

NORTH CAROLINA RATE BUREAU

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November 22, 1996

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Amendments - Rule 2

Personal Auto Manual

House Bill 1199, which was enacted during the 1996 Session of the North Carolina General Assembly, changes the definition of Anonfleet@ motor vehicle as set forth in G.S. 58-40-10(2) and provides that the Rate Bureau shall adopt and file rules dealing with rating more than four private passenger motor vehicles on a nonfleet basis.

The Commissioner of Insurance has approved amendments to Rule 2 in the Personal Auto Manual which were filed on behalf of the member companies of this Rate Bureau and the North Carolina Reinsurance Facility designed to comply with the provisions of House Bill 1199. Enclosed herewith is a memorandum which sets forth the approved amendments.

In accordance with Section 4 of House Bill 1199, these amendments become effective January 1, 1997 in accordance with the following Rule of Application:

These changes apply to all policies written on or after January 1, 1997.

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

Very truly yours,

John W. Watkins

General Manager

JWW:lg

Enclosure

A-96-7