

November 5, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Automobile and Motorcycle
Insurance Rates - North Carolina

On behalf of its member companies, the North Carolina Reinsurance Facility filed with the Commissioner of Insurance a rate level adjustment 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). This adjustment was a result of the enactment of House Bill 97 – Appropriations Act of 2015 in which a new tax is being implemented on automobile repair labor as well as an increase in Motor Vehicle Reports (MVR) and salvage title fees.

In that regard, please find attached revised base rates for non-fleet private passenger automobile bodily injury and property damage liability and medical payments coverages.

These changes are effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after March 1, 2016. No policy effective prior to March 1, 2016 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 March 1, 2016.

NOTICE REQUIREMENTS

Also be advised that G. S. 58-36-45 provides as follows:

"Whenever an insurer changes the coverage other than at the request of the insured or changes the premium rate, it shall give the insured written notice of such coverage change or premium rate change at least 15 days in advance of the effective date of such change or changes with a copy of such notice to the agent. This section shall apply to all policies and coverages subject to the provisions of this Article..."

In the past, some insurers have given notice of premium rate changes by providing to an insured and agent, at least 15 days in advance of the effective date, a renewal policy, renewal certificate, billing or endorsement showing revised rates, together with a written notice substantially as follows:

NOTICE OF RATE CHANGE - NORTH CAROLINA

The premium for this policy reflects changes in rates applicable to North Carolina placed into effect under the provisions of Article 36, Chapter 58 of the North Carolina General Statutes.

The form of this notice has varied at the option of the insurer (printed notice, stamp, stick-on label, etc.). Companies should consult legal counsel with respect to the appropriateness of their own procedures under this statute.

Reprinted Personal Auto Manual pages will be distributed, in the usual fashion, as soon as possible. In the interim, notice of the revised rates should be sent as soon as possible to your agents to make them aware of the new rates.

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:dms

Attachments

RF-15-13

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

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

Terr Code	\$30,000/60,000 <u>Bodily Injury</u>		\$25,000 <u>Property Damage</u>		\$500 <u>Medical Payments</u>	
	<u>Present</u>	<u>Revised</u>	<u>Present</u>	<u>Revised</u>	<u>Present</u>	<u>Revised</u>
110	\$191	\$192	\$199	\$204	\$25	\$25
120	215	216	174	178	27	27
130	241	242	188	192	30	30
140	301	302	214	219	44	44
150	260	261	240	246	32	32
170	187	188	201	206	24	24
180	244	245	276	283	30	30
190	225	226	244	250	27	27
200	262	263	225	230	36	36
210	243	244	192	197	30	30
220	292	293	184	188	35	35
230	351	352	200	205	41	41
240	282	283	185	189	31	31
250	294	295	300	307	38	38
260	240	241	216	221	31	31
270	181	182	239	245	24	24
280	278	279	269	275	41	41
290	281	282	255	261	37	37
300	189	190	236	242	23	23
310	162	163	204	209	21	21
320	190	191	184	188	22	22
340	262	263	236	242	38	38
350	194	195	206	211	23	23
360	217	218	197	202	29	29
370	247	248	235	241	30	30
380	265	266	234	240	30	30
390	208	209	259	265	24	24
420	388	389	302	309	64	64
440	253	254	249	255	34	34
450	290	291	245	251	30	30
460	212	213	214	219	25	25
470	248	249	205	210	27	27
480	172	173	175	179	20	20
490	164	165	188	192	21	21

Note: The revised base rates for Medical Payments are equal to the present rates for all territories.