



**NORTH CAROLINA RATE BUREAU**  
5401 Six Forks Road • Raleigh NC • 27609  
(919) 783-9790 • www.ncrb.org

April 4, 2003

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**Re: Revised Automobile and Motorcycle  
Insurance Rates - North Carolina**

On January 31, 2003, the Rate Bureau filed with the Commissioner of Insurance rate level changes for non-fleet private passenger automobiles and motorcycles. The Rate Bureau's filing set forth (1) average rate level changes for non-fleet private passenger automobiles of -1.6% for liability coverages and -19.0% for physical damage coverages, averaging -10.0%; and (2) average rate level changes for motorcycle liability coverages of -5.3%. In addition to revised private passenger automobile and motorcycle insurance rates, the Rate Bureau's filing included revised classification and sub-classification plans rating factors.

Following lengthy negotiations, the Rate Bureau and the Commissioner of Insurance have agreed to settle the 2003 private passenger auto insurance rate filing. Enclosed herewith is a copy of the signed Settlement Agreement and Consent Order dated April 2, 2003 in connection with the settlement.

Also enclosed are exhibits which set forth the revised base rates for non-fleet private passenger automobile liability and physical damage coverages, the revised relativities for motorcycle liability coverages, and revised classification and subclassification plans rating factors. These revised rates and rating factors are approved by the Commissioner of Insurance, and therefore no portion of the premiums written using these new rates and rating factors is required to be placed in escrow.

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

These changes are applicable to all new and renewal policies effective on or after July 1, 2003. No policy effective prior to July 1, 2003 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, 2003.

The Rate Bureau is advised as follows with respect to private passenger automobile insurance ceded to the North Carolina Reinsurance Facility: Based on a filing submitted by the Facility to the Commissioner of Insurance, the changes in the classification and sub-classification plans rating factors described above also apply to private passenger automobile insurance ceded to the Facility, effective July 1, 2003 in accordance with the same Rule of Application set forth above. Concurrent with the changes in these rating factors, the base rates for "other than clean risk" business ceded to the Facility are revised to be consistent with the revised factors. These new base rates for "other than clean risk" business ceded to the Facility are set forth in the enclosed exhibits. In addition, the rates for uninsured motorists coverages, combined uninsured and underinsured motorists coverages and motorcycle liability coverages described above also apply to private passenger automobile insurance ceded to the Facility. All of these revised rates are effective July 1, 2003 in accordance with the same Rule of Application set forth above.

#### ESCROW REQUIREMENTS

With regard to the rates implemented April 1, 2002 and in force through January 26, 2003 (see Rate Bureau Circular Letter A-02-01), companies were required to escrow that portion of the premium which exceeds the premium using the Commissioner's ordered rates. That escrow account arose from the 2001 Auto case and applied to all policies becoming effective during the period April 1, 2002 through January 26, 2003. This escrow is not affected by the settlement of the 2003 Auto case and companies should maintain this escrow until the 2001 Auto case is resolved.

With regard to the rates implemented January 27, 2003 (see Rate Bureau Circular Letters A-02-7, A-02-8 and A-02-9) and which will be in force through June 30, 2003, companies are required to escrow that portion of the premium which exceeds the premium using the Commissioner's ordered rates. This escrow requirement arises from the 2002 Auto case and applies to all policies becoming effective during the period January 27, 2003 through

June 30, 2003. The amounts currently in this escrow account and the amounts placed into this escrow on policies becoming effective through June 30, 2003 are not affected by the settlement of the 2003 Auto case and companies should maintain this escrow until the 2002 Auto case is resolved.

As noted above, the revised rates and rating factors arising out of the 2003 Auto filing for use on policies becoming effective on and after July 1, 2003 are approved by the Commissioner of Insurance and no portion of the premiums written on policies becoming effective on and after July 1, 2003 is required to be placed in escrow.

#### 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 and rules should be sent as soon as possible to your agents to make them aware of the new rates and rules.

The following is a list of attachments:

A-1 to A-4 Settlement Agreement and Consent Order  
A-5 Summary of Approved Rate Level Changes  
A-6 Voluntary Liability Manual Rate Page  
A-7 Ceded Liability Manual Rate Page  
A-8 Revised Base Rates - Voluntary Liability  
A-9 Revised Physical Damage Base Rates  
A-10 to A-11 Model Year and Symbol Relativities  
A-12 Revised Uninsured Motorists Rates  
A-13 Revised Combined Uninsured/Underinsured  
Motorists Rates  
A-14 Revised Motorcycle Liability Relativities  
A-15 to A-16 Revised Classification and Sub-Classification  
Plans Factors

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

Personal Lines Manager

FTL:dp

Enclosures

A-03-1

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

IN THE MATTER OF THE FILING ) BEFORE THE COMMISSIONER  
DATED JANUARY 31, 2003 ) OF INSURANCE  
BY THE NORTH CAROLINA )  
RATE BUREAU FOR REVISED AUTOMOBILE )  
INSURANCE RATES – PRIVATE )  
PASSENGER CARS AND MOTORCYCLES ) Docket No. 1120

\*\*\*\*\*  
SETTLEMENT AGREEMENT AND CONSENT ORDER  
\*\*\*\*\*

It appears to the Commissioner of Insurance (“Commissioner”) that the North Carolina Rate Bureau (“Bureau”) and the North Carolina Department of Insurance (“Department”) have, after consultation with their respective legal and actuarial advisors and subject to approval by the Commissioner and to the conditions hereinafter set forth, entered into an overall settlement of all matters and things in connection with the Bureau’s filing for private passenger automobile insurance rates dated January 31, 2003.

It further appears to the Commissioner that the overall settlement of the filing is fair and reasonable, complies with the provisions of Chapter 58 of the North Carolina General Statutes, is in the best interest of the parties and the public in general, and should be approved.

NOW, THEREFORE, IT IS ORDERED as follows:

1. The filing is approved subject to the modifications set forth hereinafter.

2. The approved rate level change for each automobile coverage shall be as set forth below relative to the Bureau manual rate levels currently in force:

LIABILITY

BODILY INJURY	1.3%
PROPERTY DAMAGE	-10.2%
MEDICAL PAYMENTS	0.7%
UNINSURED MOTORIST	0.3%
UNDERINSURED MOTORIST	<u>3.9%</u>
LIABILITY TOTAL	-3.5%

PHYSICAL DAMAGE

COMPREHENSIVE	-31.8%
COLLISION	<u>-24.9%</u>
PHYSICAL DAMAGE TOTAL	-27.3%
GRAND TOTAL	-15.0%

The approved rate level change for motorcycle liability coverage shall be -5.3%. The approved relativities for motorcycle insurance shall be such relativities as shall result from the herein approved automobile and motorcycle rate level changes.

3. The filing, as approved herein, shall be implemented in accordance with the following Rule of Application:

These changes are applicable to all policies effective on or after July 1, 2003. No policy effective prior to July 1, 2003 shall be endorsed or canceled 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, 2003.

4. Subject to the provisions of this paragraph and of Section 5 below, the rates approved herein for the coverages coming within the scope of this Settlement Agreement and Consent Order shall remain in force until July 1, 2004 and thereafter until revised as provided by law, and neither the Bureau nor the Commissioner nor the Department shall undertake to effect a

change in such rates having an effective date prior to July 1, 2004. Provided, however, that nothing in this section shall prevent a change in such rates prior to July 1, 2004 if agreed to by the Bureau and the Commissioner. Provided further, that nothing in this section shall be construed to prevent the Bureau or the Commissioner from taking such action as is within its or his statutory authority to adjust rate relativities, territory definitions and rate relativities, classifications and rules so long as the overall statewide premium level for the coverages affected remain on balance.

5. Notwithstanding any other provision of this Settlement Agreement and Consent Order, in the event of legislative or judicial action subsequent to the date of this Settlement Agreement and Consent Order which changes the statutory ratemaking methodology, rate level need or loss or expense exposure of insurers, either the Bureau or the Commissioner shall have the right to take such action as is within its or his statutory authority to effect a change in rates prior to July 1, 2004 for the sole purpose of adjusting rates to reflect such change in methodology, loss or expense exposure. Further, either the Bureau or the Commissioner shall have the right to take such action as is within its or his statutory authority to adjust rate relativities, territories, classifications and rules in the event of legislative or judicial action subsequent to the date of this Settlement Agreement and Consent Order making such adjustment appropriate.

Nothing herein shall be construed to condone, validate, or constitute acceptance or agreement by the parties hereto to the other's theories, methodologies or calculations regarding or pertaining to profit, dividends and deviations, or any other theory, methodology or calculation.

This 2nd day of April, 2003.

James E. Long  
Commissioner of Insurance

WE CONSENT:

NORTH CAROLINA RATE BUREAU

By: Raymond R. Evans, Jr.  
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: Charles A. Swindell  
Charles A. Swindell  
Deputy Commissioner of Property and Casualty



NORTH CAROLINA  
SUMMARY OF APPROVED RATE LEVEL CHANGES

	EARNED PREMIUMS AT PRESENT <u>MANUAL RATES</u>	APPROVED RATE LEVEL CHANGE
Voluntary Liability:		
Bodily Injury (A)	\$750,460	1.3%
Property Damage (A)	\$702,213	-10.2%
Medical Payments	\$116,453	0.7%
Uninsured Motorists	\$96,436	0.3%
Underinsured Motorists	\$43,205	3.9%
Voluntary Liability Total	\$1,708,767	-3.5%
Physical Damage:		
Comprehensive	\$551,130	-31.8%
Collision	\$1,055,102	-24.9%
Physical Damage Total	\$1,606,232	-27.3%
GRAND TOTAL	\$3,314,999	-15.0%
Motorcycle Liability	\$17,262	-5.3%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - VOLUNTARY LIABILITY

Terr.	BODILY INJURY LIMIT				PROPERTY DAMAGE LIMIT				MEDICAL PAYMENTS LIMIT				
	30/60	50/100	100/300	300/300	\$25,000	\$50,000	\$100,000	\$100,000	\$500	\$750	\$1000	\$2000	\$5000
11	\$115	\$131	\$152	\$173	\$152	\$154	\$157	\$157	\$12	\$16	\$19	\$28	\$41
13	177	202	234	266	187	189	193	193	19	25	30	44	64
14	169	193	223	254	185	187	191	191	18	24	29	42	61
15	188	214	248	282	181	183	186	186	20	27	32	47	68
16	152	173	201	228	187	189	193	193	16	21	26	37	54
17	193	220	255	290	181	183	186	186	21	28	34	49	71
18	138	157	182	207	160	162	165	165	15	20	24	35	51
24	141	161	186	212	149	150	153	153	15	20	24	35	51
25	163	186	215	245	173	175	178	178	18	24	29	42	61
26	205	234	271	308	152	154	157	157	22	29	35	51	74
31	172	196	227	258	164	166	169	169	18	24	29	42	61
32	144	164	190	216	157	159	162	162	15	20	24	35	51
33	172	196	227	258	136	137	140	140	18	24	29	42	61
40	215	245	284	323	182	184	187	187	23	31	37	54	78
41	179	204	236	269	167	169	172	172	19	25	30	44	64
43	161	184	213	242	134	135	138	138	17	23	27	40	57
47	169	193	223	254	146	147	150	150	18	24	29	42	61
51	138	157	182	207	168	170	173	173	15	20	24	35	51
52	185	211	244	278	198	200	204	204	20	27	32	47	68

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

REVISED BASE RATES - CEDED LIABILITY

Terr.	BODILY INJURY				PROPERTY DAMAGE				MEDICAL PAYMENTS				
	LIMIT				LIMIT				LIMIT				
	30/60	50/100	100/300	250/500	\$25,000	\$50,000	\$100,000	\$100,000	\$500	\$750	\$1000	\$2000	\$5000
11	\$166	\$189	\$219	\$252	\$206	\$208	\$212	\$212	\$17	\$23	\$27	\$40	\$57
13	258	294	341	392	249	251	256	256	27	36	43	63	91
14	236	269	312	359	252	255	260	260	25	33	40	59	85
15	271	309	358	412	250	253	258	258	29	39	46	68	98
16	231	263	305	351	266	269	274	274	24	32	38	56	81
17	283	323	374	430	256	259	264	264	30	40	48	70	101
18	209	238	276	318	223	225	230	230	22	29	35	51	74
24	207	236	273	315	203	205	209	209	22	29	35	51	74
25	259	295	342	394	271	274	279	279	27	36	43	63	91
26	346	394	457	526	219	221	226	226	36	48	58	84	122
31	261	298	345	397	228	230	235	235	27	36	43	63	91
32	214	244	282	325	216	218	222	222	22	29	35	51	74
33	254	290	335	386	188	190	194	194	27	36	43	63	91
40	331	377	437	503	250	253	258	258	35	47	56	82	118
41	278	317	367	423	247	249	254	254	29	39	46	68	98
43	259	295	342	394	198	200	204	204	27	36	43	63	91
47	275	314	363	418	212	214	218	218	29	39	46	68	98
51	197	225	260	299	230	232	237	237	21	28	34	49	71
52	276	315	364	420	286	289	295	295	29	39	46	68	98

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

LIABILITY BASE RATES - VOLUNTARY LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
11	\$115	\$152	\$12
13	177	187	19
14	169	185	18
15	188	181	20
16	152	187	16
17	193	181	21
18	138	160	15
24	141	149	15
25	163	173	18
26	205	152	22
31	172	164	18
32	144	157	15
33	172	136	18
40	215	182	23
41	179	167	19
43	161	134	17
47	169	146	18
51	138	168	15
52	185	198	20

Eff. July 1, 2003

NORTH CAROLINA  
PRIVATE PASSENGER AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE BASE RATES (A)

<u>Terr Code</u>	<u>FULL COVERAGE COMPREHENSIVE</u>	<u>\$100 DEDUCTIBLE COLLISION</u>
11	\$36	\$201
13	53	222
14	50	224
15	42	214
16	44	208
17	44	202
18	41	197
24	58	218
25	42	227
26	72	225
31	56	197
32	49	206
33	79	205
40	59	250
41	61	304
43	57	191
47	55	209
51	40	208
52	42	225

(A) MODEL YEAR 2004, SYMBOL 2

NORTH CAROLINA  
 SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COMPREHENSIVE

Model Year

Symbol	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995-1990
1	0.76	0.72	0.68	0.65	0.61	0.58	0.54	0.50	0.46	0.42	0.39
2	1.05	1.00	0.95	0.90	0.85	0.80	0.75	0.69	0.64	0.59	0.54
3	1.19	1.13	1.07	1.02	0.96	0.90	0.85	0.78	0.72	0.67	0.61
4	1.31	1.25	1.19	1.13	1.06	1.00	0.94	0.86	0.80	0.74	0.68
5	1.48	1.41	1.34	1.27	1.20	1.13	1.06	0.97	0.90	0.83	0.76
6	1.67	1.59	1.51	1.43	1.35	1.27	1.19	1.10	1.02	0.94	0.86
7	1.83	1.74	1.65	1.57	1.48	1.39	1.31	1.20	1.11	1.03	0.94
8	1.98	1.89	1.80	1.70	1.61	1.51	1.42	1.30	1.21	1.12	1.02
10	2.14	2.04	1.94	1.84	1.73	1.63	1.53	1.41	1.31	1.20	1.10
11	2.32	2.21	2.10	1.99	1.88	1.77	1.66	1.52	1.41	1.30	1.19
12	2.53	2.41	2.29	2.17	2.05	1.93	1.81	1.66	1.54	1.42	1.30
13	2.72	2.59	2.46	2.33	2.20	2.07	1.94	1.79	1.66	1.53	1.40
14	2.94	2.80	2.66	2.52	2.38	2.24	2.10	1.93	1.79	1.65	1.51
15	3.23	3.08	2.93	2.77	2.62	2.46	2.31	2.13	1.97	1.82	1.66
16	3.56	3.39	3.22	3.05	2.88	2.71	2.54	2.34	2.17	2.00	1.83
17	3.93	3.74	3.55	3.37	3.18	2.99	2.81	2.58	2.39	2.21	2.02
18	4.29	4.09	3.89	3.68	3.48	3.27	3.07	2.82	2.62	2.41	2.21
19	4.68	4.46	4.24	4.01	3.79	3.57	3.35	3.08	2.85	2.63	2.41
20	5.19	4.94	4.69	4.45	4.20	3.95	3.71	3.41	3.16	2.91	2.67
21	5.76	5.49	5.22	4.94	4.67	4.39	4.12	3.79	3.51	3.24	2.96
22	6.50	6.19	5.88	5.57	5.26	4.95	4.64	4.27	3.96	3.65	3.34
23	7.28	6.93	6.58	6.24	5.89	5.54	5.20	4.78	4.44	4.09	3.74
24	8.43	8.03	7.63	7.23	6.83	6.42	6.02	5.54	5.14	4.74	4.34
25	10.37	9.88	9.39	8.89	8.40	7.90	7.41	6.82	6.32	5.83	5.34
26	12.74	12.13	11.52	10.92	10.31	9.70	9.10	8.37	7.76	7.16	6.55

Symbol      1989 & Prior

1	0.15
2	0.17
3	0.24
4	0.29
5	0.34
6	0.44
7	0.54
8	0.64
10	0.81
11	0.98
12	1.15
13	1.35
14	1.59
15	1.92
16	2.33
17	2.80
18	3.34
19	3.99
20	4.73
21	6.55

NORTH CAROLINA  
 SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES  
 COLLISION

Model Year

Symbol	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995-1990
1	0.92	0.88	0.84	0.79	0.75	0.70	0.63	0.58	0.53	0.48	0.43
2	1.05	1.00	0.95	0.90	0.85	0.79	0.72	0.66	0.60	0.54	0.49
3	1.22	1.16	1.10	1.04	0.99	0.92	0.84	0.77	0.70	0.63	0.57
4	1.32	1.26	1.20	1.13	1.07	1.00	0.91	0.83	0.76	0.68	0.62
5	1.41	1.34	1.27	1.21	1.14	1.06	0.96	0.88	0.80	0.72	0.66
6	1.48	1.41	1.34	1.27	1.20	1.11	1.02	0.93	0.85	0.76	0.69
7	1.54	1.47	1.40	1.32	1.25	1.16	1.06	0.97	0.88	0.79	0.72
8	1.61	1.53	1.45	1.38	1.30	1.21	1.10	1.01	0.92	0.83	0.75
10	1.71	1.63	1.55	1.47	1.39	1.29	1.17	1.08	0.98	0.88	0.80
11	1.80	1.71	1.62	1.54	1.45	1.35	1.23	1.13	1.03	0.92	0.84
12	1.85	1.76	1.67	1.58	1.50	1.39	1.27	1.16	1.06	0.95	0.86
13	1.92	1.83	1.74	1.65	1.56	1.45	1.32	1.21	1.10	0.99	0.90
14	2.05	1.95	1.85	1.76	1.66	1.54	1.40	1.29	1.17	1.05	0.96
15	2.15	2.05	1.95	1.85	1.74	1.62	1.48	1.35	1.23	1.11	1.00
16	2.24	2.13	2.02	1.92	1.81	1.68	1.53	1.41	1.28	1.15	1.04
17	2.32	2.21	2.10	1.99	1.88	1.75	1.59	1.46	1.33	1.19	1.08
18	2.45	2.33	2.21	2.10	1.98	1.84	1.68	1.54	1.40	1.26	1.14
19	2.55	2.43	2.31	2.19	2.07	1.92	1.75	1.60	1.46	1.31	1.19
20	2.64	2.51	2.38	2.26	2.13	1.98	1.81	1.66	1.51	1.36	1.23
21	2.74	2.61	2.48	2.35	2.22	2.06	1.88	1.72	1.57	1.41	1.28
22	2.89	2.75	2.61	2.48	2.34	2.17	1.98	1.82	1.65	1.49	1.35
23	3.00	2.86	2.72	2.57	2.43	2.26	2.06	1.89	1.72	1.54	1.40
24	3.14	2.99	2.84	2.69	2.54	2.36	2.15	1.97	1.79	1.61	1.47
25	3.39	3.23	3.07	2.91	2.75	2.55	2.33	2.13	1.94	1.74	1.58
26	3.68	3.50	3.33	3.15	2.98	2.77	2.52	2.31	2.10	1.89	1.72

Symbol      1989 & Prior

1	0.21
2	0.25
3	0.31
4	0.35
5	0.41
6	0.45
7	0.49
8	0.59
10	0.68
11	0.74
12	0.82
13	0.88
14	0.98
15	1.06
16	1.17
17	1.24
18	1.35
19	1.43
20	1.51
21	1.72

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. a. Basic Limits

Basic Limits of Uninsured Motorists Coverage are \$30,000/60,000 Bodily Injury and \$25,000 Property Damage. Property Damage Uninsured Motorists Coverage is subject to an exclusion of the first \$100 of damage.

Rate - Single Car Policy           \$16  
           Multi-Car Policy           \$38

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

1. b. Increased Limits

Increased limits of Uninsured Motorists coverage may be afforded. Property Damage limits may not exceed the Property Damage limit afforded by the policy.

Uninsured Motorists Coverage is available at the following limits with rates per policy shown:

	B.I. Limits		P.D. Limits			
	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy
\$ 30/60	\$ [14] <u>14</u>	\$[33] <u>33</u>	\$ 25	\$ 2	\$ 5	
50/100	[15] <u>15</u>	[35] <u>35</u>	50	3	7	
100/200	[16] <u>16</u>	[38] <u>38</u>	100	4	9	
100/300	[17] <u>17</u>	[40] <u>40</u>	250	6	14	
300/300	[18] <u>19</u>	[42] <u>45</u>	500	8	19	
250/500	[19] <u>20</u>	[45] <u>47</u>	750	10	24	
500/500	[20] <u>21</u>	[47] <u>50</u>	1,000	11	26	
500/1,000	[21] <u>22</u>	[50] <u>52</u>				
1,000/1,000	[22] <u>23</u>	[52] <u>54</u>				



14. MISCELLANEOUS COVERAGES (Cont'd)

B. Combined Uninsured/Underinsured Motorists Coverage

1. b. Rates

Combined Uninsured/Underinsured Motorists coverage is available at the following limits with rates per policy shown:

	B.I. Limits		P.D. Limits		
	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy	
\$ 50/100	\$ [18] <u>18</u>	\$ [42] <u>42</u>	\$ 25	\$ 2	\$ 5
100/200	[31] <u>31</u>	[73] <u>73</u>	50	3	7
100/300	[36] <u>37</u>	[85] <u>87</u>	100	4	9
300/300	[47] <u>49</u>	[110] <u>116</u>	250	6	14
250/500	[57] <u>58</u>	[135] <u>137</u>	500	8	19
500/500	[78] <u>80</u>	[184] <u>189</u>	750	10	24
500/1,000	[90] <u>91</u>	[213] <u>215</u>	1,000	11	26
1,000/1,000	[101] <u>103</u>	[238] <u>243</u>			

19. MISCELLANEOUS TYPES (Cont'd)

- B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes.

LIABILITY COVERAGES ONLY

1. Such vehicles with engine size of 324 cubic centimeters or less shall be rated at 20% of the applicable private passenger rate. (Class Code - Motorcycles 951000; Others 960000)
2. Such vehicles with engine size of 325 cubic centimeters or more shall be rated at [37%] 36% of the applicable private passenger rate. (Class Code - Motorcycles 952000; Others 961000)

Matter underlined is new; matter in brackets [ ] is deleted.

PERSONAL AUTO MANUAL

NORTH CAROLINA

PRIMARY CLASSIFICATION RATING FACTORS

Coverage	Pleasure Use	Drive to or From Work		Business Use	Farm Use
	(1A)	Less Than 10 Miles (1B)	10 or More Miles (1C)	(3)	(1AF)
BI, PD and Med. Pay.	1.00	1.05	1.05	[1.10] <u>1.05</u>	.80
Collision	1.00	1.10	[1.15] <u>1.10</u>	[1.15] <u>1.10</u>	.80
Comprehensive, Fire, Theft and C.A.C.	1.00	1.20	1.25	1.30	.85

Add the following rating factors to the Primary Rating Factor

No Inexperienced Operator			
Single or Multi-Car Risk	BI, PD and Med. Pay	Collision	Comprehensive, Fire, Theft and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.30	Factor -0.10

Matter underlined is new; matter in brackets [ ] is deleted.

INEXPERIENCED OPERATOR				
Single or Multi-Car Risks		BI, PD and Med. Pay.	Collision	Comprehensive Fire, Theft & CAC
Single Car	<b>Principal Operator Licensed For:</b>			
	Less Than One Year	Factor <del>[+3.00]</del> <u>+3.25</u>	Factor <del>[+3.00]</del> <u>+3.25</u>	Factor <del>[+0.50]</del> <u>+0.55</u>
	Less Than Two Years	Factor +1.60	Factor <del>[+1.60]</del> <u>+1.75</u>	Factor <del>[+0.50]</del> <u>+0.55</u>
	Less Than Three Years	Factor +1.25	Factor <del>[+1.25]</del> <u>+1.50</u>	Factor <del>[+0.50]</del> <u>+0.55</u>
	<b>Occasional Operator Licensed For:</b>			
	Less Than One Year	Factor +2.00	Factor <del>[+2.00]</del> <u>+2.25</u>	Factor +0.20
Less Than Two Years	Factor <del>[+1.10]</del> <u>+1.05</u>	Factor +1.10	Factor +0.20	
Less Than Three Years	Factor <del>[+0.90]</del> <u>+0.85</u>	Factor +0.90	Factor +0.20	
Multi-Car	<b>Principal Operator Licensed For:</b>			
	Less Than One Year	Factor <del>[+2.65]</del> <u>+2.90</u>	Factor <del>[+2.70]</del> <u>+2.95</u>	Factor <del>[+0.40]</del> <u>+0.45</u>
	Less Than Two Years	Factor +1.25	Factor <del>[+1.30]</del> <u>+1.45</u>	Factor <del>[+0.40]</del> <u>+0.45</u>
	Less Than Three Years	Factor +0.90	Factor <del>[+0.95]</del> <u>+1.20</u>	Factor <del>[+0.40]</del> <u>+0.45</u>
	<b>Occasional Operator Licensed For:</b>			
	Less Than One Year	Factor +1.65	Factor <del>[+1.70]</del> <u>+1.95</u>	Factor +0.10
Less Than Two Years	Factor <del>[+0.75]</del> <u>+0.70</u>	Factor +0.80	Factor +0.10	
Less Than Three Years	Factor <del>[+0.55]</del> <u>+0.50</u>	Factor +0.60	Factor +0.10	