

August 29, 2011

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Automobile Manual Revisions
Rule 4 .D. Single and Multi-Car Risks

The Commissioner of Insurance has approved on behalf of all member companies of the North Carolina Rate Bureau and the North Carolina Reinsurance Facility, a revision to Rule 4.D – Single and Multi-Car Risks in the Personal Automobile Manual. This revision is designed to clarify the intent of the rule.

The revision to Rule 4.D. – Single and Multi-Car Risks is designed to clarify the intent of the rule which was published in a Circular Letter To All Member Companies dated August 7, 1995. The information contained in the circular letter was never included in the rule; therefore, member companies may have incorrectly interpreted the rule.

In that regard, please find attached a copy of the revised Rule 4.D – Single and Multi-Car Risks.

This revision becomes effective in accordance with the following Rule of Application:

This revision becomes effective with respect to all new and renewal policies written to become effective on or after March 1, 2012.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms
Attachment
A-11-4

Material underlined is new; material ~~struck through~~ is deleted.

4. CLASSIFICATIONS D. Single and Multi-Car Risks

The applicable Multi-Car Rating Factor shall apply if two or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household are insured in the same policy.

Exceptions

1. If a company's ~~procedure does~~ policy processing systems do not permit insuring all vehicles in the same policy, the applicable Multi-Car Rating Factor shall apply ~~only~~ if the company insures two or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household.

This exception applies only to companies that do not issue multi-car policies or whose policy processing systems limitations necessitate insuring one car (in a multi-car situation) on a separate policy. This exception does not permit a company to apply the Multi-Car Rating Factor on a single car policy where, for underwriting or other reasons, the company voluntarily elects to insure one vehicle on a single car policy when that vehicle could be insured on a multi-car policy.

2. The Multi-Car Rating Factor shall not apply to antique autos as defined in the Miscellaneous Types rule.

~~This discount does not apply to antique autos as defined in the Miscellaneous Types Rule.~~