

NORTH CAROLINA RATE BUREAU

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February 17, 1995

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**IMPORTANT
MATERIAL**

Re: North Carolina Department of Insurance - Legal Directive

On February 10, 1995, the North Carolina Department of Insurance issued its Legal Directive No. 95-D-1 to the member companies of this Rate Bureau. The Directive which was issued to the President deals with the Insurance Department's guidelines for refunding premiums to be escrowed in connection with the revised private passenger automobile insurance rates implemented effective January 1, 1995 as a result of the Rate Bureau's February 1, 1994 rate filing.

The Insurance Department's Directive refers to the "Commissioner's ordered rates" and since our member companies were not provided with such rates, the Rate Bureau is, attached hereto, providing member companies with exhibits setting forth the base rates by territory (when applicable) ordered into effect by the Insurance Commissioner effective January 1, 1995 and the base rates by territory (when applicable) implemented by the Rate Bureau effective January 1, 1995. Also displayed are the factors which, when applied to the base rates implemented by the Rate Bureau, result in the actual amounts by which the Rate Bureau's implemented base rates exceed the base rates ordered by the Commissioner. As we have previously advised, the class and limits factors and relativities filed and implemented by the Rate Bureau were approved by the Commissioner and are not in dispute. Therefore, we have not displayed differences between ordered and implemented rates for other than the base rates.

Very truly yours,

John W. Watkins

General Manager

JWW:lg

Enclosure1

Enclosure2

Enclosure3

A-95-2