

November 26, 2007

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: New Amendatory Endorsement
Personal Auto Policy

The Commissioner of Insurance has recently approved, on behalf of all member companies of the North Carolina Rate Bureau, a new Amendatory Endorsement NC 00 10 10 07 to be used with the Personal Auto Policy on a mandatory basis.

With the enactment of House Bill 729, General Statute 58-37-50 was amended to include an additional reason for cancellation of liability coverages. As a result, Amendatory Endorsement NC 00 10 is being introduced to include this additional reason for cancellation.

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

This amendment becomes effective on an optional basis with respect to policies effective on or after November 26, 2007 and it becomes effective for use on a mandatory basis with respect to policies effective on or after February 1, 2008. Individual companies implementing this change prior to February 1, 2008 are required to notify the Department of Insurance of the actual implementation date in writing.

If you have any questions concerning this matter, please feel free to contact me.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms
A-07-2
Enclosure

Amendatory Endorsement

Part F – GENERAL PROVISIONS

Part F is amended as follows:

Termination – Cancellation, Nonrenewal, Automatic Termination, Other Termination Provisions is amended by adding the following to paragraph 4 of the **Cancellation Provision**:

- g. The named insured is no longer an eligible risk under G.S. 58-37-1.