



March 26, 2018

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Private Passenger Automobile  
Insurance Rates – North Carolina

On behalf of its member companies, the North Carolina Reinsurance Facility on March 23, 2018 filed with the Commissioner of Insurance rate level changes for bodily injury and property damage liability and medical payments insurance for non-fleet private passenger automobiles ceded to the Reinsurance Facility. The filed rates apply only to ceded risks other than “clean risks” as defined in G.S. 58-37-35(1). The rates for uninsured and combined uninsured/underinsured motorists coverages are unaffected by these changes.

The Facility’s filing includes average rate level changes of +4.5% for bodily injury, +10.6% for property damage, and +7.4% for medical payments coverages, averaging +7.6% over rates presently in effect.

In that regard, please find attached base rates that reflect changes in the overall rate level.

The revised rates are to be implemented effective October 1, 2018, in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2018. No policy effective prior to October 1, 2018 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 October 1, 2018.

Reprinted Personal Auto Manual rate pages will be distributed in the usual fashion, as soon as possible. In the meantime, notice of these changes should be sent to your Company’s North Carolina agents to make them aware of the changes.

With respect to the rate differential for ceded business, your attention is directed to G.S. 58-37-25(b) which provides in part as follows:

Each insurer will provide the same type of service to ceded business that it provides for its voluntary market. Records provided to agents and brokers will include an indication that the business is ceded. When an insurer cedes a policy or renewal thereof to the Facility and the Facility premium for such policy is higher than the premium that the insurer would normally charge for such policy if retained by the insurer, the policyholder will be informed that (i) his policy is ceded, (ii) the coverages are written at the Facility rate, which rate differential must be specified, (iii) the reason or reasons for the cession to the Facility, (iv) 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 (v) the policyholder may seek insurance through other insurers who may elect not to cede his policy.

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

Sincerely,

Andy Montano

Automobile Manager

AM:ko

RF-18-4

Attachment

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - OTHER-THAN-CLEAN RISKS CEDED LIABILITY

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	250/500	\$25,000	\$50,000	\$100,000	\$500	\$750	\$1000	\$2000	\$5000
110	\$214	\$253	\$300	\$355	\$295	\$298	\$304	\$26	\$35	\$42	\$61	\$88
120	255	301	357	423	271	274	279	32	43	51	75	108
130	285	336	399	473	281	284	289	34	45	54	80	115
140	364	430	510	604	326	329	336	54	72	86	126	183
150	275	325	385	457	351	355	362	37	49	59	87	125
170	223	263	312	370	296	299	305	28	37	45	66	95
180	278	328	389	461	363	367	374	36	48	58	84	122
190	258	304	361	428	373	377	384	32	43	51	75	108
200	294	347	412	488	340	343	350	42	56	67	98	142
210	242	286	339	402	259	262	267	30	40	48	70	101
220	353	417	494	586	293	296	302	37	49	59	87	125
230	383	452	536	636	283	286	291	40	53	64	94	135
240	341	402	477	566	287	290	296	41	55	66	96	139
250	346	408	484	574	396	400	408	47	63	75	110	159
260	282	333	395	468	328	331	338	35	47	56	82	118
270	225	266	315	374	359	363	370	28	37	45	66	95
280	333	393	466	553	408	412	420	49	65	78	115	166
290	293	346	410	486	378	382	389	39	52	62	91	132
300	207	244	290	344	345	348	355	25	33	40	59	85
310	185	218	259	307	298	301	307	22	29	35	51	74
320	219	258	307	364	275	278	283	24	32	38	56	81
340	314	371	440	521	373	377	384	44	59	70	103	149
350	219	258	307	364	304	307	313	27	36	43	63	91
360	251	296	351	417	299	302	308	31	41	50	73	105
370	308	363	431	511	367	371	378	37	49	59	87	125
380	325	384	455	540	377	381	388	35	47	56	82	118
390	264	312	370	438	399	403	411	28	37	45	66	95
420	485	572	679	805	483	488	497	76	101	122	178	257
440	312	368	437	518	384	388	396	41	55	66	96	139
450	355	419	497	589	386	390	398	37	49	59	87	125
460	250	295	350	415	334	337	344	28	37	45	66	95
470	283	334	396	470	305	308	314	29	39	46	68	98
480	193	228	270	320	264	267	272	22	29	35	51	74
490	184	217	258	305	275	278	283	24	32	38	56	81