



December 3, 2024

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Premium Rates for Combined Uninsured and Underinsured Motorist Coverages due to S.L. 2023-133 and S.L. 2024-29

Summary:

- **Revisions to the Combined Uninsured and Underinsured Motorist Coverages Premium Rates for policies becoming effective on or after 7/1/2025**
- **Underinsured Motorist Coverage is mandatory on all personal auto policies becoming effective on or after 7/1/2025**
- **Required by legislative changes contained in S.L. 2023-133 and S.L. 2024-29**
- **Please forward this notice to all interested parties within your organization**

By Circular Letter to all member companies A-24-2, dated July 18, 2024, the Rate Bureau communicated the enactment of Session Law 2024-29 (former S.B. 319), which included technical corrections to certain provisions of Session Law 2023-133 (former S.B. 452) and moved the effective date of provisions pertaining to auto insurance from January 1, 2025, to July 1, 2025.

Also, by Circular Letter to all member companies A-24-1, dated March 27, 2024, the Rate Bureau distributed revised Personal Auto Policy liability base rates and increased limit factors. These revisions were necessitated by that portion of Part XII of S.L. 2023-133 that increases what are commonly referred to as the automobile insurance minimum liability limits under the Financial Responsibility Act from 30/60/25 to 50/100/50. Pursuant to S.L. 2024-29, these changes will go into effect on July 1, 2025, and apply to policies issued or renewed on or after that date.

Also, by Circular Letter to all member companies A-24-3, dated October 14, 2024, the Rate Bureau distributed revised Personal Auto Policy forms and rules that pertain to uninsured motorist and underinsured motorist coverages. These revisions were made necessary by S.L. 2023-133 and S.L. 2024-29, and they similarly apply to policies becoming effective on or after July 1, 2025.

Also, in Circular Letter A-24-3, it was noted that there were other pending revisions necessitated by S.L. 2023-133. Since that time, revised premium rates for Combined Uninsured and Underinsured Motorist coverages have been approved by the Commissioner of Insurance.

Considering S.L. 2023-133 together with S.L. 2024-29, Underinsured Motorist Coverage, in its revised form, will be mandatory on all automobile liability insurance policies, including minimum limits policies. As a practical matter, that means that every automobile liability policy covering private passenger autos will include Combined Uninsured/Underinsured Motorists Coverage.

Pursuant to S.L. 2024-29, these revisions are to become effective in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after July 1, 2025. No policy effective prior to July 1, 2025, 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, 2025.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible.

Please note that there are other pending revisions resulting from the above-referenced legislation, namely the expansion of the surcharge period for inexperienced operators to up to 8 years and the expansion of the surcharge period for certain SDIP point assignments to five years. These topics will appear on the agenda at the next Auto Committee meeting in December 2024. The effective date of these legislative changes likewise was moved to July 1, 2025, by S.L. 2024-29.

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

Sincerely,

Andy Montano

Personal Lines Director

AM:ko

A-24-4

Attachments

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. Owners — (Class Code — Refer to Statistical Plan)

Bodily Injury and Property Damage Uninsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

This coverage shall not apply when a named insured has purchased a policy with Bodily Injury Liability Coverage limits greater than \$30,000/\$60,000.

Uninsured Motorist Coverage Only is available only if the insured has purchased Bodily Injury Liability limits of \$30,000/60,000. The limits of Uninsured Motorist Bodily Injury Coverage shall be \$30,000/\$60,000 unless the insured purchases a higher limit of Uninsured Motorist Bodily Injury Coverage but in no event shall an insurer be required to sell Uninsured Motorists Bodily Injury Coverage at limits that exceed \$1,000,000/\$1,000,000. The limit of Uninsured Motorist Property Damage Coverage shall equal the highest limit of liability for Property Damage Liability Coverage for any one vehicle insured under the policy, provided, however, that (1) the limits shall not be required to exceed \$1,000,000 regardless of whether the highest limits of property damage liability coverage for any one vehicle insured under the policy exceed those limits and (2) a named insured may purchase lesser limits of Uninsured Motorist Property Damage Coverage but not less than the property damage liability limits required by North Carolina's financial responsibility law.

Each time a policy is issued or renewed, the insurer shall notify the named insured as provided in section C. of this Rule.

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	\$ 20	\$ 49
50/100	24	52
100/200	24	59
100/300	26	64
300/300	32	79
250/500	33	82
500/500	34	84
500/1,000	38	94
1,000/1,000	40	99

P.D. UM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	10
250,000	6	15
500,000	8	20
750,000	10	25
1,000,000	11	27

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, low speed vehicle, modified utility vehicle, motorcycle, golf cart or other miscellaneous type vehicle.

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

b. Additional Persons

Bodily Injury Uninsured Motorists Coverage Only may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

2. Non Owners — (Class Code 990000)

~~a. A Named Non Owner Liability Policy may be extended to provide Uninsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.~~

~~b. Bodily Injury Uninsured Motorists Coverage Only may be afforded to any person who does not own an auto and who is not otherwise afforded Uninsured Motorists Coverage.~~

~~Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:~~

Policy Term	Factor
One Year	3.50
Three Years	5.50

AB. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage And Uninsured Motorists Property Damage Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

~~a. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.~~

Note/Exceptions

~~This coverage shall not apply when a named insured has purchased a policy with Bodily Injury Liability Coverage limits not greater than \$30,000/\$60,000.~~

~~(1) The limits of Combined Uninsured/Underinsured Motorist Bodily Injury Coverage shall equal the highest limits of liability for Bodily Injury Liability Coverage for any one vehicle insured under the policy provided, however, that:~~

~~(1a) The limits shall not be required to exceed \$1,000,000/\$1,000,000 regardless of whether the highest limits of bodily injury liability coverage for any one vehicle insured under the policy exceed those limits; and~~

~~(2b) aA named insured may purchase greater or lesser limits, except that the limits must exceed but not less than the bodily injury liability limits required by North Carolina's financial responsibility law, and in no event shall an insurer be required to sell combined uninsured/underinsured motorist bodily injury coverage at limits that exceed \$1,000,000/\$1,000,000; and~~

~~(3c) The limits shall be equal to the limits of uninsured motorist bodily injury coverage and underinsured motorist bodily injury coverage shall be equal purchased.~~

~~(2) The limit of Uninsured Motorist Property Damage Coverage sold with Combined Uninsured/Underinsured Motorist Bodily Injury Coverage, shall equal the highest limit of liability for Property Damage Liability Coverage for any one vehicle insured under the policy, provided, however, that:~~

~~(1a) The limits shall not be required to exceed \$1,000,000 regardless of whether the highest limits of property damage liability coverage for any one vehicle insured under the policy exceed those limits; and~~

~~(2b) aA named insured may purchase lesser limits of Uninsured Motorist Property Damage Coverage but not less than the property damage liability limits required by North Carolina's financial responsibility law.~~

~~(3) Each time a policy is issued or renewed, the insurer shall notify the named insured as provided in section Rule C-14.A.3. of this Rule.~~

2b. Rates

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

B.I. UM/UIM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ <u>3355</u>	\$ <u>82136</u>
100/200	<u>6084</u>	<u>148207</u>
100/300	<u>7587</u>	<u>485215</u>
<u>250/500</u>	<u>142</u>	<u>351</u>
300/300	<u>403150</u>	<u>254371</u>
<u>250/500</u>	<u>422</u>	<u>302</u>
500/500	<u>467175</u>	<u>413432</u>
500/1,000	<u>489181</u>	<u>467447</u>
1,000/1,000	<u>244226</u>	<u>524558</u>

The per policy rates for Uninsured Motorist Property Damage Coverage sold with Combined Uninsured/Underinsured Motorist Bodily Injury Coverage are as follows:

P.D. UM/ UIM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	10
250,000	6	15
500,000	8	20
750,000	10	25
1,000,000	11	27

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, low speed vehicle, modified utility vehicle, motorcycle, golf cart or other miscellaneous type vehicle.

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

c. Additional Persons

Combined Uninsured/Underinsured Motorists Bodily Injury Coverage may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

2. Non-Owners – (Class Code 990000)

a. A Named Non-Owner Liability Policy may be extended to provide Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

b. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage may be afforded to any person who does not own an auto and who is not otherwise afforded Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage.

Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:

<u>Policy Term</u>	<u>Factor</u>
<u>One Year</u>	<u>3.50</u>
<u>Three Years</u>	<u>5.50</u>

~~C3.~~ Notice

Every insurer that sells motor vehicle liability policies shall, when issuing and renewing a policy, give reasonable notice to the named insured of all of the following:

- 4a.** The named insured is required to purchase uninsured motorist bodily injury coverage, uninsured motorist property damage coverage, and, ~~if applicable,~~ underinsured motorist bodily injury coverage.
- 2b.** The named insured's uninsured motorist bodily injury coverage limits shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for uninsured motorist bodily injury coverage.
- 3c.** The named insured's uninsured motorist property damage coverage limits shall be equal to the highest limits of property damage liability coverage for any one vehicle insured under the policy unless the insured elects to purchase lesser limits for uninsured motorist property damage coverage.
- 4d.** The named insured's underinsured motorist bodily injury coverage limits, ~~if applicable,~~ shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for underinsured motorist bodily injury coverage.
- 5e.** The named insured may purchase uninsured motorist bodily injury coverage and, ~~if applicable,~~ underinsured motorist coverage with limits up to one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident.

The insurer shall be deemed to have given reasonable notice if it includes, in at least 12 point type, Form **NC 03 40 02-10** Notice Of Right To Purchase Higher Limits of UM/UIM or substantially similar language as a notice accompanying the original and renewal declarations page or if it includes, in at least 12 point type, the same language as the language in said form, or substantially similar language, on the policy's original and renewal declarations page.

~~DB.~~ Deductible Insurance

- 1.** Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this Manual.

2. Collision Deductibles for Which No Premiums Are Shown

- \$ 25 Deduct. (071) – Charge 150% of the \$50 Deduct. Collision Premium
- \$ 50 Deduct. (072) – Charge 102% of the \$100 Deduct. Collision Premium
- \$ 200 Deduct. (073) – Charge 97% of the \$100 Deduct. Collision Premium
- \$ 250 Deduct. (076) – Charge 96% of the \$100 Deduct. Collision Premium
- \$ 500 Deduct. (077) – Charge 91% of the \$100 Deduct. Collision Premium
- \$ 1,000 Deduct. (078) – Charge 81% of the \$100 Deduct. Collision Premium

3. Comprehensive Deductibles for Which No Premiums Are Shown

- \$ 50 Deduct. (003) – Charge 96% of the Full Coverage Comprehensive Premium
- \$ 100 Deduct. (010) – Charge 93% of the Full Coverage Comprehensive Premium
- \$ 250 Deduct. (055) – Charge 84% of the Full Coverage Comprehensive Premium
- \$ 500 Deduct. (726) – Charge 70% of the Full Coverage Comprehensive Premium
- \$ 1,000 Deduct. (727) – Charge 58% of the Full Coverage Comprehensive Premium

4. Theft – \$50 Deductible – Charge 75% of the Full Coverage Theft Rate.

EC. Extended Transportation Expenses Coverage

1. Eligibility

Only policies providing Comprehensive Coverage may be afforded either Extended Transportation Expenses Coverage or Increased Limits Transportation Expenses Coverage.

2. Rating

The rates for this coverage are not subject to classification rating or modification by any rating plan.

Coverage	Annual Rate Per Auto
\$15/\$450 Extended Transportation Expenses Coverage (Cov. Code 704)	\$13
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	\$26
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	\$42
\$75/\$2,250 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 163)	\$61
\$100/\$3,000 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 164)	\$79

3. Endorsement

Attach either Endorsement **NC 03 02** (which provides for only the first three available limits) or Endorsement **NC 03 14** (which provides for all available limits) to the policy.

FD. Towing and Labor Costs

1. This coverage may be written only for Private Passenger Autos.
2. The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	\$ 3
50	6
100	9
None (subject to coverage provisions)	20

3. Attach applicable endorsement.

GE. Coverage For Damage To Your Auto – Coverage For Audio, Visual And Data Electronic Equipment

1. Coverage

Electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by the vehicle's manufacturer are automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disk players or recorders;
- d. Citizens band radios;
- e. Telephones;
- f. Two-way mobile radios;
- g. Scanning monitor receivers;
- h. Television monitor receivers;
- i. Video cassette players or recorders;
- j. Audio cassette players or recorders;
- k. Personal computers; or
- l. Digital videodisk players or recorders.

However, electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by **other than** the vehicle's manufacturer are subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits with the premiums per auto shown in the table below. Permanently installed means installed by bolts, brackets, or welding in a location in accordance with applicable laws and regulations for the installation of such equipment or device.

Coverage is not available for loss to:

- equipment designed or used to detect or deter radar, laser, or other speed monitoring equipment whether or not permanently installed; or
- tapes, records, discs or other media.

2. Rating

The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

Maximum Limit Of Liability For Electronic Equipment	Premium Per Auto
\$ 1,500	\$ 30
2,000	60
2,500	90
3,000	120
3,500	150
4,000	180
4,500	210
5,000	240

For limits in excess of \$5,000, charge an additional \$30 per \$500 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

HE. Auto Death Indemnity Or Benefits, Specific Disability Benefits And Total Disability Benefits Rates

1. Automobile Death Indemnity or Benefit, Specific Disability Benefits and Total Disability Benefits are available to any person under a policy affording auto bodily injury liability insurance with respect to an auto classified or rated as a private passenger auto.
2. Annual rates per person insured:

- a. Coverage **A** – Auto Death Indemnity or Benefit
(Class Code 904000)

Principal Sum	Annual Rate
\$ 5,000	\$ 2
10,000	4

- b. Coverages A and B – Auto Death Indemnity or Benefit and Specific Disability Benefits
Dismemberment and Loss of Sight and Fractures and Dislocations. (Class Code 907000)

Principal Sum	Annual Rate
\$ 5,000	\$ 3
10,000	5

- c. Coverage C – Total Disability Benefits – (Class Code 903000)

Weekly Indemnity	Annual Rate
\$ 25	\$ 3
35	3
50	6

- d. Coverage C – Total Disability Benefits – Maximum 200 weeks.
(Class Code 905000)

Weekly Indemnity	Annual Rate
\$ 25	\$ 2
35	3
50	5

3. For the addition of one or more of the coverages to outstanding policies, charges per month, or fraction thereof, of 10% of the applicable annual rates shall be made. These charges shall be subject to a minimum total charge of \$2 per policy or endorsement, and to a maximum total charge of the total of the annual rates for the coverages afforded.

IG. Repair or Replacement Coverages

1. Five Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST for losses caused by other than fire, theft, larceny, malicious mischief or vandalism.

- b. Repair or Replacement Coverage is available:

(1) Only for autos purchased new.

(2) Only if this coverage is added within 60 days after purchase of the new auto. If the coverage is added after the date of purchase of the new auto, coverage does not become effective until the date of purchase of this coverage.

(3) Only if this coverage is maintained continuously on the auto.

(4) If the auto is not more than 5 years old. The age of the auto shall be determined by subtracting the year the endorsement was first added to the policy for that auto from the year of inception of the current annual period of the policy.

(5) Only if the collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 15% of the combined collision and other than collision premiums.

d. Attach Endorsement **NC 03 11**.

2. One Year Coverage

a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST.

b. Replacement Cost Coverage is available:

- (1) Only for autos purchased new by the policyholder or applicant with less than 150 miles on the odometer.
- (2) Only if this coverage is added within 60 days after the purchase of the new auto. If the coverage is added after the date of purchase of the new auto coverage does not become effective until the date of purchase of this coverage.
- (3) Only if this coverage is maintained continuously on the auto.
- (4) Only if collision and other than collision coverages are carried for the auto.

c. Rates

Charge 10% of the combined collision and other than collision premiums.

d. Duration of Coverage

This coverage will apply until one year from the date of purchase of the new auto or an odometer reading of 15,000 miles, whichever comes first.

e. Attach Endorsement **NC 03 12**.

JH. Coverage for Rented Vehicles

1. Insurers may offer coverage for rented vehicles with every motor vehicle policy covering a motor vehicle registered in North Carolina. Attach the Coverage for Rented Vehicles endorsement to the policy.

2. Rating

- a. To add Coverage for Rented Vehicles, charge an annual premium of \$4 for personal auto liability policies which provide both comprehensive and collision coverages.
- b. To add Coverage for Rented Vehicles, charge an annual premium of \$16 for personal auto liability policies which do not provide both comprehensive and collision coverages.
- c. The premium for Coverage for Rented Vehicles is not subject to classification or modification by any rating plan.

3. Cancellation

If Coverage for Rented Vehicles is cancelled by the insured, the entire annual premium shall be fully earned by the company.

KI. Original Equipment Manufacturer (OEM) Parts Loss Settlement

1. Coverage

A loss settlement Original Equipment Manufacturer (OEM) Parts coverage option may be made available when physical damage coverage is afforded under a policy. The OEM parts loss settlement option is subject to the following:

- a. If a repair results in the replacement of exterior sheet metal and/or exterior plastic parts, OEM parts shall be used if such parts are available.
If OEM parts are not available, non-OEM parts may be used.
- b. If a repair results in the replacement of any damaged parts other than exterior sheet metal and/or exterior plastic parts, the insurer may require or specify the use of non-OEM parts.

2. Rating

Charge 5% of the otherwise applicable premium for Comprehensive and 5% of the otherwise applicable premium for Collision coverages.

3. Endorsement

Attach the Loss Settlement – Original Equipment Manufacturer Parts Endorsement to the policy.

LJ. Coverage For Damage To Your Auto – Customizing Equipment Coverage

1. Coverage

Custom furnishings or equipment are automatically covered under the policy up to \$1,000 without additional premium charge. This limit may be increased.

Custom furnishings or equipment includes, but is not limited to:

- a. Special carpeting and insulation, furniture or bars;
- b. Facilities for cooking and sleeping;

- c. Height extending roofs or ladders;
- d. Custom windows, murals, paintings or other decals or graphics;
- e. Tool boxes and fifth wheel conversions;
- f. Side exhausts and headers;
- g. Winches and roll bars;
- h. Special wheels/tires; or
- i. Body or suspension alterations.

Note

The optional coverage buybacks for customized furnishings or equipment that are described in **2.** below do not apply to the following:

- Camper bodies (refer to Rule **19.A.**); and
- Caps, covers or bedliners.

2. Rating

- a. The provisions of Rule **4.** Classifications and Rule **5.** Safe Driver Insurance Plan do not apply for this coverage.
- b. The \$1,000 limit for custom furnishings or equipment may be increased to any one of the limits with premiums per auto shown below.

Maximum Limit of Liability For Customizing Equipment	Premium Per Auto
\$ 2,000	\$ 70
3,000	120
4,000	170
5,000	210
6,000	240
7,000	270
8,000	300
9,000	320
10,000	340
11,000	360
12,000	380
13,000	400
14,000	420
15,000	440
16,000	460
17,000	480
18,000	500
19,000	520
20,000	540

For limits in excess of \$20,000, charge \$20 per \$1000 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

~~The following section is added to this rule:~~

MK. Foster Child Named Driver Exclusion

1. Requirements

An insurer may, at the request of the named insured, exclude under a policy of motor vehicle insurance a specific individual from certain coverages when a motor vehicle is operated by the specifically excluded individual. The excluded driver must be a foster child and a resident of the named insured's household and must be in the custody of the named insured. In addition, the foster child must be insured under an in-force policy of automobile insurance which, at a minimum, must provide liability coverage at limits equal to or greater than the minimum limits required by G. S. 20-279.21. This policy of insurance requirement may be satisfied by purchasing a Named Non-Owner Policy or a Personal Auto Policy.

2. Additional Requirements

- a. The Foster Child Named Driver Exclusion Endorsement shall remain in effect:

- (1) For the term of the policy; and
- (2) For each renewal, reinstatement, substitute, modified, replacement or amended policy; unless discontinued by the insurer or insured.
- b. If a Foster Child Named Driver Exclusion Endorsement is attached to the policy:
 - (1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverage(s).
 - (2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
- c. If a loss payee is shown in the policy and Collision Coverage or Other Than Collision Coverage is excluded under the Foster Child Named Driver Exclusion Endorsement, the loss payee shall be sent a notice indicating that the policy contains a named driver exclusion which excludes Collision Coverage or Other Than Collision Coverage.

3. Endorsement

Attach the Foster Child Named Driver Exclusion Endorsement to the policy.

NL. TRANSPORTATION NETWORK DRIVER COVERAGE – NORTH CAROLINA REINSURANCE FACILITY BUSINESS ONLY

(This Rule applies only to those policies ceded to the North Carolina Reinsurance Facility)

1. Coverage

Limited Transportation Network Driver Coverage (No Passenger) provides an option to purchase coverage for participation as a transportation network driver for the period of time from when the driver logs into a "transportation network platform" up until the driver accepts a request through the "transportation network platform" to transport a passenger.

2. Rating

a. Liability and Medical Payments Coverages

Use the TNC primary rating factor from the Primary Classification Rating Factors table instead of the otherwise applicable primary classification usage factor. All other provisions of this manual apply where applicable.

b. ~~Uninsured Motorists and Combined Uninsured/Underinsured Motorists~~ **Bodily Injury Coverages and Uninsured Motorists Property Damage Coverage**

Charge the otherwise applicable premium for ~~Uninsured Motorists Coverage or Combined Uninsured/Underinsured Motorists~~ **Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage**. Refer to Rule 14.

3. Endorsement

Attach Endorsement **PP 55 45** – Limited Transportation Network Driver Coverage (No Passenger) Endorsement to the policy.

OM. Delivery Coverage

1. Coverage

Delivery Coverage provides an option to purchase coverage for an auto used for the delivery of food, goods, items or products, including, but not limited to, coverage for an auto used by an insured who is logged into a delivery network platform as a driver to provide delivery services.

2. Rating

a. Liability, Medical Payments, Collision and Comprehensive Coverages

Charge 25% of the otherwise applicable premium for Liability, Medical Payments, Collision and Comprehensive Coverages. All other provisions of this manual apply where applicable.

b. ~~Uninsured Motorists And Combined Uninsured/Underinsured Motorists~~ **Bodily Injury Coverages and Uninsured Motorists Property Damage Coverage**

Charge the otherwise applicable premium for ~~Uninsured Motorists Coverage or Combined Uninsured/Underinsured Motorists~~ **Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage**. Refer to Rule 14.

3. Endorsement

Attach Endorsement **NC 03 38** – Delivery Coverage to the policy.

14. MISCELLANEOUS COVERAGES

A. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage And Uninsured Motorists Property Damage Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

a. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Note

(1) The limits of Combined Uninsured/Underinsured Motorist Bodily Injury Coverage shall equal the highest limits of liability for Bodily Injury Liability Coverage for any one vehicle insured under the policy provided, however, that:

(a) The limits shall not be required to exceed \$1,000,000/\$1,000,000 regardless of whether the highest limits of bodily injury liability coverage for any one vehicle insured under the policy exceed those limits; and

(b) A named insured may purchase greater or lesser limits, but not less than the bodily injury liability limits required by North Carolina's financial responsibility law, and in no event shall an insurer be required to sell combined uninsured/underinsured motorist bodily injury coverage at limits that exceed \$1,000,000/\$1,000,000; and

(c) The limits for uninsured motorist bodily injury coverage and underinsured motorist bodily injury coverage shall be equal.

(2) The limit of Uninsured Motorist Property Damage Coverage sold with Combined Uninsured/Underinsured Motorist Bodily Injury Coverage, shall equal the highest limit of liability for Property Damage Liability Coverage for any one vehicle insured under the policy, provided, however, that:

(a) The limits shall not be required to exceed \$1,000,000 regardless of whether the highest limits of property damage liability coverage for any one vehicle insured under the policy exceed those limits; and

(b) A named insured may purchase lesser limits of Uninsured Motorist Property Damage Coverage but not less than the property damage liability limits required by North Carolina's financial responsibility law.

(3) Each time a policy is issued or renewed, the insurer shall notify the named insured as provided in Rule **14.A.3.**

b. Rates

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

B.I. UM/UIM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ 55	\$ 136
100/200	84	207
100/300	87	215
250/500	142	351
300/300	150	371
500/500	175	432
500/1,000	181	447
1,000/1,000	226	558

The per policy rates for Uninsured Motorist Property Damage Coverage sold with Combined Uninsured/Underinsured Motorist Bodily Injury Coverage are as follows:

P.D. UM Coverage		
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50,000	\$ 3	\$ 7
100,000	4	10
250,000	6	15
500,000	8	20
750,000	10	25
1,000,000	11	27

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, low speed vehicle, modified utility vehicle, motorcycle, golf cart or other miscellaneous type vehicle.

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

c. Additional Persons

Combined Uninsured/Underinsured Motorists Bodily Injury Coverage may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

2. Non-Owners – (Class Code 990000)

a. A Named Non-Owner Liability Policy may be extended to provide Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

b. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage may be afforded to any person who does not own an auto and who is not otherwise afforded Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage.

Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:

Policy Term	Factor
One Year	3.50
Three Years	5.50

3. Notice

Every insurer that sells motor vehicle liability policies shall, when issuing and renewing a policy, give reasonable notice to the named insured of all of the following:

a. The named insured is required to purchase uninsured motorist bodily injury coverage, uninsured motorist property damage coverage, and underinsured motorist bodily injury coverage.

b. The named insured's uninsured motorist bodily injury coverage limits shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for uninsured motorist bodily injury coverage.

c. The named insured's uninsured motorist property damage coverage limits shall be equal to the highest limits of property damage liability coverage for any one vehicle insured under the policy unless the insured elects to purchase lesser limits for uninsured motorist property damage coverage.

d. The named insured's underinsured motorist bodily injury coverage limits shall be equal to the highest limits of bodily injury liability coverage for any one vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for underinsured motorist bodily injury coverage.

e. The named insured may purchase uninsured motorist bodily injury coverage and underinsured motorist coverage with limits up to one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident.

The insurer shall be deemed to have given reasonable notice if it includes, in at least 12 point type, Form **NC 03 40** - Notice Of Right To Purchase Higher Limits of UM/UIM or substantially similar language as a notice accompanying the original and renewal declarations page or if it includes, in at least 12 point type, the same language as the language in said form, or substantially similar language, on the policy's original and renewal declarations page.

B. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this Manual.

2. Collision Deductibles for Which No Premiums Are Shown

\$ 25 Deduct. (071)	– Charge 150% of the \$50 Deduct. Collision Premium
\$ 50 Deduct. (072)	– Charge 102% of the \$100 Deduct. Collision Premium
\$ 200 Deduct. (073)	– Charge 97% of the \$100 Deduct. Collision Premium
\$ 250 Deduct. (076)	– Charge 96% of the \$100 Deduct. Collision Premium
\$ 500 Deduct. (077)	– Charge 91% of the \$100 Deduct. Collision Premium
\$ 1,000 Deduct. (078)	– Charge 81% of the \$100 Deduct. Collision Premium

3. Comprehensive Deductibles for Which No Premiums Are Shown

- \$ 50 Deduct. (003) – Charge 96% of the Full Coverage Comprehensive Premium
- \$ 100 Deduct. (010) – Charge 93% of the Full Coverage Comprehensive Premium
- \$ 250 Deduct. (055) – Charge 84% of the Full Coverage Comprehensive Premium
- \$ 500 Deduct. (726) – Charge 70% of the Full Coverage Comprehensive Premium
- \$ 1,000 Deduct. (727) – Charge 58% of the Full Coverage Comprehensive Premium

4. Theft – \$50 Deductible – Charge 75% of the Full Coverage Theft Rate.

C. Extended Transportation Expenses Coverage

1. Eligibility

Only policies providing Comprehensive Coverage may be afforded either Extended Transportation Expenses Coverage or Increased Limits Transportation Expenses Coverage.

2. Rating

The rates for this coverage are not subject to classification rating or modification by any rating plan.

Coverage	Annual Rate Per Auto
\$15/\$450 Extended Transportation Expenses Coverage (Cov. Code 704)	\$13
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	\$26
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	\$42
\$75/\$2,250 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 163)	\$61
\$100/\$3,000 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 164)	\$79

3. Endorsement

Attach either Endorsement **NC 03 02** (which provides for only the first three available limits) or Endorsement **NC 03 14** (which provides for all available limits) to the policy.

D. Towing and Labor Costs

- 1. This coverage may be written only for Private Passenger Autos.
- 2. The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	\$ 3
50	6
100	9
None (subject to coverage provisions)	20

- 3. Attach applicable endorsement.

E. Coverage For Damage To Your Auto – Coverage For Audio, Visual And Data Electronic Equipment

1. Coverage

Electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by the vehicle's manufacturer are automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disk players or recorders;
- d. Citizens band radios;
- e. Telephones;
- f. Two-way mobile radios;
- g. Scanning monitor receivers;
- h. Television monitor receivers;
- i. Video cassette players or recorders;
- j. Audio cassette players or recorders;
- k. Personal computers; or
- l. Digital videodisk players or recorders.

However, electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by **other than** the vehicle's manufacturer are subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits with the premiums per auto shown in the table below. Permanently installed means installed by bolts, brackets, or welding in a location in accordance with applicable laws and regulations for the installation of such equipment or device.

Coverage is not available for loss to:

- equipment designed or used to detect or deter radar, laser, or other speed monitoring equipment whether or not permanently installed; or
- tapes, records, discs or other media.

2. Rating

The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

Maximum Limit Of Liability For Electronic Equipment	Premium Per Auto
\$ 1,500	\$ 30
2,000	60
2,500	90
3,000	120
3,500	150
4,000	180
4,500	210
5,000	240

For limits in excess of \$5,000, charge an additional \$30 per \$500 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

F. Auto Death Indemnity Or Benefits, Specific Disability Benefits And Total Disability Benefits Rates

- 1. Automobile Death Indemnity or Benefit, Specific Disability Benefits and Total Disability Benefits are available to any person under a policy affording auto bodily injury liability insurance with respect to an auto classified or rated as a private passenger auto.
- 2. Annual rates per person insured:
 - a. Coverage **A** – Auto Death Indemnity or Benefit (Class Code 904000)

Principal Sum	Annual Rate
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\$ 5,000	\$ 2
10,000	4

- b. Coverages A and B – Auto Death Indemnity or Benefit and Specific Disability Benefits
Dismemberment and Loss of Sight and Fractures and Dislocations. (Class Code 907000)

Principal Sum	Annual Rate
\$ 5,000	\$ 3
10,000	5

- c. Coverage C – Total Disability Benefits – (Class Code 903000)

Weekly Indemnity	Annual Rate
\$ 25	\$ 3
35	3
50	6

- d. Coverage C – Total Disability Benefits – Maximum 200 weeks.
(Class Code 905000)

Weekly Indemnity	Annual Rate
\$ 25	\$ 2
35	3
50	5

3. For the addition of one or more of the coverages to outstanding policies, charges per month, or fraction thereof, of 10% of the applicable annual rates shall be made. These charges shall be subject to a minimum total charge of \$2 per policy or endorsement, and to a maximum total charge of the total of the annual rates for the coverages afforded.

G. Repair or Replacement Coverages

1. Five Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST for losses caused by other than fire, theft, larceny, malicious mischief or vandalism.
- b. Repair or Replacement Coverage is available:
- (1) Only for autos purchased new.
 - (2) Only if this coverage is added within 60 days after purchase of the new auto. If the coverage is added after the date of purchase of the new auto, coverage does not become effective until the date of purchase of this coverage.
 - (3) Only if this coverage is maintained continuously on the auto.
 - (4) If the auto is not more than 5 years old. The age of the auto shall be determined by subtracting the year the endorsement was first added to the policy for that auto from the year of inception of the current annual period of the policy.
 - (5) Only if the collision and other than collision coverages are carried for the auto.

c. Rates

Charge 15% of the combined collision and other than collision premiums.

d. Attach Endorsement **NC 03 11**.

2. One Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST.
- b. Replacement Cost Coverage is available:
- (1) Only for autos purchased new by the policyholder or applicant with less than 150 miles on the odometer.
 - (2) Only if this coverage is added within 60 days after the purchase of the new auto. If the coverage is added after the date of purchase of the new auto coverage does not become effective until the date of purchase of this coverage.
 - (3) Only if this coverage is maintained continuously on the auto.
 - (4) Only if collision and other than collision coverages are carried for the auto.

c. Rates

Charge 10% of the combined collision and other than collision premiums.

d. Duration of Coverage

This coverage will apply until one year from the date of purchase of the new auto or an odometer reading of 15,000 miles, whichever comes first.

e. Attach Endorsement NC 03 12.

H. Coverage for Rented Vehicles

1. Insurers may offer coverage for rented vehicles with every motor vehicle policy covering a motor vehicle registered in North Carolina. Attach the Coverage for Rented Vehicles endorsement to the policy.

2. Rating

a. To add Coverage for Rented Vehicles, charge an annual premium of \$4 for personal auto liability policies which provide both comprehensive and collision coverages.

b. To add Coverage for Rented Vehicles, charge an annual premium of \$16 for personal auto liability policies which do not provide both comprehensive and collision coverages.

c. The premium for Coverage for Rented Vehicles is not subject to classification or modification by any rating plan.

3. Cancellation

If Coverage for Rented Vehicles is cancelled by the insured, the entire annual premium shall be fully earned by the company.

I. Original Equipment Manufacturer (OEM) Parts Loss Settlement

1. Coverage

A loss settlement Original Equipment Manufacturer (OEM) Parts coverage option may be made available when physical damage coverage is afforded under a policy. The OEM parts loss settlement option is subject to the following:

a. If a repair results in the replacement of exterior sheet metal and/or exterior plastic parts, OEM parts shall be used if such parts are available.

If OEM parts are not available, non-OEM parts may be used.

b. If a repair results in the replacement of any damaged parts other than exterior sheet metal and/or exterior plastic parts, the insurer may require or specify the use of non-OEM parts.

2. Rating

Charge 5% of the otherwise applicable premium for Comprehensive and 5% of the otherwise applicable premium for Collision coverages.

3. Endorsement

Attach the Loss Settlement – Original Equipment Manufacturer Parts Endorsement to the policy.

J. Coverage For Damage To Your Auto – Customizing Equipment Coverage

1. Coverage

Custom furnishings or equipment are automatically covered under the policy up to \$1,000 without additional premium charge. This limit may be increased.

Custom furnishings or equipment includes, but is not limited to:

a. Special carpeting and insulation, furniture or bars;

b. Facilities for cooking and sleeping;

c. Height extending roofs or ladders;

d. Custom windows, murals, paintings or other decals or graphics;

e. Tool boxes and fifth wheel conversions;

f. Side exhausts and headers;

g. Winches and roll bars;

h. Special wheels/tires; or

i. Body or suspension alterations.

Note

The optional coverage buybacks for customized furnishings or equipment that are described in 2. below do not apply to the following:

- Camper bodies (refer to Rule **19.A.**); and
- Caps, covers or bedliners.

2. Rating

- The provisions of Rule **4. Classifications** and Rule **5. Safe Driver Insurance Plan** do not apply for this coverage.
- The \$1,000 limit for custom furnishings or equipment may be increased to any one of the limits with premiums per auto shown below.

Maximum Limit of Liability For Customizing Equipment	Premium Per Auto
\$ 2,000	\$ 70
3,000	120
4,000	170
5,000	210
6,000	240
7,000	270
8,000	300
9,000	320
10,000	340
11,000	360
12,000	380
13,000	400
14,000	420
15,000	440
16,000	460
17,000	480
18,000	500
19,000	520
20,000	540

For limits in excess of \$20,000, charge \$20 per \$1000 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

K. Foster Child Named Driver Exclusion

1. Requirements

An insurer may, at the request of the named insured, exclude under a policy of motor vehicle insurance a specific individual from certain coverages when a motor vehicle is operated by the specifically excluded individual. The excluded driver must be a foster child and a resident of the named insured's household and must be in the custody of the named insured. In addition, the foster child must be insured under an in-force policy of automobile insurance which, at a minimum, must provide liability coverage at limits equal to or greater than the minimum limits required by G. S. 20-279.21. This policy of insurance requirement may be satisfied by purchasing a Named Non-Owner Policy or a Personal Auto Policy.

2. Additional Requirements

- The Foster Child Named Driver Exclusion Endorsement shall remain in effect:
 - For the term of the policy; and
 - For each renewal, reinstatement, substitute, modified, replacement or amended policy; unless discontinued by the insurer or insured.
- If a Foster Child Named Driver Exclusion Endorsement is attached to the policy:
 - The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverage(s).
 - The named excluded driver shall not be listed as an operator of any auto covered under the policy.
- If a loss payee is shown in the policy and Collision Coverage or Other Than Collision Coverage is excluded under the Foster Child Named Driver Exclusion Endorsement, the loss payee shall be sent a notice indicating that the policy contains a named driver exclusion which excludes Collision Coverage or Other Than Collision Coverage.

3. Endorsement

Attach the Foster Child Named Driver Exclusion Endorsement to the policy.

L. TRANSPORTATION NETWORK DRIVER COVERAGE – NORTH CAROLINA REINSURANCE FACILITY BUSINESS ONLY

(This Rule applies only to those policies ceded to the North Carolina Reinsurance Facility)

1. Coverage

Limited Transportation Network Driver Coverage (No Passenger) provides an option to purchase coverage for participation as a transportation network driver for the period of time from when the driver logs into a "transportation network platform" up until the driver accepts a request through the "transportation network platform" to transport a passenger.

2. Rating

a. Liability and Medical Payments Coverages

Use the TNC primary rating factor from the Primary Classification Rating Factors table instead of the otherwise applicable primary classification usage factor. All other provisions of this manual apply where applicable.

b. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage

Charge the otherwise applicable premium for Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage. Refer to Rule 14.

3. Endorsement

Attach Endorsement **PP 55 45** – Limited Transportation Network Driver Coverage (No Passenger) Endorsement to the policy.

M. Delivery Coverage

1. Coverage

Delivery Coverage provides an option to purchase coverage for an auto used for the delivery of food, goods, items or products, including, but not limited to, coverage for an auto used by an insured who is logged into a delivery network platform as a driver to provide delivery services.

2. Rating

a. Liability, Medical Payments, Collision and Comprehensive Coverages

Charge 25% of the otherwise applicable premium for Liability, Medical Payments, Collision and Comprehensive Coverages. All other provisions of this manual apply where applicable.

b. Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage

Charge the otherwise applicable premium for Combined Uninsured/Underinsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage. Refer to Rule 14.

3. Endorsement

Attach Endorsement **NC 03 38** – Delivery Coverage to the policy.