



July 17, 2009

Honorable Wayne Goodwin
Commissioner of Insurance
North Carolina Department of Insurance
P.O. Box 26387
Raleigh, North Carolina 27611

RE: Revision of Automobile Insurance Rates –
North Carolina Reinsurance Facility (all business)

Dear Sir:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Reinsurance Facility are (1) revised premium rates for uninsured motorist coverage and combined uninsured/underinsured motorists coverage; (2) revised increased limits factors used in connection with bodily injury and property damage coverages; and (3) revised factors for inexperienced operator surcharges and Safe Driver Insurance Plan (SDIP) surcharges. These revised rates and rating factors are set forth on the attached Exhibit 1.

This filing establishes rates and rating factors equal to those which will be implemented in the voluntary market as a result of the Settlement Agreement and Consent Order issued July 15, 2009 in connection with the 2009 private passenger automobile insurance rate filing by the North Carolina Rate Bureau.

These changes will become effective November 1, 2009 in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after November 1, 2009. No policy effective prior to November 1, 2009 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 November 1, 2009.

Sincerely,

F. Timothy Lucas
Automobile Manager

FTL:dms
Enclosures

Memorandum - North Carolina Personal Auto Manual
Matter underlined is new; matter in brackets [] is deleted.

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1.

a. Rates

The per policy rates for Uninsured Motorists Coverage are as follows:

B.I. UM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 30/60	\$ 14	\$ 33
50/100	15	35
100/200	17	40
100/300	18	42
300/300	21	50
250/500	22	52
500/500	23	54
500/1,000	25	59
1,000/1,000	26	61

P.D. UM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile, or other miscellaneous type vehicle.

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

Memorandum - North Carolina Personal Auto Manual
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14. MISCELLANEOUS COVERAGES (Cont'd)

B. Combined Uninsured/Underinsured Motorists Coverage

- 1.
2. Rates

The per policy rates for Combined Uninsured/Underinsured Motorists Coverage are as follows:

B.I. UM/UIM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ 25	\$ 59
100/200	44	104
100/300	54	127
300/300	74	175
250/500	87	205
500/500	121	285
500/1,000	136	321
1,000/1,000	153	361

P.D. UM/UIM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile, or other miscellaneous type vehicle.

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

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18. INCREASED LIMITS

B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor
\$ 30/60	1.00
50/100	1.18
100/100	1.31
100/200	1.39
100/300	1.40
300/300	1.62
250/500	1.66
500/1,000	1.85
1,000/1,000	1.96
1,000/2,000	2.02

C. \$25,000 Property Damage Liability Increased Limits Table

Applicable to \$25,000 Property Damage Liability Rates Only:

Total Limits	Factor
\$ 25,000	1.000
35,000	1.005
50,000	1.010
100,000	1.030
250,000	1.059
500,000	1.113
750,000	1.153
1,000,000	1.202

(Remainder of rule is unchanged.)

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INEXPERIENCED OPERATOR				
Single or Multi-Car Risks		BI, PD and Med. Pay.	Collision	Comprehensive Fire, Theft & CAC
Single Car	Principal Operator Licensed For:			
	Less Than One Year	Factor +[3.50] <u>+3.25</u>	Factor +[3.40] <u>+3.10</u>	Factor +[0.70] <u>+0.50</u>
	Less Than Two Years	Factor +1.75	Factor +1.90	Factor +[0.55] <u>+0.50</u>
	Less Than Three Years	Factor +[1.30] <u>+1.35</u>	Factor +1.65	Factor +[0.55] <u>+0.50</u>
	Occasional Operator Licensed For:			
	Less Than One Year	Factor +1.90	Factor +[2.10] <u>+1.95</u>	Factor +0.25
Less Than Two Years	Factor +[0.90] <u>+0.80</u>	Factor +[1.10] <u>+1.00</u>	Factor +[0.10] <u>0.00</u>	
Less Than Three Years	Factor +[0.60] <u>+0.40</u>	Factor +[0.85] <u>+0.65</u>	Factor 0.00	
Multi-Car	Principal Operator Licensed For:			
	Less Than One Year	Factor +[3.15] <u>+2.90</u>	Factor +[3.10] <u>+2.80</u>	Factor +[0.60] <u>+0.40</u>
	Less Than Two Years	Factor +1.40	Factor +1.60	Factor +[0.45] <u>+0.40</u>
	Less Than Three Years	Factor +[0.95] <u>+1.00</u>	Factor +1.35	Factor +[0.45] <u>+0.40</u>
	Occasional Operator Licensed For:			
	Less Than One Year	Factor +1.55	Factor +[1.80] <u>+1.65</u>	Factor +0.15
Less Than Two Years	Factor +[0.55] <u>+0.45</u>	Factor +[0.80] <u>+0.70</u>	Factor [0.00] <u>-0.10</u>	
Less Than Three Years	Factor +[0.25] <u>+0.05</u>	Factor +[0.55] <u>+0.35</u>	Factor -0.10	

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PERSONAL AUTO MANUAL
NORTH CAROLINA
PRIMARY CLASSIFICATION RATING FACTORS
(CONT'D)

SAFE DRIVER INSURANCE PLAN FACTORS AND CODES			
Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.			
Use the statistical code indicated for the Driving Record Sub-Classification.			
Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	[0.25] <u>0.30</u>
2	2	02	0.45
3	3	03	0.60
4	4	04	0.80
5	5	05	[1.05] <u>1.10</u>
6	6	06	[1.30] <u>1.35</u>
7	7	07	[1.60] <u>1.65</u>
8	8	08	[1.90] <u>1.95</u>
9	9	09	2.25
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
Vehicles Not Eligible for SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.			
Not Eligible	NE	95	+0.10