



February 8, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revision of Commercial Automobile
Insurance Rates

On behalf of all member companies, the Reinsurance Facility filed with the Commissioner of Insurance revised (1) basic limits premium rates for liability insurance for commercial automobiles, garages, and private passenger types not eligible for rating under the North Carolina Personal Auto Manual; (2) bodily injury and property damage liability increased limits tables for such coverages rated under the Facility's Commercial Automobile Manual.

Enclosed are exhibits which set forth the revised basic limits rates and increased limits tables to be implemented by member companies in accordance with the effective date rule set forth below. The exhibits which have been marked R-3, R-4, R-5, R-6, R-7, R-8, R-9, R-10, R-11, R-12, R-13, S-1 and S-2 are designed to replace the like-numbered pages included in the current North Carolina Reinsurance Facility Commercial Automobile Manual of Rules and Rates.

The revised rates and other changes will become effective July 1, 2005 in accordance with the following Rule of Application:

These changes are applicable to all policies effective on or after July 1, 2005. No policy effective prior to July 1, 2005 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, 2005.

Exception for Experience Rated Policies: These changes are applicable as of the experience rating date to all policies to which an experience rating modification which becomes effective on or after July 1, 2005 is to apply and may not be applied to such policies prior to the experience rating date. As respect any policy to which an experience rating modification applies which becomes effective prior to July 1, 2005, these changes may not be applied until the first experience rating date on or after July 1, 2005.

Reprinted North Carolina Reinsurance Facility Commercial Automobile Manual of Rules and Rates pages will be distributed, in the usual fashion, as soon as possible. In the meantime, notice of the revised rates should be sent as soon as possible to your Company's North Carolina agents to make them aware of the new rates.

In connection with the implementation of the revised rates, your attention is directed to G. S. 58-37-35(1) which provides, in part, as follows:

"The classifications, rules, rates, rating plans, and policy forms used on motor vehicle insurance policies reinsured by the facility may be made by the facility or by a licensed or statutory rating organization or bureau on its behalf and shall be filed with the Commissioner." . . . "If the Commissioner finds, after a hearing, that a rate is either excessive, inadequate or unfairly discriminatory, he shall issue an order specifying in what respect it is deficient and stating when, within a reasonable period thereafter such rate shall be deemed no longer effective. Said order is subject to judicial review as set out in Article 2 of this Chapter. Pending judicial review of said order, the filed classification plan and the filed rates may be used, charged and collected in the same manner as set out in G. S. 58-40-45 of this Chapter. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order."

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

Very truly yours,

F. Timothy Lucas

Automobile Manager

FTL:dp

Enclosure

RF-05-1

NORTH CAROLINA REINSURANCE FACILITY
COMMERCIAL AUTOMOBILE MANUAL

INCREASED LIABILITY LIMITS

BODILY INJURY FACTORS

Classification	Limits Identifier Code (3)					
	Limit of Liability (in 1000's)					
	25/50	30/60	65/65	50/100	100/100	100/300
	Limit Codes					
	46	49	52	49	52	52
1. Light and Medium Trucks	1.00	1.06	1.17	1.18	1.31	1.52
2. Heavy Trucks and Truck Tractors	1.00	1.06	1.21	1.23	1.38	1.63
3. Extra-Heavy Trucks and Truck Tractors	1.00	1.06	1.23	1.25	1.42	1.70
4. Trucks, Tractors and Trailers Zone Rated	1.00	1.07	1.25	1.28	1.46	1.77
5. All Other Risks	1.00	1.06	1.17	1.20	1.31	1.53

NORTH CAROLINA REINSURANCE FACILITY
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INCREASED LIABILITY LIMITS

PROPERTY DAMAGE FACTORS

Classification	Limits Identifier Code (3)				
	Limit of Liability (in 1000's)				
	15	20	25	30	50
	Limit Codes				
	03	04	05	06	08
1. Light and Medium Trucks	1.00	1.01	1.02	1.03	1.04
2. Heavy Trucks and Truck Tractors	1.00	1.01	1.02	1.03	1.04
3. Extra-Heavy Trucks and Truck Tractors	1.00	1.01	1.02	1.03	1.04
4. Trucks, Tractors and Trailers Zone Rated	1.00	1.01	1.02	1.03	1.04
5. All Other Risks	1.00	1.01	1.02	1.03	1.04

North Carolina Reinsurance Facility
Commercial Automobile Manual

LIGHT AND MEDIUM TRUCKS

Territory	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	182	215	277	202	206	210	56	68	74
	Fleet	200	236	304	222	226	231			
12	Non-Fleet	258	304	392	287	293	298	80	96	105
	Fleet	284	335	432	316	322	329			
13	Non-Fleet	217	256	330	241	246	251	67	81	88
	Fleet	239	282	363	265	270	276			
14	Non-Fleet	256	302	389	284	290	295	79	95	104
	Fleet	282	333	429	312	318	324			
15	Non-Fleet	202	238	307	224	228	233	62	75	82
	Fleet	222	262	337	246	251	256			
16	Non-Fleet	275	325	418	305	311	317	85	102	112
	Fleet	303	358	461	336	343	349			
17	Non-Fleet	238	281	362	264	269	275	74	88	97
	Fleet	262	309	398	290	296	302			
18	Non-Fleet	203	240	309	225	230	234	63	75	83
	Fleet	223	263	339	248	253	258			
19	Non-Fleet	168	198	255	186	190	193	52	62	68
	Fleet	185	218	281	205	209	213			
20	Non-Fleet	212	250	322	235	240	244	66	79	86
	Fleet	233	275	354	259	264	269			
21	Non-Fleet	206	243	313	229	234	238	64	76	84
	Fleet	227	268	345	252	257	262			
22	Non-Fleet	193	228	293	214	218	223	60	72	79
	Fleet	212	250	322	235	240	244			
23	Non-Fleet	168	198	255	186	190	193	52	62	68
	Fleet	185	218	281	205	209	213			
24	Non-Fleet	158	186	240	176	180	183	49	59	64
	Fleet	174	205	264	194	198	202			

HIRED CAR	Bodily Injury 25/50	Property Damage 15
All Territories	\$0.28	\$0.34

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HEAVY TRUCKS AND TRUCK TRACTORS

T e r r	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	182	224	297	202	206	210	56	68	74
	Fleet	200	246	326	222	226	231			
12	Non-Fleet	258	317	421	287	293	298	80	96	105
	Fleet	284	349	463	316	322	329			
13	Non-Fleet	217	267	354	241	246	251	67	81	88
	Fleet	239	294	390	265	270	276			
14	Non-Fleet	256	315	417	284	290	295	79	95	104
	Fleet	282	347	460	312	318	324			
15	Non-Fleet	202	248	329	224	228	233	62	75	82
	Fleet	222	273	362	246	251	256			
16	Non-Fleet	275	338	448	305	311	317	85	102	112
	Fleet	303	373	494	336	343	349			
17	Non-Fleet	238	293	388	264	269	275	74	88	97
	Fleet	262	322	427	290	296	302			
18	Non-Fleet	203	250	331	225	230	234	63	75	83
	Fleet	223	274	363	248	253	258			
19	Non-Fleet	168	207	274	186	190	193	52	62	68
	Fleet	185	228	302	205	209	213			
20	Non-Fleet	212	261	346	235	240	244	66	79	86
	Fleet	233	287	380	259	264	269			
21	Non-Fleet	206	253	336	229	234	238	64	76	84
	Fleet	227	279	370	252	257	262			
22	Non-Fleet	193	237	315	214	218	223	60	72	79
	Fleet	212	261	346	235	240	244			
23	Non-Fleet	168	207	274	186	190	193	52	62	68
	Fleet	185	228	302	205	209	213			
24	Non-Fleet	158	194	258	176	180	183	49	59	64
	Fleet	174	214	284	194	198	202			

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Commercial Automobile Manual

EXTRA-HEAVY TRUCKS AND TRUCK-TRACTORS

T e r r	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	182	228	309	202	206	210	56	68	74
	Fleet	200	250	340	222	226	231			
12	Non-Fleet	258	323	439	287	293	298	80	96	105
	Fleet	284	355	483	316	322	329			
13	Non-Fleet	217	271	369	241	246	251	67	81	88
	Fleet	239	299	406	265	270	276			
14	Non-Fleet	256	320	435	284	290	295	79	95	104
	Fleet	282	353	479	312	318	324			
15	Non-Fleet	202	253	343	224	228	233	62	75	82
	Fleet	222	278	377	246	251	256			
16	Non-Fleet	275	344	468	305	311	317	85	102	112
	Fleet	303	379	515	336	343	349			
17	Non-Fleet	238	298	405	264	269	275	74	88	97
	Fleet	262	328	445	290	296	302			
18	Non-Fleet	203	254	345	225	230	234	63	75	83
	Fleet	223	279	379	248	253	258			
19	Non-Fleet	168	210	286	186	190	193	52	62	68
	Fleet	185	231	315	205	209	213			
20	Non-Fleet	212	265	360	235	240	244	66	79	86
	Fleet	233	291	396	259	264	269			
21	Non-Fleet	206	258	350	229	234	238	64	76	84
	Fleet	227	284	386	252	257	262			
22	Non-Fleet	193	241	328	214	218	223	60	72	79
	Fleet	212	265	360	235	240	244			
23	Non-Fleet	168	210	286	186	190	193	52	62	68
	Fleet	185	231	315	205	209	213			
24	Non-Fleet	158	198	269	176	180	183	49	59	64
	Fleet	174	218	296	194	198	202			

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PRIVATE PASSENGER TYPES

	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
	25/50	50/100	100/300	15	25	50	500	1000	2000
Territory	Limit Code						Limit Code		
	46	49	52	03	05	08	1	3	4
11	168	202	257	192	196	200	17	22	25
12	235	282	360	269	274	280	24	31	35
13	186	223	285	212	216	220	19	25	28
14	186	223	285	212	216	220	19	25	28
15	196	235	300	224	228	233	20	26	30
16	225	270	344	258	263	268	23	30	34
17	194	233	297	222	226	231	20	26	29
18	178	214	272	204	208	212	18	24	27
19	167	200	256	191	195	199	17	22	25
20	193	232	295	220	224	229	20	26	29
21	162	194	248	186	190	193	17	22	24
22	181	217	277	207	211	215	19	24	27
23	167	200	256	191	195	199	17	22	25
24	154	185	236	177	181	184	16	20	23

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TAXIS AND LIMOUSINES

T e r r	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	1147	1376	1755	505	515	525	224	263	301
	Fleet	1262	1514	1931	556	567	578			
12	Non-Fleet	1625	1950	2486	718	732	747	317	372	426
	Fleet	1788	2146	2736	790	806	822			
13	Non-Fleet	1367	1640	2092	603	615	627	267	313	358
	Fleet	1504	1805	2301	663	676	690			
14	Non-Fleet	1613	1936	2468	710	724	738	315	369	423
	Fleet	1774	2129	2714	781	797	812			
15	Non-Fleet	1273	1528	1948	560	571	582	248	292	334
	Fleet	1400	1680	2142	616	628	641			
16	Non-Fleet	1733	2080	2651	763	778	794	338	397	454
	Fleet	1906	2287	2916	839	856	873			
17	Non-Fleet	1499	1799	2293	660	673	686	292	343	393
	Fleet	1649	1979	2523	726	741	755			
18	Non-Fleet	1279	1535	1957	563	574	586	249	293	335
	Fleet	1407	1688	2153	619	631	644			
19	Non-Fleet	1058	1270	1619	465	474	484	206	242	277
	Fleet	1164	1397	1781	512	522	532			
20	Non-Fleet	1336	1603	2044	588	600	612	261	306	350
	Fleet	1470	1764	2249	647	660	673			
21	Non-Fleet	1298	1558	1986	573	584	596	253	297	340
	Fleet	1428	1714	2185	630	643	655			
22	Non-Fleet	1216	1459	1860	535	546	556	237	278	319
	Fleet	1338	1606	2047	589	601	613			
23	Non-Fleet	1058	1270	1619	465	474	484	206	242	277
	Fleet	1164	1397	1781	512	522	532			
24	Non-Fleet	995	1194	1522	440	449	458	194	228	261
	Fleet	1095	1314	1675	484	494	503			

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SCHOOL AND CHURCH BUSES

T e r r	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	146	175	223	121	123	126	35	41	47
	Fleet	161	193	246	133	136	138			
12	Non-Fleet	206	247	315	172	175	179	49	58	67
	Fleet	227	272	347	189	193	197			
13	Non-Fleet	174	209	266	145	148	151	42	49	56
	Fleet	191	229	292	160	163	166			
14	Non-Fleet	205	246	314	170	173	177	49	58	66
	Fleet	226	271	346	187	191	194			
15	Non-Fleet	162	194	248	134	137	139	39	46	52
	Fleet	178	214	272	147	150	153			
16	Non-Fleet	220	264	337	183	187	190	53	62	71
	Fleet	242	290	370	201	205	209			
17	Non-Fleet	190	228	291	158	161	164	45	54	62
	Fleet	209	251	320	174	177	181			
18	Non-Fleet	162	194	248	135	138	140	39	46	52
	Fleet	178	214	272	149	152	155			
19	Non-Fleet	134	161	205	112	114	116	32	38	43
	Fleet	147	176	225	123	125	128			
20	Non-Fleet	170	204	260	141	144	147	41	48	55
	Fleet	187	224	286	155	158	161			
21	Non-Fleet	165	198	252	137	140	142	39	47	53
	Fleet	182	218	278	151	154	157			
22	Non-Fleet	154	185	236	128	131	133	37	43	50
	Fleet	169	203	259	141	144	147			
23	Non-Fleet	134	161	205	112	114	116	32	38	43
	Fleet	147	176	225	123	125	128			
24	Non-Fleet	126	151	193	106	108	110	30	36	41
	Fleet	139	167	213	117	119	122			

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ALL OTHER BUSES

T e r r	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	1383	1660	2116	384	392	399	195	227	257
	Fleet	1521	1825	2327	422	430	439			
12	Non-Fleet	1961	2353	3000	545	556	567	277	322	365
	Fleet	2157	2588	3300	600	612	624			
13	Non-Fleet	1649	1979	2523	458	467	476	233	270	307
	Fleet	1814	2177	2775	504	514	524			
14	Non-Fleet	1946	2335	2977	540	551	562	274	319	362
	Fleet	2141	2569	3276	594	606	618			
15	Non-Fleet	1535	1842	2349	426	435	443	216	252	286
	Fleet	1689	2027	2584	469	478	488			
16	Non-Fleet	2090	2508	3198	580	592	603	295	343	389
	Fleet	2299	2759	3517	638	651	664			
17	Non-Fleet	1809	2171	2768	502	512	522	255	297	336
	Fleet	1990	2388	3045	552	563	574			
18	Non-Fleet	1543	1852	2361	428	437	445	218	253	287
	Fleet	1697	2036	2596	471	480	490			
19	Non-Fleet	1277	1532	1954	353	360	367	180	209	238
	Fleet	1405	1686	2150	388	396	404			
20	Non-Fleet	1611	1933	2465	447	456	465	227	264	300
	Fleet	1772	2126	2711	492	502	512			
21	Non-Fleet	1566	1879	2396	435	444	452	221	257	291
	Fleet	1723	2068	2636	479	489	498			
22	Non-Fleet	1467	1760	2245	407	415	423	207	241	273
	Fleet	1614	1937	2469	448	457	466			
23	Non-Fleet	1277	1532	1954	353	360	367	180	209	238
	Fleet	1405	1686	2150	388	396	404			
24	Non-Fleet	1201	1441	1838	334	341	347	169	197	223
	Fleet	1321	1585	2021	367	374	382			

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Commercial Automobile Manual

VAN POOLS

T e r r	Class	Bodily Injury Limit			Property Damage Limit			Medical Payments Limit		
		25/50	50/100	100/300	15	25	50	500	1000	2000
		Limit Code						Limit Code		
		46	49	52	03	05	08	1	3	4
11	Non-Fleet	146	175	223	162	165	168	45	54	59
	Fleet	161	193	246	178	182	185			
12	Non-Fleet	206	247	315	230	235	239	64	76	84
	Fleet	227	272	347	253	258	263			
13	Non-Fleet	174	209	266	193	197	201	54	65	71
	Fleet	191	229	292	212	216	220			
14	Non-Fleet	205	246	314	227	232	236	63	76	83
	Fleet	226	271	346	250	255	260			
15	Non-Fleet	162	194	248	179	183	186	50	60	66
	Fleet	178	214	272	197	201	205			
16	Non-Fleet	220	264	337	244	249	254	68	82	90
	Fleet	242	290	370	268	273	279			
17	Non-Fleet	190	228	291	211	215	219	59	70	77
	Fleet	209	251	320	232	237	241			
18	Non-Fleet	162	194	248	180	184	187	50	60	66
	Fleet	178	214	272	198	202	206			
19	Non-Fleet	134	161	205	149	152	155	41	50	55
	Fleet	147	176	225	164	167	171			
20	Non-Fleet	170	204	260	188	192	196	53	63	69
	Fleet	187	224	286	207	211	215			
21	Non-Fleet	165	198	252	183	187	190	51	61	67
	Fleet	182	218	278	201	205	209			
22	Non-Fleet	154	185	236	171	174	178	48	57	63
	Fleet	169	203	259	188	192	196			
23	Non-Fleet	134	161	205	149	152	155	41	50	55
	Fleet	147	176	225	164	167	171			
24	Non-Fleet	126	151	193	141	144	147	39	47	51
	Fleet	139	167	213	155	158	161			

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GARAGES

		Bodily Injury Limit			Property Damage Limit		
		25/50	50/100	100/300	15	25	50
Territory	Class	Limit Code			Limit Code		
		46	49	52	03	05	08
11	Dealers	419	503	641	326	333	339
12	Dealers	594	713	909	461	470	479
13	Dealers	499	599	763	388	396	404
14	Dealers	590	708	903	458	467	476
15	Dealers	466	559	713	362	369	376
16	Dealers	632	758	967	491	501	511
17	Dealers	547	656	837	425	434	442
18	Dealers	467	560	715	363	370	378
19	Dealers	386	463	591	300	306	312
20	Dealers	486	583	744	377	385	392
21	Dealers	475	570	727	369	376	384
22	Dealers	443	532	678	344	351	358
23	Dealers	386	463	591	300	306	312
24	Dealers	364	437	557	283	289	294

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	1.62	1.78	1.86	1.94	1.65
300/300	64	1.79	1.98	2.12	2.21	1.81
250/500	61	1.86	2.09	2.24	2.34	1.88
400/400	68	1.94	2.20	2.36	2.49	1.97
500/500	68	2.07	2.37	2.58	2.72	2.10
750/750	73	2.35	2.74	3.01	3.20	2.39
1000/1000	73	2.56	3.04	3.39	3.61	2.62
1500/1500	74	2.90	3.54	3.99	4.25	2.96
2000/2000	75	3.19	3.95	4.50	4.80	3.25
2500/2500	76	3.40	4.30	4.94	5.27	3.50
5000/5000	79	4.26	5.60	6.59	7.07	4.38

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
65	9	1.05	1.05	1.05	1.06	1.05
100	10	1.06	1.06	1.06	1.07	1.06
300	14	1.08	1.09	1.10	1.11	1.08
400	15	1.09	1.10	1.11	1.13	1.09
500	16	1.10	1.11	1.12	1.14	1.10
750	17	1.11	1.13	1.14	1.16	1.12
1000	18	1.12	1.14	1.15	1.17	1.13
1500	19	1.13	1.15	1.16	1.19	1.14
2000	20	1.14	1.16	1.17	1.20	1.15
2500	21	1.15	1.17	1.18	1.21	1.16
5000	23	1.16	1.18	1.20	1.24	1.17