

NORTH CAROLINA RATE BUREAU

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October 24, 1994

CIRCULAR LETTER TO ALL MEMBER COMPANIES

IMPORTANT NOTICE

Re: Revised Classification and Sub-Classification Plans Rating Factors

The North Carolina Commissioner of Insurance has approved, effective January 1, 1995, revised private passenger automobile insurance classification and sub-classification plans rating factors filed by the Rate Bureau on behalf of its member companies and on behalf of the North Carolina Reinsurance Facility.

By Circular Letters to All Member Companies dated November 9, 1993, February 2 and April 12, 1994, member companies were provided with advanced information regarding the revised factors and advised to begin taking appropriate steps to implement the revised classification and sub-classification plans rating factors as soon as you were instructed to do so by the Rate Bureau.

Enclosed is a memorandum which sets forth the revised classification and sub-classification plans rating factors which should be implemented in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies written on or after January 1, 1995 and to all policies written before January 1, 1995 which will become effective on or after February 15, 1995. No policy effective prior to January 1, 1995 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 January 1, 1995.

Please see to it that this circular letter and enclosed material are brought to the attention of all interested personnel in your Company and that appropriate steps are taken to implement these changes in accordance with the above Rule of Application.

Very truly yours,

John W. Watkins

General Manager

JWW:lg

Enclosures

A-94-16