July 31, 2009

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Resolution of 2008 and 2009 Private
Passenger Automobile Rate Filing Cases

By Circular Letter To All Member Companies A-09-6 dated July 16, 2009, this Bureau announced the settlement of the 2008 and 2009 private passenger automobile rate filing cases and provided the resulting approved base rates, rating factors, etc. As noted in that circular, the terms of the Settlement Agreement and Consent Order in the 2008 private passenger automobile rate filing case provide that member companies shall refund to policyholders that portion of the premium collected on each policy which exceeds the premium which would have resulted on each policy using the rates approved in that settlement agreement, along with interest. For those companies whose systems have been maintained to work from the differences between the rates as implemented and the rates as approved, please find in the attached Exhibit A refund factors that, when applied to the appropriate base rate implemented by the Rate Bureau effective January 1, 2009, result in the actual amount by which the Rate Bureau's implemented base rate exceeds the base rate approved in the settlement agreement.

Please note that the approved increased limits factors differ from the Rate Bureau's implemented increased limits factors and that appropriate calculations must therefore be made for policies on which the bodily injury and property damage coverages were written at higher limits. Note that these calculations can possibly result in refunds being due even in situations where there is little or no difference between the implemented and approved base rates. (For example, for Motorcycles, where there is no difference in the implemented and approved rate level changes and the refund factor is 0.000 for the basic limits rates, there could possibly be refunds due if the bodily injury and property damage coverages were written at higher limits.)

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:dms

Attachments

A-09-7

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

CALCULATION OF REFUND FACTORS - RATES EFFECTIVE 1/1/2009

Terr Code	(1) Implemented $30,000/60,000 Bodily Injury	(2) Settled $30,000/60,000 Bodily Injury	(3) 1.0-[(2)/(1)] Refund Factor*
11	$138	$134	0.029
13	203	198	0.025
14	193	188	0.026
15	211	206	0.024
16	187	183	0.021
17	218	213	0.023
18	176	171	0.028
24	158	155	0.019
25	216	211	0.023
26	249	243	0.024
31	197	192	0.025
32	162	158	0.025
33	197	192	0.025
40	256	250	0.023
41	198	193	0.025
43	191	186	0.026
47	204	199	0.025
51	156	153	0.019
52	220	214	0.027

Terr Code	(1) Implemented $25,000 Property Damage	(2) Settled $25,000 Property Damage	(3) 1.0-[(2)/(1)] Refund Factor*
11	$182	$167	0.082
13	215	198	0.079
14	205	188	0.083
15	200	183	0.085
16	212	194	0.085
17	221	202	0.086
18	188	172	0.085
24	163	150	0.080
25	203	186	0.084
26	179	165	0.078
31	190	174	0.084
32	176	161	0.085
33	163	150	0.080
40	226	207	0.084
41	208	191	0.082
43	171	157	0.082
47	167	153	0.084
51	199	182	0.085
52	226	207	0.084

* Refund factor is for basic limits rates only. For higher limits of coverage, apply the appropriate increased limits factors to the implemented and settled base rates, respectively, prior to determining the refund factor as follows:
Refund Factor = 1.000 - [(Settled Rate)(Settled ILF)/(Implemented Rate)(Implemented ILF)]

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CALCULATION OF REFUND FACTORS - RATES EFFECTIVE 1/1/2009

Terr Code	(1) Implemented $500 Medical Payments	(2) Settled $500 Medical Payments	(3) 1.0-[(2)/(1)] Refund Factor
11	$17	$16	0.059
13	24	24	0.000
14	23	23	0.000
15	25	25	0.000
16	22	23	-0.045
17	26	26	0.000
18	21	21	0.000
24	19	19	0.000
25	26	26	0.000
26	30	30	0.000
31	24	24	0.000
32	19	19	0.000
33	24	24	0.000
40	31	31	0.000
41	24	24	0.000
43	23	23	0.000
47	25	24	0.040
51	19	19	0.000
52	26	26	0.000

	Implemented Single Car UMBI&PD	Settled Single Car UMBI&PD	Refund Factor		Implemented Multi Car UMBI&PD	Settled Multi Car UMBI&PD	Refund Factor
30/60/25	$15	$16	-0.067		$36	$38	-0.056

	Implemented Single Car UMBI	Settled Single Car UMBI	Refund Factor		Implemented Multi Car UMBI	Settled Multi Car UMBI	Refund Factor
30/60	13	14	-0.077		31	33	-0.065
50/100	14	15	-0.071		33	35	-0.061
100/200	16	17	-0.063		38	40	-0.053
100/300	18	18	0.000		42	42	0.000
300/300	21	21	0.000		50	50	0.000
250/500	23	22	0.043		54	52	0.037
500/500	24	23	0.042		57	54	0.053
500/1000	26	25	0.038		61	59	0.033
1000/1000	28	26	0.071		66	61	0.076

	Implemented Single Car UIMBI	Settled Single Car UIMBI	Refund Factor		Implemented Multi Car UIMBI	Settled Multi Car UIMBI	Refund Factor
50/100	10	10	0.000		24	24	0.000
100/200	36	27	0.250		85	64	0.247
100/300	50	36	0.280		118	85	0.280
300/300	77	53	0.312		182	125	0.313
250/500	95	65	0.316		224	153	0.317
500/500	145	98	0.324		342	231	0.325
500/1000	165	111	0.327		389	262	0.326
1000/1000	191	127	0.335		451	300	0.335

	Implemented Single Car UM/UIMBI	Settled Single Car UM/UIMBI	Refund Factor		Implemented Multi Car UM/UIMBI	Settled Multi Car UM/UIMBI	Refund Factor
50/100	24	25	-0.042		57	59	-0.035
100/200	52	44	0.154		123	104	0.154
100/300	68	54	0.206		160	127	0.206
300/300	98	74	0.245		232	175	0.246
250/500	118	87	0.263		278	205	0.263
500/500	169	121	0.284		399	285	0.286
500/1000	191	136	0.288		450	321	0.287
1000/1000	219	153	0.301		517	361	0.302

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CALCULATION OF REFUND FACTORS - RATES EFFECTIVE 1/1/2009

Implemented Motorcycle Change	Settled Motorcycle Change	Refund Factor*
0.0%	0.0%	0.000

* Refund factor is for basic limits rates only. For higher limits of coverage, the
  refund factor is determined by calculating the ratio of the implemented and settled
  increased limits factors as follows:
  Refund Factor = 1.000 - [Settled ILF/Implemented ILF]

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CALCULATION OF REFUND FACTORS - RATES EFFECTIVE 1/1/2009

Terr Code	(1) Implemented FULL COVERAGE COMPREHENSIVE	(2) Settled FULL COVERAGE COMPREHENSIVE	(3) 1.0-[(2)/(1)] Refund Factor
11	$40	$36	0.100
13	52	46	0.115
14	44	40	0.091
15	44	39	0.114
16	43	38	0.116
17	46	41	0.109
18	44	40	0.091
24	57	52	0.088
25	47	42	0.106
26	69	62	0.101
31	53	48	0.094
32	49	44	0.102
33	79	71	0.101
40	54	49	0.093
41	57	51	0.105
43	52	47	0.096
47	50	45	0.100
51	43	38	0.116
52	52	46	0.115

Terr Code	(1) Implemented $100 DEDUCTIBLE COLLISION	(2) Settled $100 DEDUCTIBLE COLLISION	(3) 1.0-[(2)/(1)] Refund Factor
11	$235	$203	0.136
13	249	215	0.137
14	239	206	0.138
15	235	203	0.136
16	231	200	0.134
17	244	211	0.135
18	229	198	0.135
24	236	204	0.136
25	248	214	0.137
26	256	221	0.137
31	232	200	0.138
32	226	195	0.137
33	243	209	0.140
40	295	255	0.136
41	290	250	0.138
43	235	203	0.136
47	232	200	0.138
51	229	198	0.135
52	261	225	0.138

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CALCULATION OF REFUND FACTORS - RATES EFFECTIVE 1/1/2009

	Implemented BI ILF	Settled BI ILF
30/60	1.00	1.00
50/100	1.21	1.18
100/100	1.37	1.31
100/200	1.46	1.39
100/300	1.48	1.40
300/300	1.74	1.62
250/500	1.79	1.66
500/1000	2.01	1.85
1000/1000	2.14	1.96
1000/2000	2.21	2.02

	Implemented PD ILF	Settled PD ILF
25,000	1.000	1.000
35,000	1.003	1.005
50,000	1.006	1.010
100,000	1.018	1.030
250,000	1.035	1.059
500,000	1.068	1.113
750,000	1.092	1.153
1,000,000	1.121	1.202