

January 28, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Private Passenger Auto Territory Definitions

By Circular Letter to All Member Companies A-15-2 dated January 26, 2015, the Rate Bureau announced the approval of revised auto territory definitions, revised base rates for each of the revised territories and revised Rule 21 of the Personal Auto Manual. It has been noted that the revised Rule 21 was inadvertently omitted from the material included in that circular.

In that regard, please find attached the revised Rule 21 of the Personal Auto Manual.

These changes are to become effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies written to become effective on or after October 1, 2015.

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

Attachments

A-15-3

North Carolina Personal Auto Manual

21. STATE RATE, TERRITORY SHEETS/RATING TERRITORIES

A. The Rate Pages display rates by territory.

B. A rating territory is a geographical area defined in terms of U.S. Postal Service (USPS) ZIP codes, as shown on the Territory Definitions pages.

1. Determine the applicable rating territory based on the ZIP code of the location of principal garaging of the vehicle. If the ZIP code of the mailing address differs from the ZIP code of the location of principal garaging, use the ZIP code of the garaging location to assign the rating territory.

2. An insured's rates shall not be changed solely because the United States Postal Service (USPS) changed his or her ZIP code and the physical boundaries of a rating territory shall be determined by the ZIP code boundaries in effect at the time of the latest filing defining the territory.

Territory boundaries in North Carolina are concurrent with USPS ZIP Code boundaries in effect as of July, 2014. If the USPS introduces a new ZIP code or realigns a ZIP code boundary after July, 2014, assign the rating territory based on the ZIP code boundary that formerly applied to the garaging address before the USPS changed the ZIP code.

~~A. The state rate sheets show rates by territory.~~

~~B. The territory sheets contain the definitions of the territorial divisions into which the state is divided and show for each territory the statistical code and the number of the rate schedule on the state rate sheets to be used.~~

~~1. Each territory as defined embraces a certain area, usually a city and its surroundings. In many cases the area so defined includes several smaller cities, towns, and villages. The following provisions are applicable in this connection:~~

~~a. Any city, town, or village not specifically mentioned as included within a defined territory but which is inside of the boundary of the area so defined, shall take the territory schedule for that defined territory.~~

~~b. If a city, town, or village extends into more than one defined territory, the territory schedule for the higher rated territory applies to the entire city, town, or village.~~

~~c. Unless otherwise indicated, if a street, avenue or other public way serves as a dividing line between two territories, except when the public way serves as a boundary line of any political subdivision (state, county, township, city, town, village, etc.), the rates applicable to the lower rated of the two territories shall apply to autos principally garaged on either side of such street or avenue.~~

~~2. The territory sheets also contain a list of Important Cities and Towns in a state indicating the counties in which such towns are located and the territories to which they are assigned. The rate territory for a town not listed should be determined as follows:~~

~~a. Ascertain the county in which the town is located.~~

~~b. If the name of the county is included in the list of territory definitions for the state as divided into two or more rate territories, it will be necessary to refer to a map to determine in which of the rate territories the town belongs.~~

~~c. If the county is not so listed, then the entire county and all towns in it take the rates for the Remainder of State schedule.~~