



October 16, 2003

CIRCULAR LETTER TO ALL MEMBER COMPANIES
VIA E-MAIL

Re: Personal Auto Policy Program
Revised Uninsured and Combined
Uninsured/Underinsured Motorist Coverage
Rates

The Commissioner of Insurance has approved revisions to the Uninsured Motorist Coverage and Combined Uninsured/Underinsured Motorist Coverage rates as a result of House Bill 1023. This revision has been approved for use by all member companies of the North Carolina Rate Bureau and the North Carolina Reinsurance Facility on a mandatory basis.

By Circular Letter to All Member Companies A-03-4 dated October 2, 2003, the Rate Bureau announced the approval of the NC 00 12 01 04 - Amendatory Endorsement - North Carolina to become effective with policies effective on or after January 1, 2004. This rate revision is a result of the revisions in the NC 00 12.

In that regard, please find enclosed a revised manual rule which reflects the new rates.

This revision is to become effective in accordance with the following Rule of Application:

This change becomes effective with respect to policies effective on or after January 1, 2004.

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

Very truly yours,

Wayne B. Hinton

Automobile Manager

WBH:dp

Enclosures

A-03-5

13. SUSPENSION (Cont'd)

- E. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage for liability only, afforded without separate premium charge may be continued in force. 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.
- F. Insurance covering a private passenger auto which is withdrawn from service for a period of at least thirty (30) consecutive days because of a strike, may be suspended. Pro rata return premium on such vehicles shall be granted in accordance with Section (C) provided the insured furnishes the company with a letter requesting the return premium. The letter shall be written on the insured's letterhead, signed by an executive of the company and shall include the following:
 1. A description of each auto.
 2. The dates between which it was laid up because of the strike.
 3. A statement by the insured that he agrees to reimburse the company for any payment made by the company on account of any accident, claim or suit involving a coverage for an auto described in the letter for which return premium has been allowed by the company.

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 either:

- Elected to purchase Combined Uninsured/Underinsured Motorists Coverage; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

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 Vehicle* Policy | \$ 46 <u>17</u> |
| Multi-Vehicle* Policy | \$ 38 <u>40</u> |

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

b. Increased Limits

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

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

B.I. UM Coverage

| | Single Vehicle* Policy | Multi-Vehicle* Policy |
|-------------|----------------------------|----------------------------|
| \$ 30/60 | \$ 44 <u>15</u> | \$ 33 <u>35</u> |
| 50/100 | 45 <u>16</u> | 35 <u>38</u> |
| 100/200 | 46 <u>17</u> | 38 <u>40</u> |
| 100/300 | 47 <u>18</u> | 40 <u>42</u> |
| 300/300 | 49 <u>20</u> | 45 <u>47</u> |
| 250/500 | 20 <u>21</u> | 47 <u>50</u> |
| 500/500 | 24 <u>22</u> | 50 <u>52</u> |
| 500/1,000 | 22 <u>23</u> | 52 <u>54</u> |
| 1,000/1,000 | 23 <u>24</u> | 54 <u>57</u> |

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.

14. MISCELLANEOUS COVERAGES (Cont'd)

c. 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 |

B.1. Combined Uninsured/Underinsured Motorists Coverage

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

Combined Uninsured/Underinsured 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 limits not greater than \$30,000/\$60,000; or
- Specifically rejected this coverage in writing and elected to purchase Uninsured Motorists Coverage ONLY; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Limits

Combined Uninsured/Underinsured Motorists Coverage limits are available only at Bodily Injury limits higher than \$30,000/60,000 and with Property Damage limits at \$25,000 or with a limit not to exceed the Property Damage Liability limit afforded by the policy. The Property Damage coverage applies only on an Uninsured Motorists basis and is subject to an exclusion of the first \$100 of damage.

Refer to Uninsured Motorists Coverage ONLY for \$30/60/25 limits.

b. Rates

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

B.I. UM/UIM Coverage

| | Single Vehicle* Policy | Multi-Vehicle* Policy |
|-------------|---------------------------|--------------------------|
| \$ 50/100 | \$ 48 19 | \$ 42 45 |
| 100/200 | 34 32 | 73 75 |
| 100/300 | 37 38 | 87 89 |
| 300/300 | 49 50 | 116 118 |
| 250/500 | 58 59 | 137 140 |
| 500/500 | 80 81 | 189 191 |
| 500/1,000 | 94 92 | 245 217 |
| 1,000/1,000 | 103 104 | 243 246 |

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

Attach the applicable endorsement.