earlier, ratemaking is done on a basic limits basis. For that reason, we adjust the reported losses by eliminating those losses that exceed the amount that would have been paid had the policy limits been 30/60. The second adjustment results from the use of a loss development factor. Third is the inclusion of unallocated loss adjustment expense. Finally, trend is applied to the reported losses.
- Q. What is the purpose of adjusting the reported losses by applying a loss development factor?

A. Reported losses need to be adjusted for loss development in order to appropriately reflect the late emergence of claims as well as changes in the value of known claims. This is accomplished through the use of loss development factors. For Trucks, Tractors, & Trailers, the losses as they are reported cover all accidents that occurred during the year-ended periods 12/31/2020 to 12/31/2024. When they are reported, they are evaluated as of March 31, 2025. As of this date, some of the losses have already been paid and some have not, i.e., they are represented by loss reserves. The loss reserves, of course, are estimates of what will ultimately be paid on these outstanding claims. Since we want the estimates to be as accurate as possible, we look at history to see how losses have changed, or "developed," in the past from the time they were initially reported to the time they were ultimately paid. For example, if we look back and see that historically there has been a 1% increase in the amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development pattern will hold true for losses incurred during future accident years. Accordingly, we would make an adjustment by increasing the losses as they are initially reported by 1%.

Q. What causes losses to change or develop as you have described?

A. The losses that are paid as of the date of the initial reporting, of course, do not change. As to the reserve portion of the losses, however, changes would typically result from the fact that the ultimate loss payments are more or less than estimated at the time of the initial report. Another factor would be the late reporting of claims. For example, if an accident occurred on December 26 of any given year and for some reason was not reported to the company in a timely fashion, it might very well be that the losses as initially reported would not include any provision for that particular claim. By the time of the next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q. Would you please turn to Exhibit 1 of Section D of Exhibit RF-1 and explain how the loss development factors for Trucks, Tractors, & Trailers bodily injury and property damage were calculated?

A. The Trucks, Tractors, & Trailers bodily injury loss development factors are calculated on Sheets 1 through 4 of this Exhibit. The data are North Carolina only experience reported for policies ceded to the Facility. Link ratios for several twelve-month periods have been calculated and then averaged. The resulting link ratio averages are then multiplied to produce loss development factors to ultimate settlement. Link ratios are calculated through 63 months.

Q: How is loss development determined beyond 63 months?

A: Loss development beyond 63 months is determined through the use of a tail factor, where appropriate.

Q: What is a tail factor?

A: Tail factors are used by actuaries to estimate additional development that will occur after the eldest maturity in a given loss development triangle.

Q: How was the tail factor determined?

A: The Reinsurance Facility decided this year that it was appropriate to apply a tail factor of 1.02 to total limits bodily injury loss development. This value was selected judgmentally after reviewing additional loss reporting to the Facility, as well as industry loss development patterns beyond 63 months.

Q: Are the incurred losses for the other classes and coverages determined in the same manner as you just testified for the Trucks, Tractors, & Trailers bodily injury and property damage coverage?

A: Yes, except for the use of a tail factor. Private Passenger, Auto Dealers, and Miscellaneous classes loss development did not include a tail factor, since the experience does not reflect any material development beyond 63 months for those coverages.

- Q. Do you have an opinion as to whether the incurred losses for all the classes and coverages in the filing that are shown in row 2 of sheet 2 of Exhibits 1, 2, 3, & 4 of Section B accurately represent the ultimate value of liability losses and allocated loss adjustment expense?
- A. Yes, I do.
- Q. What is that opinion?
- A. I believe that the losses and allocated loss adjustment expenses shown on row 2 of Sheet 2 of Exhibits 1, 2, 3, & 4 of Section B do accurately represent the expected ultimate value of those losses.
- Q. Please refer to row 3 of Section B, Exhibit 1, Sheet 2. With reference to the column headed "Bodily Injury", please tell us what the figure \$1,102,135 represents.
- A. These are the unallocated loss adjustment expenses associated with accidents that occurred in the accident year ended December 31, 2024. As I explained earlier, unallocated loss adjustment expenses are those loss adjustment expenses that cannot be attributed on an accident-by-accident basis. As to the number itself, footnote (B) notes that it is 5.3% of the figure shown in row 2 - developed losses and allocated loss adjustment expense. Each year a special call is sent to the Facility's member companies for expense-related data. The most recent special call showed that unallocated loss adjustment expenses for the calendar year ended December 31, 2024 were 5.3% of incurred losses and allocated loss adjustment expenses for the same period. Thus, it is reasonable and appropriate to use the same 5.3% figure to arrive at the unallocated loss adjustment expense in row 3 of this Exhibit.
- Q. Have you reviewed the compilation of the expense data furnished by the Facility's member companies in response to the special call?
- A. Yes, I have. When we get the expense information from the Reinsurance Facility, we routinely review it for reasonableness.

- Q. Are loss adjustment expenses for property damage coverages calculated in the same manner that you testified with respect to the bodily injury coverages?
- A. Yes. The same procedures are utilized. Again, the appropriate factor for each coverage is utilized in the filing. These factors are set forth in footnote (B) of Sheet 2 of Section B, Exhibits 1, 2, 3, & 4.
- Q. Do you have an opinion as to the reasonableness and reliability of the loss adjustment expenses set forth in row 3 of Section B, Exhibits 1, 2, 3, & 4, Sheet 2?
- A. Yes, I do.
- Q. What is that opinion?
- A. In my opinion the figures shown in row 3 for each of the classes and coverages and years in the filing are reasonable and reliable.
- Q. Referring again to Section B, Exhibit 1, Sheet 2, please explain what is meant by row 4 -- Average Annual Change in Loss Ratios.
- A. Using the assumed April 1, 2026 effective date, what we are doing in the filing is making rates to cover policies issued during the period April 1, 2026 to March 31, 2027. In order to do that, it is necessary to project the amount of losses that will be covered under policies issued during that period. Since we know that losses change because of such things as changes in accident frequency and changes in injury and damage costs, it would not be appropriate to assume that the losses covered under these policies will be the same as the losses that are shown in row 2 for the accident years ended 12/31/2020 to 12/31/2024. The purpose of row 4 is to trend the losses that are shown in row 2 to the anticipated level for policies issued in the 4/1/2026 - 3/31/2027 period. Row 4 shows what is generally referred to as the trend factor. It is the anticipated annualized rate of change in losses. For the bodily injury liability coverage, the annual factor is +6.0% per year. In order to apply that annual trend to policies to be written under the new rates, the trend is applied over a period from 6.750 years for the 12/31/2020 experience to 2.750 years for the 12/31/2024 experience, as shown in footnote (C). Mathematically, this is done by raising the

factor of 1.060 to the 6.750 power, or the power for the appropriate year. This gives you the total amount of the trend projection.

Q. What components does the average annual change in losses include?

A. The average annual change in losses, which is also known as the average annual change in "pure premium," can be divided into two components. The first is the average annual change in claim frequency, and the second is the average annual change in claim cost.

Q. What are the changes in these two components which have been used for the bodily injury liability coverage in the filing?

A. For the bodily injury liability coverage, the filing uses an average annual change in claim cost of 6.0% and an average annual change in claim frequency of 0.0%. These percentages are shown in Section D, Exhibit 2 of Exhibit RF-1.

Q. How were the average annual changes in claim cost and claim frequency determined?

A. They were determined by an analysis of past experience, separately for claim cost and claim frequency. For claim cost, trend lines, which are technically referred to as exponential curves, were determined for several different time intervals in order to determine what the actual changes have been in the recent past. The data from which the trends were calculated are the cost data for ISO companies writing Commercial Automobile voluntary insurance in North Carolina as well as multistate data. These data are what we generally refer to as "internal trend" data. After making these calculations to determine what the past changes in loss severity have been, we analyzed the historical trends and considered other relevant factors that would affect our judgment as to whether those historical trends are likely to continue into the future. Based on that review and analysis, the Rating Committee exercised its informed judgment and selected the severity trends that are utilized in the filing. Historically, frequency trend for commercial auto liability has been quite variable, often cyclical in nature. As a result, an exponential curve like the one used for severity trend does not fit the data well over the long term. Frequency trend is being selected to be 0.0% for bodily injury and 0.0% for property damage to reflect the recent

pattern in frequency trend as well as the economic environment. The claim cost and claim frequency data are shown in Section D, Exhibit 2.

Q. In your opinion, are the annual loss trends used in the filing reasonable estimates of the prospective annual changes in losses in North Carolina?

A. Yes, they are.

Q. Please refer to row 5 of Section B, Exhibit 1, Sheet 2 of Exhibit RF-1 and explain what the purpose of that line is.

A. The average annual change in expenses of 4.0% represents the appropriate prospective change in general expenses, other acquisition expenses, and unallocated loss adjustment expenses. These expenses are treated as fixed expenses and do not vary in direct relationship to the actual premium dollars. These expenses represent salaries, overhead, rents, and other expenses that should vary according to general economic trends and not as a direct function of how premium increases or decreases. For example, commissions are calculated as a percent of premium. If the premium rate goes up a certain percentage, the dollars of commission go up by the same percentage. On the other hand, the salary paid to an employee in the Home Office, which is a part of general expenses or other acquisition expenses, is not directly tied to premium. Just because premium may go up 10% does not mean that the employee's salary will go up 10%. The salary will be influenced by general economic trends and not by what the premium level is doing. That is why general expenses, other acquisition expenses, and unallocated loss adjustment expenses are treated differently from those expenses that vary as a function of premium in this filing.

Q. Would you explain the derivation of the 4.0% factor in row 5?

A. The 4.0% factor is based on an analysis of the latest average annual changes in the All Items CPI (both including and excluding energy) and the Compensation Cost Index. The Rating Committee included the analysis using the All Items CPI (excluding energy) because it was concerned that the volatility in energy prices has made the All Items CPI more volatile and therefore less valuable as a predictor of future costs. A weighted average of 25% of the All Items CPI, 25% of the All Items

(excluding energy) CPI, and 50% of the Compensation Cost Index is utilized to estimate changes in these expenses. The data are shown in Section D, Exhibit 3 of Exhibit RF-1. Based on an analysis of these data, a selected expense trend factor of +4.0% is quite reasonable.

Q. Would you explain row 6 of Section B, Exhibit 1, Sheet 2 labeled "trended losses and loss adjustment expenses"?

A. The figures in row 6 are calculated by applying trend factors to the developed losses and allocated loss adjustment expenses in row 2 and the unallocated loss adjustment expenses in row 3. The trend factors are based on the selected annual trends shown in rows 4 and 5 raised to the appropriate power. The trended loss and loss adjustment expenses are the loss and loss adjustment expenses expected to prevail for policies issued in the one year period 4/1/2026 through 3/31/2027. These loss and loss adjustment expenses are then used in Section B, Exhibit 1, Sheet 1 to calculate the loss and loss adjustment ratios in column 3.

Q. Turning back to Section B, Exhibit 1, Sheet 1, how are the loss and loss adjustment ratios in column 3 used?

A. These loss and loss adjustment ratios are used in a series of steps to calculate the rate level loss ratio shown in row 10. We use five years of Facility experience to calculate the rate level loss ratio in order to ensure stable indications. The table of weights used in weighting these loss and loss adjustment ratios is shown on Section D, Exhibit 5. Whenever appropriate, we assign a greater weight to the latest year. The weights used for the Trucks, Tractors, & Trailers classes are shown in column 4 of Section B, Exhibit 1, Sheet 1. The resulting weighted loss and loss adjustment ratios are shown in row 6. The next step in calculating the rate level loss ratio is accounting for the credibility of the experience. Credibility is based upon the five year total of claims for the coverage. The standard for full credibility is 1084 claims for Trucks, Tractors, & Trailers and Private Passenger Types, and 683 for Zone Rated. The tables for determining partial credibility are shown in Section D, Exhibit 5. The weighted loss and loss adjustment ratios are assigned credibility based on these tables. The complement of credibility is assigned to the adjusted expected loss ratio shown in row 8. For the Trucks, Tractors, & Trailers classes, the number of claims exceeds the full credibility standard so a credibility of 1.00 is given to the

weighted loss and loss adjustment ratio in row 6. This results in the rate level loss ratios in row 10 being equal to the weighted loss and loss adjustment ratios in row 6.

- Q. Would you explain the purpose of row 7 - "expected loss ratio" and row 8 - "adjusted expected loss ratio" more fully?
- A. The expected loss ratio is the percentage of the premium dollar you will have available to pay for loss and loss adjustment expenses. The adjusted expected loss ratio represents what you would expect the loss and loss adjustment expense ratio to be without benefit of any later experience since the last filing. It is calculated by applying the average combined loss and loss adjustment expense trend factor to the expected loss ratio.
- Q. What is the source of the expense provisions shown in footnote (C) on Section B, Exhibit 1, Sheet 1?
- A. With the exception of the underwriting profit and contingency factors, they were calculated from the North Carolina Special Expense Call for 2024 data. We used the expense ratios collected under the special call with two exceptions. For commissions, a 10% provision is assumed for Trucks, Tractors, & Trailers and Private Passenger Types, and a 5% provision is assumed for Zone Rated Risks since these are the minimum commission allowances for Facility business. For Auto Dealers, an additional 3% provision is added to the general expense provision to account for expenses specific to these classes; that is, expenses due to inspection costs and auditing of exposures. This percentage is a reasonable and historically accepted estimate of the additional expense incurred in writing and servicing a garage policy. The general expense provisions for the other classes of business were reduced so that, overall, the general expense provisions used average to the provisions indicated by the special call.
- Q. What is the significance of the rate level loss ratio shown for Trucks, Tractors, & Trailers bodily injury in row 10 of Section B, Exhibit 1, Sheet 1?
- A. The figure of 0.818 means that losses and loss adjustment expenses will be lower than premium income by 18.2%. This means the Facility would make 18.2 cents on every premium dollar before considering contingencies, commissions, other acquisition costs, general expense, and

taxes, licenses and fees. The rate level loss ratio is used on Exhibit 1 of Section A to determine the rate level indications after accounting for the remaining expenses and the investment income of the Facility.

Q. Referring now to Exhibit 1 of Section A, would you explain how the rate level loss ratio is used?

A. The rate level loss ratio in row 1 of Section A, Exhibit 1 is added to the trended fixed expense ratio in row 2 and the sum is displayed in row 3. The resulting ratio accounts for losses, loss adjustment expenses, other acquisition costs and general expenses.

Q. Would you explain the trended fixed expense ratio?

A. The trended fixed expense ratio is the sum of the expense provisions for other acquisition costs and general expenses adjusted for 2.25 years of trend. The assumption underlying this ratio is that these expenses are adequately provided for at this time but need to be adjusted to reflect the appropriate level for the prospective period. As I mentioned earlier in my testimony, other acquisition costs and general expenses are treated as fixed expenses and do not vary in direct relationship to the actual premium dollars. As stated in footnote (a) on Section A, Exhibit 1, the calculation of the trended fixed expense ratio uses an average annual expense trend of +4.0%. Earlier in my testimony, I explained the derivation of this trend factor.

Q. What is the significance of the ratio 0.931 shown on row 3 for Trucks, Tractors, & Trailers bodily injury of Section A, Exhibit 1?

A. This ratio means that the Facility would make 6.9 cents on every premium dollar before considering the remaining variable expenses - commissions and taxes, licenses and fees, and contingencies - and before reflecting investment income.

Q. Would you explain the ratio 0.828 on row 4 labeled "expected loss ratio + expected fixed expense ratio"?

A. This ratio represents the percentage of the premium dollar available to cover losses, loss adjustment expenses, other acquisition costs, and general expenses. Mathematically, it is

calculated as 1.00 minus the provision for commissions (which is 10%) and taxes, licenses and fees (2.2%), and contingency (5%).

Q. Mr. Davidson, would you please explain how the rate level change is calculated?

A. Rows 5 and 6 of Section A, Exhibit 1 display the results of the calculated rate level changes. Row 5 shows the calculation of the rate level change without reflecting investment income; row 6 is the same calculation but with the reflection of investment income. Basically, the rate level indication without reflecting investment income results from the comparison of the projected loss and fixed expense ratio shown on row 3 to the provision for losses and fixed expenses shown on row 4. Investment income is reflected by modifying the provision in row 4. We use an investment income provision of 6.31%, the derivation of which I will discuss later in my testimony. Mathematically, this investment income provision of 6.31% is added to the expected loss and fixed expense provision of 82.8% to obtain a provision of 89.11% available to cover losses and fixed expenses. The indicated rate level changes reflecting investment income result from the comparison of the projected loss and fixed expense ratio on row 3 to this provision of 89.11%. For Trucks, Tractors, & Trailers bodily injury, the projected loss & fixed expense ratio of 0.931 is greater than 0.8911 and thus indicates a rate level change (after reflecting investment income) of +4.5%. The effect of investment income on the indication for Trucks, Tractors & Trailers bodily injury is to reduce the indication by 7.9 percentage points overall.

Q. Are the calculations for the other classes and coverages on Section A, Exhibit 1, performed in essentially the same manner as the 30/60 Trucks, Tractors, & Trailers bodily injury coverage?

A. Yes.

Q. Mr. Davidson, please turn to Section D, Exhibit 6 of Exhibit RF-1. What do these pages represent?

A. This exhibit details what are commonly known as "State X" calculations. They are calculations of the estimated investment earnings on unearned premium reserves and loss and loss expense reserves. Each line is explained, and the appropriate data source is cited.

Q. Would you explain the calculations.

A. Part A in Sheet 1 is the determination of the average unearned premium reserve for the ceded liability coverages for the State of North Carolina. Line 1 gives the earned premium for the calendar year ended December 31, 2024. From the earned premium, the mean unearned premium reserve is calculated. The portion of the earned premium that is held as unearned premium reserve is determined from the average unearned premium reserve for the year 2023. In this case, the mean unearned premium reserve is 45.6% of the earned premium. You must then deduct prepaid expenses since these prepaid dollars would not be available to earn investment income.

For Commission and Brokerage expense, 100% of the expense provision is considered pre-paid. For Taxes, Licenses and Fees, 83% is considered pre-paid, and for Other Acquisition expense and Company Operating expense, one-half is considered pre-paid.

Line A-5 shows the amount of unearned premium reserves that were available for investment.

Part B calculates the impact that the delayed remission associated with the lag in the transfer of funds to the companies has on funds available for investment. The average agents balance is 20.8% of premiums. The calculation of this 20.8% is shown in the explanatory notes. The average agents balance includes amounts that have been booked as written premiums but have not been paid by insureds due to installment premium plans.

Part C shows the calculations of the expected mean loss reserves held by the companies. Line C-2 entitled Expected Incurred Losses and Loss Adjustment Expenses is based upon the expense provisions utilized in the filing. The expected mean loss reserve in line C-3 is based upon the 2022 and 2023 ratios of mean loss reserves to incurred losses for commercial auto data only.

Part D adds up the unearned premium reserves subject to investment and the loss reserves subject to investment and backs out the amount that is not invested due to delayed remissions. This gives you the total amount of unearned premium reserves and loss and loss expense reserves available for investment.

Once you have determined how much is available for investment, you then apply the average investment return to determine total investment earnings. This estimate was provided to us by the Facility. Line E shows an average rate of return of 4.29%.

Applying the yield in line E to the net subject to investment in line D gives you the total investment earnings in North Carolina. Line G merely relates the total earnings to the earned premium in line A-1 to show a yield of 6.31% as a percent of earned premium.

Q. Mr. Davidson, were these State X pages prepared by you or under your direct supervision and are they correct to the best of your knowledge and belief?

A. Yes.

Q. Do you have an opinion as to whether the State X calculations accurately set forth the estimated investment earnings on unearned premium reserves and loss and loss expense reserves as a percentage of direct earned premium for the North Carolina Reinsurance Facility, and if so, what is that opinion?

A. Yes. In my opinion they accurately set forth the estimated investment earnings on unearned premium reserves and loss and loss expense reserves as a percentage of direct earned premium for the North Carolina Reinsurance Facility.

Q. Mr. Davidson, please turn to Section D, Exhibit 8 of Exhibit RF-1. What does this exhibit represent?

A. This exhibit presents the details underlying the selection of the contingency factor.

Q. Can you explain what a contingency factor is?

A. Yes. A contingency is defined as an uncertain, unexpected, or unforeseen event that may impact underwriting results. These events do not occur with predictable regularity yet result in differences between the expected cost estimates and the actual average costs that cannot be eliminated by other aspects of the ratemaking process. If these differences persist over time, a

contingency provision to account for these differences should be reflected in the ratemaking calculations through the application of a contingency factor.

Q. How is the contingency factor determined?

A. In this instance, the contingency factor is determined by examining the historical Commercial Auto underwriting results of the Facility. Section D Exhibit 8 shows these results over the period since 2007 and the average over the most recent 15 years. This is a long enough period to eliminate short term fluctuations in the results. After a careful review of these results, the Rating Committee selected a contingency factor of 5%.

Q. In your opinion, does this selection provide a reasonable margin for contingencies?

A. Yes, in my opinion this is a reasonable selection.

Q. Mr. Davidson, please turn to Section C and explain the purpose of this section.

A. Section C derives the proposed Facility territory base rates and presents the exhibits of revised Facility manual rate pages. Exhibit 2 refers to the Trucks, Tractors, & Trailers and related classes. Exhibit 3 refers to the Private Passenger Types classes. Exhibit 4 refers to the Auto Dealers classes. Exhibit 5 refers to the Zone Rated classes. The first two sheets of Exhibits 2 and 3 present the calculations of the revised territory base rates. Sheet 1 derives the territory base rates for 30/60 bodily injury coverage; Sheet 2 derives the territory base rates for \$25,000 property damage coverage.

Q. What is the purpose of Exhibit 1 of Section C?

A. Exhibit 1 summarizes the standard relativities used for determining revised rates for medical payments coverage and public automobile bodily injury and property damage liability coverage. This exhibit also summarizes the procedure for calculating the revised rates for hired cars coverage.

Q. Turning to Exhibit 2, Sheet 1 of Section C, would you explain the calculations on this exhibit?

A. This exhibit displays the calculations underlying the revised Facility territory base rates for Trucks, Tractors, & Trailers 30/60 bodily injury liability coverage. The revised Facility base rates are based upon the voluntary territory relationships that became effective on 5/1/2025. We base the revised Facility rates on the voluntary relationships because of the larger volume of voluntary experience and because we continue to believe, as we have in the past, that it is reasonable to assume that the Facility territory experience mirrors the voluntary territory relationships. Column 2 displays the voluntary base loss costs by territory in effect on that date. Column 4 displays these voluntary territory base loss costs indexed to the overall statewide average voluntary base loss cost. This index in column 4 is applied to the revised overall statewide average Facility base rate shown in the footnote. As an example, the revised rate for territory 111 is calculated by multiplying the index of 0.892 shown in column 4 by the overall statewide average base rate of 394.0695. The result of this calculation is \$351.510 shown in column 5; rounding column 5 to the nearest whole dollar yields a revised base rate for territory 111 of \$352 as shown in column 6. Column 7 shows the base rate change by territory. It is calculated by dividing column 6 by column 3, and reflects the +5.4% indicated change.

Q. Are the revised Facility territory base rates for the other classes and coverages determined in a manner similar to the Trucks, Tractors, & Trailers bodily injury base rates?

A. Yes, they are, for Trucks, Tractors, & Trailers property damage and for Private Passenger Types and Auto Dealers bodily injury and property damage, which are the only other class/coverages for which territory rates are determined.

Q. Please describe Sections E-G of Exhibit RF-1.

A. The Reinsurance Facility's increased limits filing is contained in Sections E-G. The experience data contained in this section are reported to the NCRF by the individual companies.

The filing proposes to revise the North Carolina Reinsurance Facility increased limits factors for Commercial Automobile bodily injury liability and property damage liability insurance.

- Q. What is the assumed effective date used in the calculation of these proposed increased limits factors?
- A. An effective date of April 1, 2026 was assumed in the compilation of the filing material. This is the same date assumed in the calculation of the proposed rates in Sections A-D of Exhibit RF-1.
- Q. Is that in fact the proposed effective date?
- A. Yes, it is.
- Q. What data are utilized in Sections E-G?
- A. The supporting data for the indicated increased limits factor changes in Sections E-G consist of accident year data. As previously described, accident year experience is compiled based on the year that the accident occurred.
- Q. How are Sections E-G arranged?
- A. Section E presents a comparison of revised and current increased limit factors for selected policy limits. Section F contains detailed exhibits of the increased limits experience review. Section G presents the revised increased limits factors as they will appear in the North Carolina Reinsurance Facility Commercial Automobile Manual of Rules and Rates.
- Q. Mr. Davidson, please turn to Exhibit 1 in Section F. Would you explain the calculations in this exhibit?
- A. Exhibit 1, Sheet 1 of Section F presents the calculation of the indicated change in bodily injury increased limits factors (+0.7%). The indicated change is calculated by comparing the indicated average increased limits factor to the current average increased limits factor. The indicated average increased limits factor is calculated as the 5-year ratio of total limits losses (including allocated loss adjustment expense) to basic limits losses (including allocated loss adjustment expense). These losses have been developed to an ultimate settlement basis and trended from the average date of accident to twelve months beyond the anticipated effective date of April 1, 2026.

Sheet 2 of this exhibit presents the calculation of the indicated change in property damage increased limits factors (+6.6%).

Q. How were the losses trended to twelve months beyond the anticipated effective date?

A. The developed losses (including allocated loss adjustment expense) have been multiplied by an exponential projection of annual average paid claim cost trend factors shown in Exhibit 2 of Section F.

Q. How are the developed losses obtained?

A. Section F, Exhibit 4 presents the North Carolina Reinsurance Facility loss data. Sheet 1 shows the basic and total limits losses including allocated loss adjustment expense by class group separately for bodily injury and property damage. These losses are then developed to an ultimate settlement basis by applying the appropriate development factors shown in Exhibit 3. The results of this operation are displayed in Exhibit 4, Sheet 2.

The calculation of the development factors is performed in the same manner as previously described. Exhibit 1 of Section D presents the calculation of these factors.

Q. What is the significance of Exhibit 4, Sheet 3 of Section F?

A. After the losses (including allocated loss adjustment expense) have been developed to an ultimate settlement basis, the resultant values are then trended to twelve months beyond the anticipated effective date of April 1, 2026. The final trended values appear by class group on Sheet 3 of Exhibit 4. These final values are summed across class groups and the resultant numbers are used to obtain the indicated average increased limits factors in Exhibit 1.

Q. How are the current average increased limits factors calculated?

A. The current average increased limits factors are calculated as a weighted average of the increased limits factors that are currently in effect for the North Carolina Reinsurance Facility. Exhibit 5, Sheets 1 and 2 present the weights that are used. These weights are based on the basic limits loss

distribution for risks ceded to the Facility, which uses losses (including allocated loss adjustment expense) reported to ISO from calendar accident year ending 06/30/2020 through calendar accident year ending 06/30/2024.

- Q. Turning to Section G - Revised Increased Limits Tables, how are the individual increased limits factors calculated?
- A. The actual indicated factors are calculated using a uniform excess change procedure. In this procedure, rather than multiply each factor by a desired percentage change, the excess portion of each increased limits factor is multiplied by a factor specifically calculated to achieve the desired overall percentage change in the increased limits factors.

For example, the indicated total limits percentage change for the bodily injury increased limits factors is +0.7%. This is calculated in Exhibit 1, Sheet 1 of Section F as the indicated average factor divided by the current average factor minus unity ($4.372/4.340 - 1 = +0.7\%$). In order to achieve this percentage change, a uniform excess change factor is calculated by dividing the indicated average excess portion ($4.372 - 1.000 = 3.372$) by the current average excess portion ($4.340 - 1.000 = 3.340$). The result of this calculation ($3.372/3.340 = 1.010$) is the factor used to develop the indicated excess portion of each individual increased limits factor.

For a specific example of this calculation, let's look at the current bodily injury increased limits factor for a Heavy Truck with a \$100,000/\$300,000 policy limit (2.31). The excess portion of this factor ($2.31 - 1.00 = 1.31$) is multiplied by the uniform excess change factor ($1.31 * 1.010 = 1.32$) to obtain the indicated excess portion of the increased limits factor. The indicated increased limits factor is then obtained by adding the base portion back to give the revised increased limit factor ($1.32 + 1.00 = 2.32$). This results in a change of +0.4% ($(2.32/2.31) - 1 = +.004$) in this factor.

After the indicated factors have been calculated, a weighted average of these factors is calculated to ensure that the desired percentage change is achieved.

- Q. Was the desired percentage change achieved?

A. Yes. The overall effect of the revised increased limits factors displayed in Section G, based on the loss distribution shown in Section F - Exhibit 5, is +0.7% for bodily injury and +6.6% for property damage.

Q. Turning to Section H - Publics Relativities, what data are utilized in this section?

A. With respect to Section H, the data for the Publics relativities changes for bodily injury liability and property damage liability are five accident years of premium and loss experience for each of the Publics class groups - Taxis and Limousines, School and Church Buses, and Other Buses - as well as five accident years of Trucks, Tractors, and Trailers premium and loss experience.

The five years of experience used in the filing are the accident years ending December 31, 2020 to December 31, 2024. The years are the latest available.

Q. How are the revised Publics relativities calculated?

A. The ratio of the Basic Limit Losses to the Aggregate Loss Costs at current level was calculated for each of Taxis and Limousines, School and Church Buses, and Other Buses. Each of these ratios was then divided by the ratio for Trucks, Tractors, and Trailers to determine if the current relativities needed to be increased or decreased. For example, in Exhibit 1, the 0.740 ratio calculated for Taxis and Limousines BI divided by the 0.794 ratio calculated for Trucks, Tractors, and Trailers BI resulted in the change of -6.80%. The current relativity for each Publics class was then multiplied by the corresponding change to obtain the revised relativities. For example, for Taxis and Limousines BI, the -6.80% was multiplied by the current relativity 5.19 to obtain the revised relativity 4.84 in Exhibit 3.

Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level changes contained in the filing are sound and actuarially reliable and if so, what is that opinion?

A. Yes. In my opinion they are sound and actuarially reliable.

Q. Do you have an opinion as an actuary as to whether the filed rate level changes are fully justified and result in rates that are neither excessive, inadequate, nor unfairly discriminatory, and if so, what is that opinion?

A. Yes. In my opinion they are fully justified and result in rates that are neither excessive, inadequate, nor unfairly discriminatory.

Q. Does that conclude your pre-filed testimony?

A. Yes.

PRE-FILED TESTIMONY
OF
ALYSSA A. IRVING

2025 COMMERCIAL AUTOMOBILE INSURANCE
RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY
October 2025

Q. Please state your name and business address for the record.

A. **Alyssa Irving**
Wellington Management Company LLP
280 Congress Street
Boston, MA 02110

Q. By whom are you employed?

A. **Wellington Management Company LLP**

Q. In what capacity?

A. **My formal title is Senior Managing Director, Fixed Income Portfolio Manager. I am a Fixed Income Portfolio Manager on the Financial Reserves Portfolio Management Team.**

Q. What are your duties in your roles at Wellington Management Company LLP?

A. **As a fixed income portfolio manager I am responsible for managing U.S. Broad Market portfolios for clients, such as insurance companies, with customized risk and return objectives, often related to accounting and/or regulatory constraints.**

Q. Is it correct that Wellington Management Company LLP is an investment manager handling investable assets of the North Carolina Reinsurance Facility (the Facility)?

A. **Yes.**

Q. As investment manager for the Facility, does Wellington Management Company LLP have discretionary investment authority over the Facility's funds?

A. **Yes, as permitted by the Investment Management Agreement between the North Carolina Reinsurance Facility and Wellington Management Company LLP.**

Q. What is your role personally with respect to the Facility's investment account?

A. **I am the lead Portfolio Manager responsible for managing the Facility's investment portfolio according to the investment guidelines set forth in the Investment Management Agreement. I am responsible for all buy and sell decisions executed in the portfolio.**

Q. How long have you been employed by Wellington Management Company LLP?

A. **I joined Wellington Management Company LLP in 2006.**

Q. How long have you been employed by Wellington Management Company LLP in the division or department which specializes in fixed-income investments?

A. **I have been involved in our fixed income business since joining the firm in 2006.**

Q. How long has Wellington Management Company LLP managed the Facility's investment portfolio?

A. **Wellington was engaged by the Facility on October 1, 2009.**

Q. How long have you personally been the portfolio manager for that account?

A. I have been a member of Financial Reserves portfolio management team since 2012, and I assumed the lead Portfolio Manager role for the NCRF portfolio in December 2015.

Q. In connection with the Facility's 2025 Commercial Automobile Insurance rate filing, has the Facility requested that you make any calculations concerning the investment yield that the Facility could reasonably expect during the two-year period beginning April 1, 2026?

A. Yes.

Q. Did you make those calculations?

A. Yes, working in conjunction with Wellington's internal fixed income quantitative analysts.

Q. Would you please describe how your calculations were performed?

A. To determine the investment yield that the Facility could reasonably expect during the two-year period beginning April 1, 2026, we employed a security-level book yield projection approach, rolling forward the book yield on the Facility's investment portfolio as it stood on May 31, 2025 as a starting point. The book yield projection incorporates the actual book yield of the existing assets held in the portfolio and also a reinvestment yield associated with projected principal (maturity and pre-payments) and coupon cash payments projected to be received going forward. We assume that projected future cash flows (principal maturities, prepayments, paydowns and coupon payments) are reinvested at a yield which reflects the portfolio's performance benchmark yield as it stood on May 31, 2025 adjusted for higher expected reinvestment rates consistent with the US Treasury forward curve as it existed at the time the estimate was developed. We used the benchmark yield because we believe this

yield represents a good approximation of the mix of assets that would be purchased in the portfolio. Using this methodology, the projected month-end portfolio book yield was calculated for each month during the 24 month period beginning April 1, 2026 and the resulting yields for these 24 months were then averaged to arrive at the estimate of the Facility's portfolio yield for the overall time period.

Q. What was the result of your calculations?

A. **Our calculations resulted in an estimated investment yield of 4.29%.**

Q. Do you have an opinion as to whether the 4.29% investment yield estimate that is based on your calculations and the assumptions used in your methodology is a reasonable estimate of what the Facility's investment yield will be?

A. **Yes.**

Q. What is that opinion?

A. **I believe the yield estimate is a reasonable estimate of the Facility's investment portfolio yield during the two-year period beginning April 1, 2026, based on the information available when we made the calculations.**

Q. Does that conclude your pre-filed testimony?

A. **Yes.**