

NORTH CAROLINA RATE BUREAU

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August 28, 2000

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Refunds arising out of the Settlement of the 1994 Automobile Rate Filing

The Department of Insurance has advised the Rate Bureau that it is receiving inquiries from consumers indicating that "the insurance companies and agents are advising consumers that they know nothing about a refund." The Department of Insurance has requested that the Rate Bureau "send a circular letter to its members instructing them on the basics of the refunds and requesting that representatives and appointed agents be informed about this matter."

Please refer to the Rate Bureau's Circular Letter to All Member Companies A-00-3 dated March 15, 2000 for information and procedures on refund of a portion of escrowed premiums in connection with the Rate Bureau's 1994 Automobile Rate Filing case. While amounts of refunds will vary among companies depending upon applicable deviations, please endeavor to make sure that your agents and representatives are advised of the basics of these refunds as they apply to your Company and insureds.

Very truly yours,

John W. Watkins

General Manager

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A-00-7