

April 4, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Transportation Network Companies

With the growing attention to the emergence of Transportation Network Companies (TNCs), the North Carolina Rate Bureau (Rate Bureau) began looking into what coverages may be offered through the Personal Auto Policy Program to the drivers of the TNCs. However, since the jurisdiction of the Rate Bureau specifically excludes the public or livery conveyance of passengers and the operation of TNC drivers directly involve the public or livery conveyance of passengers, it has been determined that the Rate Bureau does not have jurisdiction over such coverages and may not promulgate forms, rules or rates for such coverages.

As a result, Insurance Services Office, Inc. (ISO) has filed and received approval from the North Carolina Department of Insurance (Department) for ISO Endorsement PP 55 45 01 16, Limited Transportation Network Driver Coverage (No Passenger) – North Carolina and the ISO North Carolina Personal Auto Rule. ISO has not filed these materials on behalf of the Rate Bureau or any insurer. However, ISO has granted the Rate Bureau a non-exclusive license to use this endorsement and manual rule and to make the endorsement and manual rule available to member companies of the Rate Bureau solely for use within the state of North Carolina and otherwise in accordance with the license granted under the agreement between ISO and the Rate Bureau.

The endorsement and manual rule may be used by Rate Bureau member companies as filed by ISO or amended as necessary by the individual member company. If a member company adopts the ISO endorsement and manual rule as filed, the member company should notify the Department of the company's intent to adopt. If a member company modifies the ISO endorsement or manual rule, a filing must be made with the Department for prior approval. In all filings made by member companies with the Department regarding these filings should refer to ISO Filing Designation Numbers PP-2015-OTNFR and PP-2015-RTNRR. Furthermore, companies have the option to use other endorsements and/or rules for such coverages; companies desiring to do so must make appropriate submissions to the Department.

Please note that the North Carolina Reinsurance Facility (Facility) has adopted endorsement PP 55 45 01 16 – Limited Transportation Network Driver Coverage (No Passenger) – North Carolina and manual rule as the only endorsement and manual rule to be used with a Personal Auto Policy that is ceded to the Facility. (See Circular Letter To All Member Companies RF-16-2) Regardless of what policy form a member company chooses to use in the voluntary market, the company is required to use endorsement PP 55 45 01 16 and the

associated manual rule for any policy ceded to the Facility. The manual rule associated with the ISO endorsement will be published in the Personal Auto Manual – North Carolina for the purpose of reflecting that it applies to policies ceded to the Facility.

Finally, note that coverage for drivers providing services for TNCs, whether through the ISO endorsement and manual rule or through some other form and/or rule, is optional; companies are not required to provide such coverage.

Subject to the above, Rate Bureau member companies should note the following required copyright with respect to the ISO materials:

- Where the ISO copyright material is reprinted, copied or otherwise used in full, copies must reflect the copyright actually shown on the Product(s).
- Where the ISO copyright material is reprinted, copied or otherwise used in part, the following legend must appear at the bottom of each page so used: “Includes copyrighted material of Insurance Services Office, Inc. with its permission.”

As noted above, the ISO endorsement and manual rule have been filed and approved for use as described herein and are available for such use immediately.

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

Attachments

A-16-2