



April 20, 2026

CIRCULAR LETTER TO ALL MEMBER COMPANIES

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

Summary

- Revised rates for **non-fleet private passenger automobiles and motorcycles (other than clean risks)** have been filed with the Commissioner of Insurance for risks ceded to the North Carolina Reinsurance Facility.
- For **non-fleet private passenger automobiles**, the filing reflects an **overall average rate level change of –5.0%** from rates currently in effect, comprised of:
 - +9.6% for Bodily Injury Liability
 - –16.0% for Property Damage Liability
 - +0.0% for Medical Payments
- For **motorcycles**, the filing reflects an **overall average rate level change of –5.0%** from rates currently in effect.
- The filed rates apply only to ceded risks other than “clean risks” as defined in N.C.G.S. § 58-37-35(l).
- These revisions become effective **October 1, 2026**.

Please forward this notice to all interested parties within your organization.

Purpose of This Circular

This circular provides notice that revised rates have been filed with the Commissioner of Insurance for certain coverages ceded to the North Carolina Reinsurance Facility. The filed rates apply only to ceded risks other than “clean risks” and to all new and renewal policies becoming effective on or after **October 1, 2026**.

Background

On behalf of its member companies, the North Carolina Reinsurance Facility filed revised rates with the Commissioner of Insurance on March 31, 2026. The filing includes revisions to:

- Bodily Injury and Property Damage Liability rates for non-fleet private passenger automobiles and motorcycles
- Medical Payments rates for non-fleet private passenger automobiles

These rates apply **only** to ceded other than “clean risks,” meaning any risk that does not meet the definition of “clean risk” as defined in N.C.G.S. § 58-37-35(l).

Overview of Filed Changes

The Facility's filing reflects the following **average rate level changes** from rates currently in effect:

Non-Fleet Private Passenger Automobiles

- **Overall Rate Level Change: -5.0%**
 - Bodily Injury Liability: **+9.6%**
 - Property Damage Liability: **-16.0%**
 - Medical Payments: **+0.0%**

Motorcycles

- **Overall Rate Level Change: -5.0%**

Rates for combined uninsured/underinsured motorists coverages are unchanged.

Effective Date and Rule of Application

These revisions will become effective **October 1, 2026**, in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2026. No policy effective prior to October 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 request, but in no event prior to October 1, 2026.

Statutory and Legal Considerations

With respect to the rate differential for ceded business, your attention is directed to N.C.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.

Enclosures

See the enclosed exhibit in connection with the approved revisions:

- **Exhibit 1** – Revised Base Rates Private Passenger Automobile – Other Than Clean Risks Ceded Liability

Company Responsibilities

Each member company should:

- Review the enclosed exhibit
- Identify any required system or programming changes
- Complete implementation prior to the **October 1, 2026** effective date

Distribution

Please ensure that this circular letter and enclosures are shared with all relevant personnel within your organization.

Sincerely,

Andy Montano

Personal Lines Manager

AM:lad

RF-26-5

Attachment

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED OTHER THAN CLEAN RISKS

BASE CLASS RATES BY TERRITORY

Effective October 1, 2026

<u>Territory</u>	50/100 Bodily <u>Injury</u>	\$50,000 Property <u>Damage</u>	\$500 Medical <u>Payments</u>
110	\$350	\$405	\$14
120	428	400	19
130	470	423	22
140	642	474	29
150	564	519	23
170	362	419	19
180	458	486	24
190	381	498	17
200	453	494	25
210	380	368	19
220	542	418	25
230	699	451	28
240	574	437	23
250	612	569	31
260	483	494	24
270	369	501	18
280	553	595	27
290	480	534	21
300	351	487	16
310	324	436	14
320	375	419	15
340	587	554	26
350	421	456	18
360	473	467	21
370	526	538	24
380	586	571	25
390	440	538	19
420	797	662	43
440	589	576	29
450	671	602	29
460	411	497	19
470	478	488	20
480	292	381	14
490	303	423	16

Refer to Rule 18 to determine rates for limits not shown.