

January 5, 2012

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Automobile Manual Revisions  
Rule 12 - Rules For Determining Physical Damage  
Base Rates For Symbols Not Displayed On State  
Rate Pages

The Commissioner of Insurance has approved on behalf of all members companies of the North Carolina Rate Bureau, a revision to Rule 12 - Rules For Determining Physical Damage Base Rates For Symbols Not Displayed On State Rate Pages in the Personal Automobile Manual. This revision is designed to track the revisions in the model year and symbol relativities announced in the Circular Letter to All Member Companies A-11-6 dated November 9, 2011.

In that regard, please find attached a copy of the revised Rule 12.

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

This revision becomes effective with respect to all new and renewal policies written to become effective on or after April 1, 2012.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms  
Attachment  
A-12-1

Material underlined in new; material ~~struck through~~ is deleted

## 12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES

### A. Other Than Collision

#### 1. 2011 and Subsequent Model Year Vehicles - Symbol 98 Vehicles

Develop the Comprehensive Base Rates for Symbol 98 vehicles by:

- a. ~~Increasing the factor for Symbol 70 by +1.05 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and Increasing the factor applicable to Symbol 70 of the model year of the vehicle by +1.05 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 11 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 11 rate for the base model year on the state rate pages.~~

#### 2. 1990-2010 Model Years - Symbol 27 Vehicles

Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- a. ~~Increasing the factor for Symbol 26 by +1.06 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and Increasing the factor applicable to Symbol 26 of the model year of the vehicle by +1.06 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 8 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 11 rate for the base model year on the state rate pages.~~

#### 3. 1982 and Prior Model Year Vehicles

- a. 1976-1982 Symbol 14 Vehicles  
Apply the factor 3.19 to the Symbol 7 Base Rate.
- b. 1975 and Prior Vehicles above \$10,000  
Increase the Symbol 7 Base Rate by 20% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

### B. Collision

#### 1. 2011 and Subsequent Model Year Vehicles - Symbol 98 Vehicles

Develop the Collision Base Rates for Symbol 98 vehicles by:

- a. ~~Increasing the factor for Symbol 70 by +.10 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost, and Increasing the factor applicable to Symbol 26 of the model year of the vehicle by +.10 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 11 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 11 rate for the base model year on the state rate pages.~~

#### 2. 1990-2010 Model Years - Symbol 27 Vehicles

Develop the Collision Base Rates for Symbol 27 vehicles by:

- a. ~~Increasing the factor for Symbol 26 by +.10 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and Increasing the factor applicable to Symbol 70 of the model year of the vehicle by +.10 for each \$10,000 or fraction of \$150,000 above \$80,000 of Original Cost, and~~
- b. ~~Applying this factor to the Symbol 8 Base Rate on the state rate pages for the applicable Model Year. Applying this factor to the Symbol 11 rate for the base model year on the state rate pages.~~

#### 3. 1982 and Prior Model Year Vehicles

- a. 1976-1982 Symbol 14 Vehicles  
Apply the factor 2.29 to the Symbol 7 Base Rate.
- b. 1975 and Prior Vehicles above \$10,000  
Increase the Symbol 7 Base Rate by 5% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

### C. Original Cost means:

1. Original F.O.B. List Price for autos built in U.S.
2. Original Cost New in U.S. for specially built autos.
3. Original Cost New in U.S. for imported autos.