

June 9, 2025

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Private Passenger Automobile and Motorcycle
Insurance Rates – Other Than Clean Risks

Summary:

- Rates published in circular RF-25-10 on April 15, 2025 have been revised to reflect required rebalancing as a result of settlement of the 2025 Private Passenger Automobile (“PPA”) Rate Filing made by the North Carolina Rate Bureau.
- Changes to the Other Than Clean rates published in circular RF-25-10 are necessary due to the rebalancing required by changes to inexperienced operator surcharges reflected in the PPA settlement. The resulting revised rates due to rebalancing have been filed with the Commissioner of Insurance for bodily injury, property damage, and medical payments insurance for non-fleet private passenger automobiles and motorcycles ceded to the North Carolina Reinsurance Facility.
- The revised rates apply only to ceded risks other than “clean risks” as defined in G.S. 58-37-35(l).
- These revisions become effective October 1, 2025.
- Please forward this notice to all interested parties within your organization.

On behalf of its member companies, the North Carolina Reinsurance Facility (“Facility”) filed with the North Carolina Commissioner of Insurance (“Commissioner”) on March 31, 2025, revised rates for bodily injury and property damage liability insurance for non-fleet private passenger automobiles and motorcycles ceded to the Facility and revised rates for medical payments insurance for non-fleet private passenger automobiles ceded to the Facility. The filed rates apply only to ceded risks other than “clean risks” as defined in G.S. 58-37-35(l). Subsequently, on June 6, 2025, the Commissioner and the North Carolina Rate Bureau (“Bureau”) reached agreement to settle the Bureau’s February 3, 2025, filing for rate level and other changes for non-fleet private passenger automobiles. This settlement resulted in changes to the inexperienced operator surcharges contained in the Bureau’s private passenger auto filing which, in turn, necessitate revisions to the filed rates for Other Than Clean risks ceded to the Facility.

Note that the revised rates published in this circular change the rates published in circular RF-25-10 on April 15, 2025. However, the revised rates published by this circular maintain the Facility’s filed average rate level changes for non-fleet private passenger automobiles: -10.0% for bodily injury, -10.1% for property damage, and 0.1% for medical payments coverages, resulting in an overall -10.0% rate level change. For motorcycles,

the aforementioned settlement also necessitates adjustment of the relativities in the Facility's March 31, 2025 filing.

Please find attached the revised base rates and revised motorcycle relativities.

These revisions will become effective October 1, 2025, in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2025. No policy effective prior to October 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 October 1, 2025.

With respect to any 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. Any questions regarding this circular letter should be directed to Andy Montano at (919) 582-1021 or via email to afm@ncrb.org.

Sincerely,

Andy Montano

Automobile Manager

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Attachment

RF-25-13

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

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

<u>Terr Code</u>	<u>\$50,000/100,000 Bodily Injury</u>	<u>\$50,000 Property Damage</u>	<u>\$500 Medical Payments</u>
110	\$330	\$481	\$ 14
120	397	475	19
130	444	506	22
140	628	571	29
150	528	623	23
170	331	502	19
180	406	586	24
190	359	598	17
200	469	607	25
210	342	430	19
220	510	495	25
230	632	537	28
240	537	525	23
250	564	689	31
260	445	592	24
270	340	587	18
280	513	710	27
290	457	635	21
300	313	570	16
310	285	502	14
320	336	491	15
340	525	676	26
350	378	538	18
360	425	551	21
370	469	635	24
380	524	678	25
390	408	646	19
420	724	813	43
440	515	679	29
450	589	706	29
460	367	590	19
470	446	593	20
480	276	457	14
490	274	503	16

19. MISCELLANEOUS TYPES (Cont'd)

- B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes Liability Coverages Only.

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14. Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility.

Engine Size in Cubic Centimeters (cc)	Bodily Injury and Property Damage Liability
0-499	[0.10]0.08
500-1249	[0.17]0.13
1250-1499	[0.25]0.19
1500-up	[0.32]0.25