



March 25, 2020

CIRCULAR LETTER TO ALL MEMBER COMPANIES

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

On behalf of its member companies, the North Carolina Reinsurance Facility filed with the Commissioner of Insurance on March 25, 2020 revised rates for bodily injury and property damage liability insurance for non-fleet private passenger automobiles and motorcycles ceded to the Reinsurance Facility and revised rates for 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 Facility’s filing includes average rate level changes for non-fleet private passenger automobiles of 0.5% for bodily injury, 5.8% for property damage, and 0% for medical payments coverages, averaging an overall 3.1% change from rates currently in effect. For motorcycles, the Filing includes an average rate level change of 3.2% from rates currently in effect.

In that regard, please find attached the revised base rates.

These revisions will become effective October 1, 2020, in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2020. No policy effective prior to October 1, 2020 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, 2020.

Note that the rates for uninsured and combined uninsured/underinsured motorists coverages are not affected by these changes. Those rates remain the same as those that became effective October 1, 2019.

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:lad

Attachment

RF-20-3

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	\$190	\$224	\$266	\$315	\$258	\$261	\$266	\$20	\$27	\$32	\$47	\$68
120	233	275	326	387	242	244	249	25	33	40	59	85
130	258	304	361	428	253	256	261	27	36	43	63	91
140	333	393	466	553	296	299	305	43	57	69	101	145
150	277	327	388	460	316	319	325	30	40	48	70	101
170	221	261	309	367	273	276	281	23	31	37	54	78
180	249	294	349	413	321	324	331	30	40	48	70	101
190	233	275	326	387	326	329	336	26	35	42	61	88
200	266	314	372	442	297	300	306	33	44	53	77	112
210	234	276	328	388	254	257	262	24	32	38	56	81
220	311	367	435	516	260	263	268	31	41	50	73	105
230	367	433	514	609	256	259	264	34	45	54	80	115
240	326	385	456	541	262	265	270	32	43	51	75	108
250	316	373	442	525	342	345	352	39	52	62	91	132
260	258	304	361	428	294	297	303	28	37	45	66	95
270	206	243	288	342	321	324	331	23	31	37	54	78
280	300	354	420	498	364	368	375	39	52	62	91	132
290	271	320	379	450	345	348	355	31	41	50	73	105
300	191	225	267	317	314	317	323	21	28	34	49	71
310	181	214	253	300	276	279	284	17	23	27	40	57
320	199	235	279	330	251	254	259	19	25	30	44	64
340	287	339	402	476	333	336	343	35	47	56	82	118
350	206	243	288	342	279	282	287	22	29	35	51	74
360	240	283	336	398	272	275	280	27	36	43	63	91
370	278	328	389	461	330	333	340	31	41	50	73	105
380	300	354	420	498	337	340	347	29	39	46	68	98
390	236	278	330	392	351	355	362	23	31	37	54	78
420	432	510	605	717	420	424	433	62	82	99	145	210
440	305	360	427	506	358	362	369	34	45	54	80	115
450	327	386	458	543	355	359	366	31	41	50	73	105
460	228	269	319	378	302	305	311	23	31	37	54	78
470	263	310	368	437	281	284	289	24	32	38	56	81
480	180	212	252	299	241	243	248	18	24	29	42	61
490	170	201	238	282	257	260	265	19	25	30	44	64